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RIVERINE CHINA HOLDINGS LIMITED

浦江中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1417)

DISCLOSEABLE TRANSACTION ACQUISITION OF 8% OF THE EQUITY INTERESTS IN A JOINT VENTURE COMPANY

THE ACQUISITION

The Board is pleased to announce that on 20 September 2019 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, the Vendor and the JV Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Equity Interests, representing 8% of the equity interests of the JV Company, for the Consideration upon and subject to the terms and conditions of the Equity Transfer Agreement. Upon Completion, the JV Company will become an indirect non-wholly owned subsidiary of the Company and will be owned as to 58%, 30% and 12% by the Purchaser, Shareholder A and the Vendor respectively.

Following completion of the Acquisition, the JV Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

GENERAL

As Completion is subject to fulfilment or waiver (as the case may be) of the Conditions Precedent to the Equity Transfer Agreement and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 20 September 2019 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, the Vendor and the JV Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Equity Interests, representing 8% of the equity interests of the JV Company, for the Consideration upon and subject to the terms and conditions of the Equity Transfer Agreement.

THE PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

Summarised below are the principal terms of the Equity Transfer Agreement:

Date: 20 September 2019 (after trading hours)

Parties: (i) Vendor : Beijing Ao Zhong Kun Lun Business Consultancy Company Limited* (北京澳中昆侖商務諮詢有限公司)

(ii) Purchaser : Shanghai Pujiang Property Company Limited, an indirect wholly-owned subsidiary of the Company

(iii) Other party : the JV Company

(collectively the “Parties”)

As at the date of this announcement, the JV Company is owned as to 50%, 30% and 20% as to the Purchaser, Shareholder A and the Vendor respectively. Upon Completion, the JV Company will be owned as to 58%, 30% and 12% by the Purchaser, Shareholder A and the Vendor respectively.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Nature of the transaction and business to be acquired

Pursuant to the Equity Transfer Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Equity Interests for the Consideration in cash. Upon completion of the Acquisition, (a) the Purchaser will own 58% of the equity interests of the JV Company; and (b) the JV Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the Group’s financial statements.

The JV Company is principally engaged in the provision of property management services to government properties, public properties and office buildings in Anhui province.

Consideration

The Consideration for the Acquisition is RMB741,019 and shall be payable by the Purchaser in cash within seven (7) Business Days upon the Purchaser receiving a written notice from the Vendor confirming that all the Conditions Precedent have been satisfied (or waived) and enclosing documentary evidence of the same.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the equity interests of the shareholders of the JV Company as set out in the audited report of the JV Company as at 31 December 2018 prepared by a PRC accounting firm appointed by the JV Company.

Conditions Precedent to the Acquisition

Completion is subject to and conditional upon the satisfaction in full or the waiver in writing given by the Purchaser (at the sole and absolute discretion of the Purchaser) of the following conditions (collectively the “**Conditions Precedent**”) (where appropriate):

- (1) Signing of legal documents. Signing and execution of the Equity Transfer Agreement and all necessary transaction documents (including documents required to be submitted to the local Administration for Industry and Commerce Bureau and/or market supervision and administration bureau of the PRC) to the satisfaction of all Parties in form and substance;
- (2) External approval and authorisation. All Parties having obtained all permits, consents, approvals and authorisations from all necessary third parties or other government authorities, including all necessary approvals from the Stock Exchange and/or the SFC in connection with the Acquisition and relevant announcements and circulars (if necessary);
- (3) Internal approval and authorisation. All Parties having obtained approval by their respective shareholders and/or directors to approve the Acquisition and the execution of the Equity Transfer Agreement. In particular, the Purchaser having to obtain the approval and authorisation from the Company;
- (4) Completion of registration of the Acquisition at the local Administration for Industry and Commerce Bureau. All Parties having completed the Acquisition and registering the relevant documents at the local Administration for Industry and Commerce;
- (5) Representations and warranties. All the information provided by, as well as the representations and warranties given by the Vendor under the Equity Transfer Agreement remain true, complete, accurate and not misleading in all material respects as at Completion Date.

Each of the Parties shall use its best endeavours to procure the fulfilment of the Conditions Precedent within twenty (20) Business Days upon signing of the Equity Transfer Agreement (the “**Relevant Period**”) or to a later date to be agreed by the Purchaser. If any of the Conditions Precedent could not be fulfilled due to fault on the part of the Vendor for over twenty (20) Business Days after the expiration of the Relevant Period and such Conditions Precedent are not waived by the Purchaser or the Relevant Period is not extended by the

Purchaser, the Purchaser has the right to rescind the Equity Transfer Agreement upon giving written notice to the other Parties. If any of the Conditions Precedent is not fulfilled due to fault of the Vendor, the Vendor shall be liable to pay damages to the Purchaser for all loss suffered by the Purchaser and be responsible for other liabilities under the law for breach of the Equity Transfer Agreement.

COMPLETION

The Acquisition shall be deemed to be completed upon the Purchaser pays the Consideration to the Vendor. Following the completion of the Acquisition, the JV Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements.

FINANCIAL INFORMATION OF THE JV COMPANY

For the financial years ended 31 December 2017 and 31 December 2018, the audited financial information of the JV Company prepared pursuant to the Generally Accepted Accounting Principles of the PRC is as follows:

	For the financial year ended 31 December 2018 (audited) RMB'000	For the financial year ended 31 December 2017 (audited) RMB'000
Turnover	33,654	34,521
Net profit before taxation	4,605	4,170
Net profit after taxation	3,409	3,117
Total assets	21,917	24,737
Net Assets	9,786	9,337

INFORMATION ABOUT THE JV COMPANY

The JV Company is a company incorporated in the PRC on 13 September 2004 with limited liability. The JV Company is principally engaged in the provision of property management services for government properties, public properties and office buildings in Anhui province.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a property management service provider in the PRC. It has been the Group's strategy to cooperate with other reputable property management service providers in forming mutually beneficial business relationships in order to complement the businesses of each other and share resources, so as to create synergy and diversify the Group's financial exposure and ultimately, to enhance the Group's long-term business growth and generate increased return to the Shareholders. The Group expects that by acquiring a majority interest in the JV Company, the Group will further strengthen its business and investment portfolio.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Acquisition is made on normal commercial terms and the terms contained therein are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5%, but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules, and is therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of Sale Equity Interests from the Vendor as contemplated under the Equity Transfer Agreement
“Board”	the board of Directors of the Company
“Business Day(s)”	a day other than any Saturday, Sunday or public holiday in the PRC
“Company”	Riverine China Holdings Limited, a company incorporated under the laws of the Cayman Islands, shares of which are listed on the Stock Exchange (Stock code: 1417)
“Completion”	completion of the transfer of Sale Equity Interests in accordance with the Equity Transfer Agreement
“Completion Date”	the day on which the Purchaser pays to the Vendor the Consideration
“Conditions Precedent”	the conditions precedent set out under the section headed “Conditions Precedent to the Acquisition” in this announcement
“Consideration”	the sum of RMB741,019, being the total consideration of the Acquisition
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 20 September 2019 and entered into between the Vendor, the Purchaser and the JV Company in relation to the Acquisition
“Group”	collectively the Company and its subsidiaries, including the JV Company upon Completion

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent and not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates and not otherwise a connected person of the Company
“JV Company”	Bengbu Zhi Xin Property Company Limited* (蚌埠市置信物業有限公司), a company incorporated in the PRC and is a joint venture company owned as to 50% by the Purchaser before the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Shanghai Pujiang Property Company Limited* (上海浦江物業有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Sale Equity Interests”	means 8% of the equity interests of the JV Company
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of issued share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder A”	Bengbu Investment Group Company Limited* (蚌埠投資集團有限公司), a company incorporated in the PRC and is an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“RMB”	Renminbi, the lawful currency of the PRC
“Vendor”	Beijing Ao Zhong Kun Lun Business Consultancy Company Limited* (北京澳中昆侖商務諮詢有限公司), a company incorporated in the PRC and is an Independent Third Party
“%” or “per cent”	per cent

By order of the Board
Riverine China Holdings Limited
Xiao Xingtao
Chairman

Hong Kong, 20 September 2019

* *the English transliteration is for identification purpose only.*

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Xiao Xingtao (Chairman), Mr. Fu Qichang, Mr. Xiao Yuqiao and Mr. Jia Shaojun; one non-executive director, namely Mr. Zhang Yongjun; and three independent non-executive Directors, namely Mr. Cheng Dong, Mr. Weng Guoqiang and Mr. Shu Wa Tung Laurence.