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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)

VOLUNTARY ANNOUNCEMENT POTENTIAL ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Company announced that on 11 January 2019, the Company, through Shanghai Pujiang, entered into the LOI with the Vendors and the Target whereby Shanghai Pujiang intended to acquire 51% equity interest in the Target from the Vendors and inject the Proposed Investment Sum into the Target to fund its operations. The Target is engaged in the business of property cleaning, environmental hygiene services, maintenance of marble and greening maintenance and has businesses in regions where the Group currently does not have a presence. The businesses of the Target complement the businesses of the Group. As a result, by acquiring a majority interest in the Target, the Group could integrate the resources of the Target to strengthen its businesses and market position and expand its scope of services and customer base. The Proposed Transaction will create synergy for the Group.

The LOI was entered into between Shanghai Pujiang, the Vendors and the Target in furtherance to the Original LOI, whereby the Vendors proposed to sell and Shanghai Pujiang proposed to purchase 10% equity interest in the Target. Under the LOI, the Parties proposed that the Vendors shall sell and Shanghai Pujiang shall purchase 51% equity interest in the Target from the Vendors.

Pursuant to the Original LOI, Shanghai Pujiang had paid an earnest money in the sum of RMB3,000,000 to the Vendors and advanced a loan in the sum of RMB7,000,000 to the Target, and such sum is secured by the equity pledge of 30% equity interest in the Target by the Vendors and the personal guarantee executed by the ultimate controlling shareholder of the Target. Upon signing of the LOI, the Vendors shall further pledge 21% equity interest in the Target to Shanghai Pujiang. Upon registration of the pledge of 51% equity interest in the Target in favour of Shanghai Pujiang, the personal guarantee shall be terminated.

Further, according to both the Original LOI and the LOI, there is an exclusivity period of 120 days commencing from the date of payment of the earnest money by Shanghai Pujiang. During such exclusivity period, the Vendors and the Target, their respective associates, senior management, directors or representatives could not transfer the interest in the Target to any third party nor could they negotiate the terms to transfer the interest in the Target with any third party, unless with the prior written consent of Shanghai Pujiang.

PROPOSED CONSIDERATION AND ADJUSTMENT

The Proposed Consideration comprise the Proposed Investment Sum and the Proposed Transfer Price, payable by cash by Shanghai Pujiang. The Proposed Transfer Price is subject to adjustment. If the Performance Guarantee for the financial year of 2018, 2019 or 2020 is not fulfilled, the Proposed Transfer Price will be adjusted accordingly upon the terms of the Formal Agreement. The terms of the Proposed Consideration and adjustment of the Proposed Transfer Price are being negotiated by the Parties.

CONDITIONS PRECEDENT

The Parties agree that the Proposed Transaction shall not take place unless the conditions precedent (the “**Conditions Precedent**”) are satisfied, including the following:

- (i) Shanghai Pujiang has obtained necessary internal approval and authorization in relation to the Proposed Transaction;
- (ii) the personal guarantee has been executed by the ultimate controlling shareholder of the Target;
- (iii) the Vendors having pledged 51% equity interest in the Target in favour of Shanghai Pujiang and register the same;
- (iv) such other conditions precedent as set out in the Formal Agreement.

REFUND OF EARNEST MONEY AND LOAN ADVANCED TO THE TARGET

It is provided in both the Original LOI and the LOI that should the Parties fail to reach an agreement on the results of the due diligence review of the Target by Shanghai Pujiang or the terms of the Formal Agreement, Shanghai Pujiang had the right to unilaterally terminate the Original LOI and the LOI and demand the Vendors to return the earnest money paid to the Vendors in the sum of RMB3,000,000 and the loan advanced to the Target in the sum of RMB7,000,000 without interest to Shanghai Pujiang within five days upon receiving its notice.

To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiry, each of the Vendors, the Target and the ultimate controlling shareholder of the Target is an Independent Third Party.

The terms of the Proposed Transaction are yet to be agreed among the Parties. Further announcement(s) will be made by the Company as and when required in compliance with the Listing Rules and SFO.

Shareholders and potential investors of the Company should note that the Proposed Transaction may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

DEFINITIONS

“Company”	Riverine China Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Conditions Precedent”	The conditions precedent set out in the section headed “Conditions Precedent”
“EGM”	The extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Formal Agreement and the transactions contemplated thereunder
“Formal Agreement”	The formal agreement to be entered into by Shanghai Pujiang, the Vendors and the Target pursuant to the Original LOI and the LOI in relation to the investment in the Target by Shanghai Pujiang and the acquisition of 51% equity interest in the Target by Shanghai Pujiang from the Vendors
“Group”	The Company and its subsidiaries
“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 our Company, its subsidiaries or any of their respective associates and not otherwise a connected person of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LOI”	The letter of intent entered into between Shanghai Pujiang, the Vendors and the Target on 11 January 2019 in relation to the investment in the Target by Shanghai Pujiang and the acquisition of 51% equity interest in the Target from the Vendors by Shanghai Pujiang
“Original LOI”	The initial letter of intent entered into between Shanghai Pujiang, the Vendors and the Target on 16 November 2018 in relation to the investment in the Target by Shanghai Pujiang and the acquisition of 10% equity interest in the Target from the Vendors by Shanghai Pujiang

“Performance Guarantee”	The profit guarantee given by the Vendors for the financial year of 2018, 2019 and 2020
“Proposed Acquisition”	The proposed acquisition of 51% equity interest in the Target from the Vendors by Shanghai Pujiang
“Proposed Consideration”	The Proposed Investment Sum and the Proposed Transfer Price
“Proposed Investment Sum”	The proposed investment sum to be injected by Shanghai Pujiang into the Target as registered capital upon the terms of the Formal Agreement
“Proposed Transaction”	The Proposed Acquisition and the proposed investment into the Target
“Proposed Transfer Price”	The proposed transfer price payable by Shanghai Pujiang to the Vendors for the acquisition of 51% equity interest in the Target upon the terms of the Formal Agreement
“PRC”	The People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Shanghai Pujiang”	* Shanghai Pujiang Property Co., Ltd. (上海浦江物業有限公司), a subsidiary of the Company which is established in the PRC
“Target”	A company established in the PRC, an Independent Third Party
“Vendors”	The existing shareholders of the Target who collectively own 100% interest in the Target and who are Independent Third Parties

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

Hong Kong, 11 January 2019

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.

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails*