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## **RIVERHILL HOLDINGS LIMITED**

### **山河控股有限公司\***

*(Incorporated in Cayman Islands with limited liability)  
(Stock Code: 8127)*

#### **ANNOUNCEMENT**

The board of directors of Riverhill Holdings Limited (“the Company”) announces that on 15th August 2005, Max Billion Technology Limited, a wholly owned subsidiary of the Company, entered into a three year service agreement with the Principal for the provision of services by the Consultant which enables the Company to extend its business to Beijing, China.

The board of directors also wish to give an update on the Company’s listing status.

#### **THE SERVICE AGREEMENT**

**Date:** 15th August 2005

**Parties:**

**Principal:** Beijing Zhong Fang Hao Tung Fang Wei Technology Centre (北京中防昊通防偽科技中心), an independent third party which is, to the best knowledge, information and belief of the directors of the Company having made all reasonable enquiry, not a connected person (as defined in the Listing Rules) of the Company; and

**Consultant:** Max Billion Technology Limited.

\* For identification purpose only

**The Services:**

The Principal has appointed the Consultant, for a term of three years commencing from 15th August 2005 until terminated pursuant to the Service Agreement, to provide the following services:—

- (1) To evaluate the business of the Principal and its Associated Companies and to establish a public welfare information platform which shall contain information on national quality standards for food products, safety inquiries, monitoring and enforcement, license production, sanitary licenses and food quality and safety (“the System”);
- (2) To monitor and manage the System, including its contents therein; and
- (3) To perform other duties as agreed by the Principal and the Consultant from time to time.

“Associated Companies” means any of the Principal’s subsidiaries or holding companies, any subsidiaries of any such holding company, and any company in which the Principal and any of its holding companies hold or control directly or indirectly 20% or more of the issued share capital.

**The Consultancy Fee and Expenses:**

In consideration of the provision of the above services by the Consultant, the Principal shall pay to the Consultant an annual basic expense fee of HK\$1,000,000 in addition to a consultancy fee equivalent to 10% of the Principal’s annual turnover.

The Principal has warranted that the consultancy fee:

- (i) in the first year shall not be less than HK\$8,000,000;
- (ii) in the second year shall not be less than HK\$12,000,000; and
- (iii) in the third year shall not be less than HK\$20,000,000.

**General:**

The Company and its subsidiaries (“the Group”) are principally engaged in the research, development and provision of integrated applications and solutions using GIS, RS, GPS (which the Group collectively describes as 3S), virtual reality, internet, and networking technology.

The entering into the Service Agreement by the Principal enables the Company to extend its business to Beijing, China.

## **Listing Status**

The shares of the Company have been suspended since 24th July, 2003. The Stock Exchange had requested that any resumption proposals be submitted to them at least 10 business days before 4th May, 2005. Various submissions had been made by the Company between 4th March, 2005 and 18th May, 2005.

On 27th May, 2005, the Stock Exchange notified the Company that it had failed to submit a viable resumption proposal and that the last day of trading in the Company's shares would be Thursday, 9th June, 2005. However, the Company is currently appealing the delisting decision and a hearing of the Stock Exchange's GEM Listing (Review) Committee is set for 7th September, 2005.

By Order of the Board  
**Riverhill Holdings Limited**  
**Shum Sai**  
*Executive Director*

Hong Kong, 26th August 2005

**As at the date of this announcement, the Directors of the Company are:**

*Executive Director*

Mr. Shum Sai

*Non-Executive Director*

Mr. Ho Cheung Hong

*Independent Non-executive Directors*

Mr. Fu Wing Kwok, Ewing

Mr. Chu Chi Kong, Francis

Mr. Cheung Kwok Chiu, Kris