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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of Riverine China Holdings Limited and its subsidiaries for the six months ended 30 June 2018 together with the comparative figures for the previous period as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Notes	**2018 (Unaudited)** ***RMB'000***	Restated 2017 (Audited) *RMB'000*
REVENUE	*4(a)*	**187,446**	175,519
Cost of services provided	*5(a)*	**(152,941)**	(142,122)
Gross profit		**34,505**	33,397
Other income and gains, net	*4(b)*	**4,115**	4,607
Selling and distribution expenses		**(3,076)**	(1,508)
Administrative expenses		**(21,722)**	(15,805)
Finance costs	*6*	**(236)**	(1,080)
Share of profits and losses of:			
Joint ventures		**2,656**	2,651
Associates		**5,465**	2,398
PROFIT BEFORE TAX	*5*	**21,707**	24,660
Income tax (expense)/credit	*7*	**(1,616)**	2,212
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**20,091**	26,872

	Notes	2018 (Unaudited) RMB'000	Restated 2017 (Audited) RMB'000
Attributable to:			
Owners of the parent		**19,409**	27,124
Non-controlling interests		**682**	(252)
		20,091	26,872
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*9*	**0.05**	N/A

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 June 2018

	Notes	As at 30 June 2018 (Unaudited) RMB'000	Restated As at 31 December 2017 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,859**	2,003
Intangible assets		**14**	19
Investments in associates		**39,441**	34,936
Investments in joint ventures		**16,801**	15,395
Deferred tax assets		**11,172**	10,089
Total non-current assets		**70,287**	62,442
CURRENT ASSETS			
Inventories		**125**	97
Trade receivables	*10*	**86,553**	56,972
Prepayments, deposits and other receivables		**35,631**	75,332
Amount due from a related party		**–**	2,100
Restricted bank balances		**13,046**	17,084
Wealth management products		**2,000**	2,000
Cash and cash equivalents		**178,132**	156,249
Total current assets		**315,487**	309,834
CURRENT LIABILITIES			
Trade payables	*11*	**45,364**	58,368
Other payables and accruals		**64,933**	69,966
Amount due to a related party		**–**	3,110
Interest-bearing bank borrowings		**10,000**	5,000
Tax payable		**21,004**	20,288
Total current liabilities		**141,301**	156,732
NET CURRENT ASSETS		**174,186**	153,102
TOTAL ASSETS LESS CURRENT LIABILITIES		**244,473**	215,544
Net assets		**244,473**	215,544

	Notes	As at 30 June 2018 (Unaudited) *RMB'000*	Restated As at 31 December 2017 (Audited) *RMB'000*
EQUITY			
Equity attributable to owners of the parent			
Share capital		**3,391**	3,349
Reserves		**232,581**	206,946
		235,972	210,295
Non-controlling interests		**8,501**	5,249
Total equity		**244,473**	215,544

NOTES

1. CORPORATE AND GROUP INFORMATION

Riverine China Holdings Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 December 2017 (the "Listing").

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the business of property management services in the People's Republic of China (the "PRC").

2. BASIS OF PRESENTATION AND PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2018 (the "Reporting Period") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their services and the Group has only one reportable operating segment which is engaged in property management services.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

Since over 90% of the Group's revenue and operating profits were generated from providing property management services in Mainland China and over 90% of the Group's identifiable assets and liabilities were located in Mainland China, no geographical information in accordance with HKFRS 8 Operating Segments is presented.

Information about major customers

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's total revenue, no information about major customers in accordance with HKFRS 8 Operating Segments is presented.

4. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents the value of services rendered.

An analysis of revenue, other income and gains, net is as follows:

(a) Revenue:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Property management services income on the lump sum basis	**185,431**	173,172
Property management services income on the fixed remuneration basis	**2,015**	2,347
	187,446	175,519

(b) Other income and gains, net:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Bank interest income	**229**	384
Government grants*	**3,240**	4,188
Others	**646**	35
	4,115	4,607

* Government grants include various subsidies received by the Group from the relevant government bodies. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
(a) Cost of sales:		
Cost of services provided	**152,941**	142,122
(b) Employee benefit expenses (including Directors' and chief executive's remuneration):		
Wages and salaries	**40,910**	41,658
Pension scheme contributions (defined contribution scheme), social welfare and other welfare	**15,407**	15,019
	56,317	56,677
(c) Other items:		
Depreciation of items of property, plant and equipment	**267**	242
Amortisation of intangible assets	**5**	15
Minimum lease payments under operating leases	**975**	1,073
Bank charges	**50**	40
Auditor's remuneration	**230**	433
Office expenses	**584**	710
Listing expenses	**–**	1,050
Research and development cost	**2,889**	1,056
Compensation expense for litigation	**–**	1,280
Net loss on disposal of items of property, plant and equipment	**1**	–

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Interest expense on bank borrowings	**236**	1,080

7. INCOME TAX (EXPENSE)/CREDIT

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and its subsidiary incorporated in the British Virgin Islands are not subject to any income tax.

Subsidiary incorporated in Hong Kong is subject to profits tax at the rate of 16.5% (2017: 16.5%). No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the six months ended 30 June 2018.

In accordance with the Corporate Income Tax Law of the People's Republic of China, subsidiaries established in the PRC were subject to the income tax rate of 25% (2017: 25%) during the six months ended 30 June 2018.

Tax on the consolidated statements of profit or loss and comprehensive income represents:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Current Mainland China corporate income tax		
Charge for the period	**2,699**	(1,144)
Deferred tax	**(1,083)**	(1,068)
Total tax charge for the period	**1,616**	(2,212)

8. DIVIDENDS

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Proposed interim dividend for 2018:		
HK1.0 cents	**3,535**	N/A

The board has approved to pay an interim dividend of HK1.0 cents per share for the six months ended 30 June 2018 (the "2018 Interim Dividend") with a sum of approximately HK$4.1 million (equivalent to approximately RMB3.5 million).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the profit for the period attributable to the ordinary equity holders of the parent of RMB19,409,000 and the weighted average number of ordinary shares of 404,888,889 in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during these periods.

10. TRADE RECEIVABLES

	As at 30 June 2018 (Unaudited) *RMB'000*	As at 31 December 2017 (Audited) *RMB'000*
Trade receivables	**86,553**	56,972

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance in normally required. The credit period is generally 10 days, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting periods, based on the invoice date, is as follows:

	As at 30 June 2018 (Unaudited) *RMB'000*	As at 31 December 2017 (Audited) *RMB'000*
Within 3 months	**72,389**	49,977
3 to 6 months	**8,856**	3,204
More than 6 months but less than 1 year	**2,837**	943
Over 1 year	**2,471**	2,848
	86,553	56,972

The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	As at 30 June 2018 (Unaudited) *RMB'000*	As at 31 December 2017 (Audited) *RMB'000*
Neither past due nor impaired	**72,389**	49,977
Less than 1 month past due	**1,301**	1,619
1 to 3 months past due	**7,555**	1,585
More than 3 months past due	**5,308**	3,791
	86,553	56,972

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the Directors of the Company are of the opinion that no provision for impairment is made in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

11. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the Reporting Periods, based on the invoice date, is as follows:

	As at 30 June 2018 (Unaudited) *RMB'000*	As at 31 December 2017 (Audited) *RMB'000*
Within 3 months	**40,643**	53,660
3 to 12 months	**2,574**	2,719
Over 1 year	**2,147**	1,989
	45,364	58,368

The trade payables are unsecured, non-interest-bearing and are normally settled on terms of 5 to 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The urbanization development of the PRC has been gradually accelerating since 1980s with urbanization rate increasing from only 19.4% in 1980 to 58.5% in 2017. Improved urbanization has led to an increased demand for residential and other property projects, resulting in an increased demand for property management services. According to the National New Urbanisation Plan (國家新型城鎮化規劃) (2014–2020) published in March 2014, the urbanization rate of permanent resident population is expected to reach 60% by 2020. The PRC property industry and property management industry will continue to develop in tandem with rising urbanization.

The fast-growing economy in the PRC has spurred continuous growth in annual disposable income per urban capita. According to the National Bureau of Statistics of China's preliminary calculation, the annual disposable income per urban capita increased from RMB33,616 in 2016 to RMB36,396 in 2017. The increasing demand for better living conditions is another reason for the growth of property management industry.

In line with the economic growth and urbanization of the PRC, there will be increasing supply of public properties such as museums, arenas and stadiums to cater for the increasing demand from city dwellers of the PRC.

BUSINESS REVIEW

The Group, through its subsidiaries and investments in associated companies, provide a wide range of property management services and valued-added services to a variety of properties in the PRC, a majority of which are in Shanghai. A few properties managed by the Group are located in Anhui, Zhejiang, Jiangsu, Hubei and Hunan Provinces. During the Period, the Group through its subsidiaries and investments in associated companies had entered into 365 property management agreements for the provision of various kinds of property management services for the properties in the PRC, representing an increase of 28.5% as compared to 284 property management agreements for the same period in 2017.

During the Period, approximately 89.9% of total revenue was generated from provision of property management services to non-residential properties whereas the remaining 10.1% was generated from residential properties and other services. Hence, the Group's property management services have been and will continue to be strategically focused on non-residential properties in the PRC.

During the Period, the revenue was generated from the provision of property management services. Property management services comprise (i) engineering, repair and maintenance services, (ii) customer services, (iii) security services, and (iv) cleaning and gardening services. Approximately 98.9% of the revenue during the Period were generated from the provision of property management services on a lump sum basis. As to the lump sum basis, the customers pay a lump sum service fee for the management services and the Group bear all the costs and expenses involved in the management of a property or facility.

The table below sets forth a breakdown of revenues from providing property management services by type of managed properties for the period indicated.

	For the six months ended 30 June			
	2018		2017	
	Revenue	**% of total**	Revenue	% of total
	RMB'000		*RMB'000*	
Lump sum basis:				
Fees related to revenue-bearing GFA				
Public properties	**47,286**	**25.2%**	39,974	22.8%
Office buildings and hotels	**75,570**	**40.3%**	69,289	39.5%
Commercial establishments	**12,471**	**6.7%**	10,431	5.9%
Government properties	**6,582**	**3.5%**	5,831	3.3%
Residential properties	**18,552**	**9.9%**	17,374	9.9%
Subtotal	**160,461**	**85.6%**	142,899	81.4%
Fees related to non-revenue bearing GFA				
Residential properties	**412**	**0.2%**	350	0.2%
Non-residential properties	**24,558**	**13.1%**	29,923	17.1%
	24,970	**13.3%**	30,273	17.3%
Total of lump sum basis	**185,431**	**98.9%**	173,172	98.7%
Fixed remuneration basis				
Non-residential properties	**2,015**	**1.1%**	2,347	1.3%
Total of fixed remuneration basis	**2,015**	**1.1%**	2,347	1.3%
Total	**187,446**	**100.0%**	175,519	100.0%

The table below sets forth a breakdown of revenue-bearing GFA under the management of the Group by type of properties for the period indicated.

	For the six months ended 30 June			
	2018		2017	
	GFA	**% of total**	GFA	% of total
	'000 sq.m.		*'000 sq.m.*	
Public properties	**1,542**	**30.5%**	1,437	29.3%
Office buildings and hotels	**1,486**	**29.4%**	1,500	30.6%
Commercial establishments	**452**	**9.0%**	493	10.0%
Government properties	**65**	**1.3%**	101	2.1%
Residential properties	**1,506**	**29.8%**	1,373	28.0%
Total	**5,051**	**100.0%**	4,904	100.0%

The table below sets forth a breakdown of management fee per sq.m. of revenue-bearing GFA under the management of the Group by type of properties for the period indicated.

	For the six months ended 30 June	
	2018	2017
	RMB	*RMB*
Average monthly fee per GFA (sq.m.)		
Public properties	**5.1**	4.6
Office buildings and hotels	**8.5**	7.7
Commercial establishments	**4.6**	3.5
Government properties	**17.0**	9.6
Residential properties	**2.1**	2.1

During the Period, the average monthly fee per GFA is relatively higher for offices buildings and hotels, government properties and public properties . Thus, the higher the ratio of office buildings and hotels, government properties and public properties under management, the higher average monthly fee per GFA will be. The total GFA of the managed residential properties increased by approximately 9.7% to approximately 1,506,000 sq.m. for the six months ended 30 June 2018 from approximately 1,373,000 sq.m. for the six months ended 30 June 2017. The average monthly fee per GFA of residential properties was maintained at a stable level of RMB2.1 per sq.m. for the six months ended 30 June 2018 as compared to the same period in 2017.

HUMAN RESOURCES

The Group employed 1,294 employees and dispatched staff as of 30 June 2018. The Group also subcontracted part of the labour intensive work, such as security, cleaning and gardening services and certain specialized engineering repairs and maintenance works to sub-contractors. The employment contracts either have no fixed terms, or if there are fixed terms, the terms are generally up to three years, after which the Group evaluate renewals based on performance appraisals. All of the full-time employees are paid a fixed salary and may be grant other allowances, based on their positions. In addition, discretionary bonuses may also be awarded to employees based on the employee's performance. The Group conduct regular performance appraisals to ensure that the employees receive feedback on their performance.

PROSPECTS

The Group believes that the Listing on the Main board of the Stock Exchange on 11 December 2017 will benefit the Group taking into account (i) that the proceeds from the Listing will enable the Group to grasp the business opportunities arising from (a) the expected growth of the property management industry in the PRC; and (b) the Group's competitive edge in the public property management sector in the industry; (ii) the proceeds of Listing would mitigate cash outflow exposure; and (iii) the Listing will enhance the Group's corporate profile, credibility, brand awareness and market status amongst customers, suppliers, subcontractors and employees, enable us to raise fund in the capital market for future business development and diversify our shareholder base. The Group intends to implement the following principal strategies to expand its business and create value for the shareholders of the Company:

- Horizontal expansion by acquisition, investment or forming business alliance with property management companies in the markets to which the Group want to expand its property management business.

- Vertical expansion of both industry chain and supply chain in the property management industry by providing consultancy services and information, data collection, and analysis services and information technology systems to property developers and property owners; and by expanding the scope of services in order to enhance customers' satisfaction.

- The development of information technology system on both database level and application level in order to enhance the quality of property management services and for streamlining and standardising property management services in order to elevate service quality, improve consistency and optimise cost efficiency.

- Recruitment of more talent in order to facilitate the provision of a wide range of services to customers, property developers and property owners in various stages of property development.

FINANCIAL REVIEW

During the Period, the Group obtained 100% equity interests in Shanghai Bund Ke Pu from Pujiang Holding. Since Shanghai Bund Ke Pu was controlled by the Controlling Shareholders, the acquisition was a business combination under common control. The comparative information which includes the consolidated statement of financial position, the consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows, and notes to the consolidated financial statements for the comparative period are re-presented as if Shanghai Bund Ke Pu had been combined at the beginning of the comparative period.

Revenue

The Group's revenue increased by approximately 6.8% to RMB187.4 million for the six months ended 30 June 2018 from RMB175.5 million for the six months ended 30 June 2017. The increase in revenue was mainly attributable by the increase in the property management services by 12.3% to RMB160.5 million from those revenue-bearing GFA. Revenue derived from providing property management services for commercial establishments, public properties and office buildings and hotels increased by 19.6%, 18.3% and 9.1%, respectively which was mainly attributable to the increase in the average monthly fee per GFA (sq.m.) for the aforesaid properties for the six months ended 30 June 2018. However, the said increase was partially offset by the decrease in revenue from non-revenue bearing GFA to approximately RMB25.0 million for the six months ended 30 June 2018 from approximately RMB30.3 million for the six months ended 30 June 2017.

Cost of services provided

The Group's cost of services provided increased by approximately 7.6% to RMB152.9 million for the six months ended 30 June 2018 from RMB142.1 million for the six months ended 30 June 2017. The increase in cost of service provided was primarily due to (i) increase in property management services income from revenue-bearing GFA which leads to the increase in staff costs and sub-contracting staff costs, and (ii) the Group continues to recruit more talent staff and providing training for existing staff to cope with the expansion of operations.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 3.3% to RMB34.5 million for the six months ended 30 June 2018 from RMB33.4 million for the six months ended 30 June 2017 due to an increase in revenue despite being partially offset by the increase in the cost of services provided. Gross profit margin for the six months ended 30 June 2018 was approximately 18.4% which is lower than gross profit margin for the six months ended 30 June 2017 at approximately 19.0% as a result of the increase in cost of services provided.

Other income and gains, net

The Group's net other income and gains decreased to RMB4.1 million for the six months ended 30 June 2018 from RMB4.6 million for the six months ended 30 June 2017. The decrease in net other income and gains was primarily due to the decrease in government grants.

Selling and distribution expenses

The selling and distribution expenses increased by approximately 106.7% to RMB3.1 million for the six months ended 30 June 2018 from RMB1.5 million for the six months ended 30 June 2017. The increased in selling and distribution expenses was primarily due to the marketing and promotion team carried out more marketing and promotional activities when bidding for new projects during the six months ended 30 June 2018.

Administrative expenses

The administrative expenses increased by approximately 37.3% to RMB21.7 million for the six months ended 30 June 2018 from RMB15.8 million for the six months ended 30 June 2017. The increase in the administrative expenses was primarily attributable to (i) the increase of staff costs by approximately 29.0% to RMB12.0 million for the six months ended 30 June 2018 from RMB9.3 million for the six months ended 30 June 2017 due to recruitment of more middle and senior management for the expansion of the business, (ii) the increase of research and development cost by approximately 163.6% to RMB2.9 million for the six months ended 30 June 2018 from RMB1.1 million for the six months ended 30 June 2017 for the development of the information technology system on both database level and application level in order to enhance the quality of the property management services, and (iii) the increase of consultancy fees including compliance advisor fees, legal and professional fees and public relation consultant fees, etc. by approximately 550.0% to RMB2.6 million for the six months ended 30 June 2018 from RMB0.4 million for the six months ended 30 June 2017 due to the professional fees incurred after the Listing in compliance with the Listing Rules. The aforementioned increases were partially offset by the decrease in listing fees and compensation expense for litigation which were not incurred for the Period.

Finance costs

The finance costs substantially decreased to RMB0.2 million for the six months ended 30 June 2018 from RMB1.1 million for the six months ended 30 June 2017. The significant decrease in the finance costs was due to the decrease in average bank borrowings during the Period.

Shares of profits and losses of joint ventures

Shares of profits of joint ventures was maintained at a stable level of RMB2.7 million for the six months ended 30 June 2018 as compared to the six months ended 30 June 2017.

Share of profits and losses of associates

Share of profit of associated was substantially increased by approximately 129.2% to RMB5.5 million for the six months ended 30 June 2018 from RMB2.4 million for the six months ended 30 June 2017 which was primarily due to increase in profits shared from Anhui Pu Bang, Ningbo Plaza and Shanghai Qiang Sheng amounted to RMB1.1 million, RMB0.9 million and RMB0.7 million, respectively, for the Period.

Income tax expense/credit

The income tax expenses increased to RMB1.6 million for the six months ended 30 June 2018 as compared to the income tax credit of RMB2.2 million for the six months ended 30 June 2017. The increase in income tax expense was mainly due to the significant decrease in release of income tax provision from RMB8.6 million for the six months ended 30 June 2017 to RMB3.1 million for the six months ended 30 June 2018 which were increased by credit of deferred tax expenses of RMB1.1 million, and offset by the current income tax charge for the period amounted to RMB2.7 million. The release of tax provision of RMB8.6 million and RMB3.1 million, represented difference between tax provided under Deemed Profit Basis and Accounting Book Basis for certain entities of the Group for the years ended 31 December 2012, 2013 and 2014. For further details, please refer to Financial Information section of the Company's prospectus dated 28 November 2017.

Profit for the period and net profit margin

As a result of foregoing, the net profit decreased by approximately 25.3% to RMB20.1 million for the six months ended 30 June 2018 from RMB26.9 million for the six months ended 30 June 2017 and the net profit margin decrease to 10.7% for the six months ended 30 June 2018 from 15.3% for the six months ended 30 June 2017.

Trade receivables

The trade receivables increased by approximately 51.9% to RMB86.6 million for the six months ended 30 June 2018 from RMB57.0 million for the year ended 31 December 2017, primarily due to the government organisations settlement pattern and the long term relationship with them, the trade receivables for the six months ended 30 June 2018 are relatively higher. However, the trade receivables are in line with the historical pattern throughout the Period. The trade receivables turnover (average trade receivables divided by revenues multiplied by 182 days) increased from 68.0 days for the six months ended 30 June 2017 to 69.7 days for the Period.

Prepayments, deposits and other receivables

The prepayment, deposits and other receivables decreased by approximately 52.7% to RMB35.6 million for the six months ended 30 June 2018 from RMB75.3 million for the year ended 31 December 2017. The decrease was primarily due to the amount of net proceeds from international placing approximately RMB50.2 million for the year ended 31 December 2017 which was received on January 2018.

Trade payables

The trade payables decreased by approximately 22.3% to RMB45.4 million for the six months ended 30 June 2018 from RMB58.4 million for the year ended 31 December 2017, primarily due to earlier settlement of the trade payable. The trade payables turnover (average trade payables divided by cost of services provided by 182 days) decreased from 63.7 days for the six months ended 30 June 2017 to 61.7 days for the Period.

Other payables and accruals

The other payables and accruals decreased by approximately 7.3% to RMB64.9 million for the six months ended 30 June 2018 from RMB70.0 million for the year ended 31 December 2017. As at 30 June 2018, receipts on behalf of residents accounted for 30.6% of total other payables and accruals. The receipts on behalf of residents decreased by approximately 26.0% to RMB19.9 million as at 30 June 2018 from RMB26.9 million as at 31 December 2017, primarily due to the earlier settlement of utilities expenses and repair works.

Cash Flow

For the six months ended 30 June 2018, the net cash generated from operating activities was approximately RMB8.1 million. Operating cash inflows before changes in working capital was approximately RMB13.9 million, which was primarily attributable to profit before tax for the Period of approximately RMB21.7 million, as mainly adjusted by deducting share of profits of joint ventures and associates of RMB8.1 million. Changes in working capital increased the cash outflow by RMB5.8 million, which primarily consisted of (i) a decrease in prepayments, deposits and other receivables of RMB39.9 million due to the amount of net proceeds from international placing approximately RMB50.2 million for the year ended 31 December 2017 which was received on January 2018 and (ii) a decrease in restricted bank balances of RMB4.0 million. The increased cash outflow was partially offset by (i) an increase in outstanding trade receivables of RMB29.6 million, which was mainly a result of longer period of settlement, (ii) a decrease in trade payables of RMB13.0 million, and (iii) a decrease in other payables and accruals of RMB5.0 million. The cash inflow was further reduced by income tax paid of RMB2.0 million for the six months ended 30 June 2018.

The net cash from investing activities for the six months ended 30 June 2018 was RMB1.1 million. This was primarily due to the receipt of payment from a related party of RMB2.1 million, the received dividends from joint venture at RMB1.3 million and the net cash received of acquisition of a subsidiary of RMB1.8 million but partially offset by the acquisition of the entire equity interest of Shanghai Bund Ke Pu of RMB3.1 million and payment of property, plant and equipment of RMB1.1 million.

The net cash from financing activities for the six months ended 30 June 2018 was RMB12.7 million. This was primarily due to the net increase in bank borrowings at RMB5.0 million, the proceeds of issue of new shares of RMB6.3 million, non-controlling interests arising from additional capital injection of RMB0.9 million and disposal of non-controlling interests of RMB0.8 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURES

As at 30 June 2018, the Group had cash and cash equivalents of RMB178.1 million. Cash and cash equivalents increased by RMB21.9 million as compared with the beginning of 2018. The total interest-bearing bank borrowings increased to RMB10.0 million as at 30 June 2018 from RMB5.0 million as at 31 December 2017. The gearing ratio (total debts divided by total equity) as at 30 June 2018 was 4.1% (31 December 2017: 2.3%). The current ratio (total current assets divided by total current liabilities) as at 30 June 2018 was 2.2 (31 December 2017: 2.0).

Financial management and policy

The management has designed and implemented a risk management policy to address various potential risks identified in relation to the operation of the businesses, including financial, operational and the interest risks from the property management agreements. The risk management policy sets forth procedures to identify, analyse, categorise, mitigate and monitor various risks.

The Board is responsible for overseeing the overall risk management system and assessing and updating, if necessary. The risk management policy also set forth the reporting hierarchy of risks identified in the operations.

Contingent Liabilities

As at 30 June 2018, the Directors was not aware of any significant events that would have resulted in material contingent liabilities.

DIVIDENDS

The Board has approved to pay an interim dividend of HK1.0 cents per Share for the six months ended 30 June 2018 (the "2018 Interim Dividend") with a sum of approximately HK$4.1 million (equivalent to approximately RMB3.5 million). The 2018 Interim Dividend will be distributed on or about Wednesday, 10 October 2018 to Shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 18 September 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 14 September 2018 to Tuesday, 18 September 2018, both days inclusive, during which period no transfer of Shares will be registered for ascertaining Shareholders' entitlement to the 2018 Interim Dividend. In order to qualify for the 2018 Interim Dividend, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong. Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 September 2018.

OTHER INFORMATION

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to maintaining and upholding high standards of corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of the shareholders of the Company ("Shareholders").

The Company has adopted the code provisions set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of the Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") as its code of corporate governance.

In the opinion of the Directors, the Company applied and complied with all the code provisions of the CG Code throughout the six months ended 30 June 2018.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rule and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The audit committee consists of three members, namely Mr. Shu Wa Tung Laurence, Mr. Cheng Dong and Mr. Weng Guoqiang, all being independent non-executive directors. Mr. Shu Wa Tung Laurence is the chairman of the audit committee and is the independent non-executive director with the appropriate professional qualifications. The unaudited consolidated interim results of the Group for the six months ended 30 June 2018 and this announcement have been reviewed by the audit committee of the Board. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters related to the preparation of the unaudited consolidated interim results of the Group for the six months ended 30 June 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in Company's securities. Having made specific enquiry of all Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2018, neither the Company, nor any of its subsidiaries repurchased, redeemed or sold any of the Company's listed securities.

USE OF NET PROCEEDS

Net proceeds from the IPO (including the exercise of the over-allotment options on 5 January 2018), after deducting the underwriting commission and other estimated expenses in connection with the Global Offering which the Company received amounted to approximately HK$125.5 million (equivalent to approximately RMB104.9 million), comprising HK$117.9 million (equivalent to approximately RMB98.6 million) raised from the Global Offering and HK$7.6 million (equivalent to approximately RMB6.3 million) from the issue of shares pursuant to the exercise of the over-allotment options, respectively.

As at 30 June 2018, the net proceeds from the Listing were utilised as follows:

Use of proceeds	**Net proceeds** *HK$ million*	**Proceeds Used** *HK$ million*	**Balances** *HK$ million*
Horizontal expansion by acquisition, investment or forming business alliance with property management companies in the markets	42.7	0.1	42.6
Vertical expansion of both industry chain and supply chain in the property management industry	29.8	3.9	25.9
The development of information technology system	19.8	6.5	13.3
Recruitment of talent and implementation of training and recruitment programmes	16.3	0.7	15.6
Repayment of bank borrowings	5.0	–	5.0
General working capital	11.9	11.9	–
	125.5	**23.1**	**102.4**

As of the date of this announcement, the Company does not anticipate any changes to its plan on the use of proceeds as stated in the prospectus of the Company dated 28 November 2017.

PUBLICATION OF 2018 INTERIM RESULTS AND INTERIM REPORT

The interim results announcement for the six months ended 30 June 2018 is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.riverinepm.com). The interim report of the Company for the six months ended 30 June 2018 will be despatched to shareholders of the Company and published on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. The English translation of company names in Chinese or another language which are marked with "*" for identification purposes only.

"Anhui Pu Bang"	Anhui Pu Bang Property Management Company Limited* (安徽浦邦物業管理有限公司), a limited liability company established in the PRC on 4 August 2015, the associated company of the Company and indirectly owned as to 49% by the Company and 51% by an Independent Third Party
"Audit Committee"	the audit committee of the Company
"Board" or "Board of Directors"	the board of Directors of the Company

"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules
"Company"	Riverine China Holdings Limited (浦江中國控股有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability on 27 July 2016
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, in the context of the Company, means a group of controlling shareholders of the Company, namely Partner Summit, Vital Kingdom, Mr. Xiao, Source Forth, Mr. Fu, Pine Fortune and Mr. Chen
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"HK$" or "HK dollars" or "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"Mr. Chen"	Mr. Chen Yao (陳瑤), the Controlling Shareholder
"Mr. Fu"	Mr. Fu Qichang (傅其昌), the Controlling Shareholders, vice-chairman of the Board and an executive Director
"Ningbo Plaza"	Ningbo Plaza Property Management Company Limited* (寧波市城市廣場物業管理有限公司), a limited liability company established in the PRC on 20 January 1995, an associated company of the Company and indirectly owned as to 49% by the Company and 51% by an Independent Third Party

“Partner Summit”	Partner Summit Holdings Limited (合高控股有限公司), a company incorporated under laws of the BVI on 16 June 2016 with limited liability, which is owned as to 87% by Vital Kingdom, 10% by Source Forth and 3% by Pine Fortune and is the Controlling Shareholder
“Period”	the six months ended 30 June 2018
“Pine Fortune”	Pine Fortune Global Limited (富柏環球有限公司), a company incorporated under laws of the BVI on 16 June 2016 with limited liability, which is wholly-owned by Mr. Chen and is the Controlling Shareholder
“PRC” or “China”	the People’s Republic of China which, for the purposes of this annual report, excludes Hong Kong, Macau and Taiwan
“Pujiang Holding”	Shanghai Pujiang Holding Company Limited* (上海浦江控股有限公司), a limited liability company established in the PRC on 18 June 2007, which was beneficially owned as to 87% by Mr. Xiao, 10% by Mr. Fu and 3% by Mr. Chen
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Bund Ke Pu”	Shanghai Bund Ke Pu Engineering Management Company Limited* (上海外灘科浦工程有限公司), a limited liability company established in the PRC on 30 November 2004 and an indirect wholly-owned subsidiary of the Company
“Shanghai Qiang Sheng”	Shanghai Qiang Sheng Property Company Limited* (上海強生物業有限公司), a limited liability company established in the PRC on 17 December 1992, an associated company of the Company and indirectly owned as to 30% by the Company and as to 70% by an Independent Third Party
“Share(s)”	share(s) of HK$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 15 November 2017
“Shareholder(s)”	holder(s) of issued Share(s)
“Source Forth”	Source Forth Limited (泉啟有限公司), a company incorporated under laws of the BVI on 8 June 2016 with limited liability, which is wholly-owned by Mr. Fu and is the Controlling Shareholder

"sq. ft."	square feet
"sq. m."	square metre
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vital Kingdom"	Vital Kingdom Investments Limited (至御投資有限公司), a company incorporated under laws of the BVI on 17 May 2016 with limited liability, which is wholly-owned by Mr. Xiao and is the Controlling Shareholder
"%" or "per cent"	per centum or percentage

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

Shanghai, PRC, 28 August 2018

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.