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## RIVERA (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 281)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2019

The board of Directors (the “Board”) of Rivera (Holdings) Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th June, 2019 together with the comparative figures of 2018 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Unaudited)

|  | <i>Notes</i> | <b>Six months ended 30th June</b> |                       |
|--|--------------|-----------------------------------|-----------------------|
|  |              | <b>2019</b>                       | <b>2018</b>           |
|  |              | <b>HK\$'000</b>                   | <b>HK\$'000</b>       |
| Gross proceeds from operations   | 4&5          | <b><u>108,637</u></b>             | <b><u>148,390</u></b> |
| Revenue  | 4&5          | <b>452</b>                        | 34,949                |
| Cost of sales  |              | <b>(114)</b>                      | (1,937)               |
| Gross profit   |              | <b><u>338</u></b>                 | <u>33,012</u>         |
| Dividends from equity instruments at fair value through other comprehensive income |              | <b>44,514</b>                     | 95,245                |
| Other income   |              | <b>10,957</b>                     | 7,001                 |
| Selling expenses   |              | <b>(3)</b>                        | (358)                 |
| Administrative expenses  |              | <b>(6,799)</b>                    | (5,676)               |
| Exchange loss  |              | <b>(81)</b>                       | (318)                 |
| Net gain on financial assets at fair value through profit or loss                  |              | <b>9,754</b>                      | 6,341                 |
|  |              | <b><u>58,680</u></b>              | <u>135,247</u>        |
| Share of results of an associate   |              | <b>29,753</b>                     | 22,205                |
| Profit before taxation   | 6            | <b><u>88,433</u></b>              | <u>157,452</u>        |
| Taxation   | 7            | <b>(1,746)</b>                    | (4,527)               |
| Profit for the period  |              | <b><u>86,687</u></b>              | <u>152,925</u>        |
| Profit for the period attributable to:   |              |                                   |                       |
| Owners of the Company  |              | <b>86,640</b>                     | 152,824               |
| Non-controlling interests  |              | <b>47</b>                         | 101                   |
|  |              | <b><u>86,687</u></b>              | <u>152,925</u>        |
| Earnings per share (HK cents)  | 9            |                                   |                       |
| – Basic  |              | <b><u>3.32</u></b>                | <u>5.86</u>           |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (Unaudited)**

|  | <b>Six months ended 30th June</b> |                      |
|--|-----------------------------------|----------------------|
|  | <b>2019</b>                       | <b>2018</b>          |
|  | <b>HK\$'000</b>                   | <b>HK\$'000</b>      |
| Profit for the period  | <b>86,687</b>                     | 152,925              |
|  | <hr/>                             | <hr/>                |
| Other comprehensive (expense) income:  |                                   |                      |
| <i>Items that may be subsequently reclassified to profit or loss:</i>                            |                                   |                      |
| Exchange differences arising from translation of:  |                                   |                      |
| – other foreign operations   | <b>(364)</b>                      | (2,153)              |
| – an associate   | <b>(2,323)</b>                    | (12,584)             |
| <i>Item that will not be reclassified to profit or loss:</i>                                     |                                   |                      |
| Fair value gain (loss) on equity instruments at fair value<br>through other comprehensive income | <b>9,616</b>                      | (115,300)            |
|  | <hr/>                             | <hr/>                |
| Other comprehensive income (expense) for the period  | <b>6,929</b>                      | (130,037)            |
|  | <hr/>                             | <hr/>                |
| <b>Total comprehensive income for the period</b>   | <b><u>93,616</u></b>              | <b><u>22,888</u></b> |
|  |                                   |                      |
| Total comprehensive income (expense) attributable to:  |                                   |                      |
| Owners of the Company  | <b>93,611</b>                     | 24,196               |
| Non-controlling interests  | <b>5</b>                          | (1,308)              |
|  | <hr/>                             | <hr/>                |
|  | <b><u>93,616</u></b>              | <b><u>22,888</u></b> |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | <i>Notes</i> | (Unaudited)<br>30th June<br>2019<br>HK\$'000 | (Audited)<br>31st December<br>2018<br>HK\$'000 |
|--|--------------|--|--|
| <b>Non-current Assets</b>  |              |  |  |
| Property, plant and equipment  |              | 4,025  | 4,459  |
| Investment property  |              | 28,563                                       | 28,563   |
| Interest in an associate   |              | 782,836                                      | 755,406  |
| Deferred tax assets  |              | –  | 17,885   |
| Equity instruments at fair value through<br>other comprehensive income | 10           | 567,156                                      | 557,569  |
|  |              | <b>1,382,580</b>                             | <b>1,363,882</b>                               |
| <b>Current Assets</b>  |              |  |  |
| Properties held for sale   |              | 15,479                                       | 15,634   |
| Financial assets at fair value through<br>profit or loss               | 11           | 193,604                                      | 114,964  |
| Other receivables and prepayments                                      |              | 26,170                                       | 21,379   |
| Tax recoverable  |              | 18,315                                       | 484  |
| Cash and bank balances   |              | 1,055,977                                    | 1,313,034                                      |
|  |              | <b>1,309,545</b>                             | <b>1,465,495</b>                               |
| <b>Current Liabilities</b>   |              |  |  |
| Trade and other payables and accruals                                  | 12           | 11,004                                       | 18,963   |
| Tax payable  |              | 2,464  | 122,519  |
|  |              | <b>13,468</b>                                | <b>141,482</b>                                 |
| <b>Net Current Assets</b>  |              | <b>1,296,077</b>                             | <b>1,324,013</b>                               |
| <b>Total Assets less Current Liabilities</b>                           |              | <b>2,678,657</b>                             | <b>2,687,895</b>                               |
| <b>Capital and Reserves</b>  |              |  |  |
| Share capital  |              | 442,244                                      | 442,244  |
| Reserves   |              | 2,202,970                                    | 2,213,701                                      |
| Equity attributable to owners of the Company                           |              | <b>2,645,214</b>                             | <b>2,655,945</b>                               |
| Non-controlling interests  |              | 8,595  | 8,590  |
| <b>Total Equity</b>  |              | <b>2,653,809</b>                             | <b>2,664,535</b>                               |
| <b>Non-current Liability</b>   |              |  |  |
| Deferred tax liabilities   |              | 24,848                                       | 23,360   |
|  |              | <b>2,678,657</b>                             | <b>2,687,895</b>                               |

*Notes:*

1. The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Board of the Company.

## **2. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The financial information relating to the year ended 31st December, 2018 included in this interim results announcement as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (the “Companies Ordinance”) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31st December, 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## **3. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2018.

In current interim period, the Group has applied for the first time, the new Hong Kong Financial Reporting Standards (“HKFRSs”) and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the current interim period. The application of the new HKFRSs and amendments to HKFRSs in the current interim period has no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

#### 4. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

|  | <b>Six months ended 30th June</b> |                       |
|--|-----------------------------------|-----------------------|
|  | <b>2019</b>                       | <b>2018</b>           |
|  | <b>HK\$'000</b>                   | <b>HK\$'000</b>       |
| Leasing of properties  | 123                               | –                     |
| Sales of properties  | 329                               | 34,949                |
| REVENUE  | <u>452</u>                        | <u>34,949</u>         |
| Gross proceeds from disposal of financial assets at fair value through profit or loss (“FVTPL”)      | 60,760                            | 16,408                |
| Dividends income from equity instruments at fair value through other comprehensive income (“FVTOCI”) | 44,514                            | 95,245                |
| Dividends income from financial assets at FVTPL  | 2,911                             | 1,788                 |
| GROSS PROCEEDS FROM OPERATIONS   | <u><u>108,637</u></u>             | <u><u>148,390</u></u> |

#### 5. SEGMENT INFORMATION

The Group’s operating and reportable segments, based on information reported to the chief operating decision makers, the executive Directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

|                                     |   |  |
|-------------------------------------|---|--|
| Property Development and Investment | – | sales and leasing of properties  |
| Securities Trading and Investment   | – | dealings in financial assets at FVTPL and equity instruments at FVTOCI |

|  | <b>Property Development<br/>and Investment<br/>HK\$'000</b> | <b>Securities Trading<br/>and Investment<br/>HK\$'000</b> | <b>Total<br/>HK\$'000</b> |
|--|---|---|---------------------------|
| <b><u>Six months ended 30th June, 2019</u></b> |   |   |                           |
| <b>Gross proceeds from operations</b>          |   |   |                           |
| Segment revenue                                | <u>452</u>  | <u>108,185</u>  | <u>108,637</u>            |
| <b>Results</b>                                 |   |   |                           |
| Segment (loss) profit                          | <u>(482)</u>  | <u>54,252</u>   | 53,770                    |
| Other income                                   |   |   | 10,957                    |
| Unallocated expenses                           |   |   | (6,047)                   |
| Share of results of an associate               |   |   | 29,753                    |
| Profit before taxation                         |   |   | <u><u>88,433</u></u>      |

5. **SEGMENT INFORMATION** - continued

|   | <b>Property Development<br/>and Investment<br/>HK\$'000</b> | <b>Securities Trading<br/>and Investment<br/>HK\$'000</b> | <b>Total<br/>HK\$'000</b> |
|---|---|---|---------------------------|
| <u>Six months ended 30th June, 2018</u> |   |   |                           |
| <b>Gross proceeds from operations</b>   |   |   |                           |
| Segment revenue                         | <u>34,949</u>   | <u>113,441</u>  | <u>148,390</u>            |
| <b>Results</b>                          |   |   |                           |
| Segment profit                          | <u>32,154</u>   | <u>101,566</u>  | 133,720                   |
| Other income                            |   |   | 7,001                     |
| Unallocated expenses                    |   |   | (5,474)                   |
| Share of results of an associate        |   |   | 22,205                    |
| Profit before taxation                  |   |   | <u>157,452</u>            |

Except for the presentation of segment revenue which is different from the reported revenue in the condensed consolidated statement of profit or loss, the accounting policies of the reportable segments are the same as the Group's accounting policies. For the details of reconciliation of segment revenue to the Group's revenue of HK\$452,000 (2018: HK\$34,949,000), please refer to Note 4. Segment (loss) profit represents the results of each segment without allocation of central administration costs including depreciation of property, plant and equipment for corporate function, Directors' salaries, share of results of an associate and other income. This is the measure reported to the executive Directors of the Company for the purposes of resources allocation and performance assessment.

6. **PROFIT BEFORE TAXATION**

|   | <b>Six months ended 30th June</b> |                 |
|---|-----------------------------------|-----------------|
|   | <b>2019</b>                       | <b>2018</b>     |
|   | <b>HK\$'000</b>                   | <b>HK\$'000</b> |
| Profit before taxation has been arrived at    |                                   |                 |
| after charging:                               |                                   |                 |
| Depreciation of property, plant and equipment | <b>433</b>                        | 433             |
| and after crediting:                          |                                   |                 |
| Interest income                               | <u><b>10,898</b></u>              | <u>6,966</u>    |

## 7. TAXATION

|  | Six months ended 30th June |                     |
|--|----------------------------|---------------------|
|  | 2019                       | 2018                |
|  | HK\$'000                   | HK\$'000            |
| Current tax:   |                            |                     |
| Macau Complementary Tax  | –                          | 2,528               |
| The Mainland of the People's Republic of China<br>(the "Mainland China") Enterprise Income Tax | 238                        | 605                 |
| Mainland China Land Appreciation Tax   | 13                         | 365                 |
|  | <u>251</u>                 | <u>3,498</u>        |
| Deferred tax charge  | 1,495                      | 1,029               |
| Total tax charge for the period  | <u><u>1,746</u></u>        | <u><u>4,527</u></u> |

Hong Kong Profits Tax is calculated at 16.5% (2018: 16.5%) on the assessable profit for the period. No provision for Hong Kong Profits Tax has been made for the six months ended 30th June, 2019 since the assessable profit was wholly absorbed by tax losses brought forward.

The Macau Complementary Tax is levied at 12% (2018: 12%) on the taxable income for the current period.

The income tax rate of the subsidiaries in the Mainland China for the six months ended 30th June, 2019 is 25% (2018: 25%).

## 8. DIVIDEND

The Directors of the Company do not recommend payment of an interim dividend for the period under review (2018: Nil).

In June 2019, a dividend of HK\$0.04 per share amounting to approximately HK\$104,342,000 in aggregate was paid to shareholders as the final dividend for the year ended 31st December, 2018.

In June 2018, a dividend of HK\$0.045 per share amounting to approximately HK\$117,385,000 in aggregate was paid to shareholders as the final dividend for the year ended 31st December, 2017.

## 9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group's profit attributable to owners of the Company for the six months ended 30th June, 2019 of approximately HK\$86,640,000 (2018: HK\$152,824,000) and on 2,608,546,511 shares in issue during both periods.

No diluted earnings per share is presented as there was no dilutive ordinary share outstanding during both periods.

## 10. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The investments as at 30th June, 2019 and 31st December, 2018 comprise:

|                                     | <b>30th June<br/>2019<br/>HK\$'000</b> | 31st December<br>2018<br>HK\$'000 |
|-------------------------------------|--|-----------------------------------|
| <b>Equity instruments at FVTOCI</b> |  |                                   |
| Listed equity investment            | <b>556,425</b>                         | 546,533                           |
| Unlisted equity investments         | <b>10,731</b>                          | 11,036                            |
|                                     | <b><u>567,156</u></b>                  | <b><u>557,569</u></b>             |

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The analysis of financial assets at FVTPL listed in Hong Kong as at 30th June, 2019 and 31st December, 2018 by industry classification is set out below:

|                               | <b>30th June<br/>2019<br/>HK\$'000</b> | 31st December<br>2018<br>HK\$'000 |
|-------------------------------|--|-----------------------------------|
| Real estate investment trusts | <b>22,251</b>                          | 21,981                            |
| Conglomerates                 | <b>46,009</b>                          | 31,775                            |
| Financials                    | <b>121,618</b>                         | 61,208                            |
| Customer services             | <b>3,726</b>                           | –                                 |
|                               | <b><u>193,604</u></b>                  | <b><u>114,964</u></b>             |

## 12. TRADE AND OTHER PAYABLES AND ACCRUALS

Included in trade and other payables and accruals are trade payables amounting to HK\$23,000 (2018: HK\$23,000) and their aged analysis based on invoice date as at the end of the reporting period is as follows:

|             | <b>30th June<br/>2019<br/>HK\$'000</b> | 31st December<br>2018<br>HK\$'000 |
|-------------|--|-----------------------------------|
| Over 1 year | <b><u>23</u></b>                       | <b><u>23</u></b>                  |



## **GENERAL OVERVIEW**

For the six months ended 30th June, 2019, the Group reported a consolidated profit after taxation attributable to shareholders of the Company of HK\$86,640,000 (2018: HK\$152,824,000), a decrease of approximately 43.31% as compared with that for the corresponding period in 2018. Basic earnings per share was 3.32 HK cents (2018: 5.86 HK cents).

Unlike the case in the corresponding period in 2018 when there was an one-off profit generated from sale of miscellaneous properties held for sale in Macau, the gross profit of the Group for the six months ended 30th June, 2019 amounted to HK\$338,000 (2018: HK\$33,012,000) and was solely derived from the sales and leasing of the car parking spaces in Shanghai. In Hong Kong, though the net gain on its trading securities investments increased to HK\$9,754,000 (2018: HK\$6,341,000), the dividend income received from the long-term equity investments of the Group in the first half of 2019 was reduced to HK\$44,514,000 (2018: HK\$95,245,000). Hence, there was a significant drop in the operating profit of the Group.

However, the Group's share of the profit of an associate of the Group, which is engaged in property development and investment in Shanghai, for the period under review increased to HK\$29,753,000 (2018: HK\$22,205,000).

As at 30th June, 2019, the equity attributable to the shareholders of the Company was HK\$2,645,214,000 (31st December, 2018: HK\$2,655,945,000) in total or approximately HK\$1.01 (31st December, 2018: HK\$1.02) per share.

The Board of the Company does not recommend payment of an interim dividend for the six months ended 30th June, 2019 (2018: Nil).

## **OPERATIONS REVIEW**

The principal activities of the Group for the period under review were property development and investment as well as securities trading and investment.

The operating results of the Group for the first half of 2019 were mainly attributable to securities trading and investment in Hong Kong, which contributed approximately 99.58% of the gross proceeds from operations of the Group and generated a segment profit of HK\$54,252,000 (2018: HK\$101,566,000). This segment was the principal source of the consolidated profit of the Group for the period under review. The segment profit was principally attributable to dividend receipts while an unrealized gain on changes in fair value of trading securities investments was the secondary source.

Property development and investment in Shanghai undertaken by the Group's subsidiaries accounted for the remaining approximately 0.42% of the gross proceeds from operations of the Group for the period under review. The segment revenue was solely derived from sales and leasing of car parking spaces and a segment loss of HK\$482,000 (2018: profit of HK\$32,154,000) was recorded.

The Group's share of profit of the associate engaged in property development and investment in Shanghai was HK\$29,753,000 (2018: HK\$22,205,000).

## Property Development and Investment

Apart from the property development and investment business in Shanghai, the Group holds an investment property in Macau. No revenue was generated from the property portfolio in Macau during the period under review.

### *上海大道置業有限公司 (Shanghai Boulevard Real Estate Co., Limited)*

As reported in the annual report of the Company for 2018, Shanghai Boulevard Real Estate Co., Limited (“Boulevard Real Estate”), a 93.53%-owned subsidiary of the Company, holds around three hundred car parking spaces in its sole residential development, namely Tomson Beautiful Space, in Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai (“Zhangjiang Park”). For the period under review, operating revenue of Boulevard Real Estate was derived solely from sales and leasing of the said car parking spaces, which accounted for approximately 0.42% of the Group’s gross proceeds from operations. Since Boulevard Real Estate’s cash balance was substantially reduced after payment of land appreciation tax during the period under review, its interest income decreased. Hence, Boulevard Real Estate reported a profit before taxation of HK\$0.99 million for the six months ended 30th June, 2019 (2018: HK\$2.46 million) after taking into account its interest income.

### *Shanghai Zhangjiang Micro-electronics Port Co. Ltd.*

Shanghai Zhangjiang Micro-electronics Port Co. Ltd. (“SZMP”), in which the Group holds a 37% interest in its registered capital, is principally engaged in residential, office and commercial property development and investment in Shanghai. For the period under review, SZMP derived its revenue mainly from leasing of the property projects in Zhangjiang Park. As a result, the Group shared a net profit of SZMP of HK\$29,753,000 for the first half of 2019 (2018: HK\$22,205,000).

Zhangjiang Micro-electronics Port was the principal source of revenue of SZMP for the period under review and accounted for approximately 61.45% of the turnover of SZMP. SZMP retains seven blocks of office buildings in Zhangjiang Micro-electronics Port situated in Zhangjiang Park for leasing purpose and offers total rentable gross floor area for commercial and office purposes of approximately 90,200 square meters. As at 30th June, 2019, approximately 89% of the said total rental gross floor area were let.

Concerning Zhangjiang Tomson Garden, a residential development project in Zhangjiang Park, SZMP retains residential gross floor area of approximately 65,400 square meters for leasing and all the residential rentable rooms were leased out as at 30th June, 2019. Around 30 car parking spaces were sold in the first half of 2019 and SZMP now holds eight hundred-plus car parking spaces for sale. This project accounted for approximately 23.80% of the turnover of SZMP for the period under review.

ZJ Legend, a commercial centre in Zhangjiang Park, provides total gross floor area of approximately 26,300 square meters for leasing purpose and an occupancy rate of approximately 92% was recorded as at 30th June, 2019. Food and beverage outlets are the principal tenants of the commercial centre, occupying approximately 54% of the leased area while entertainment businesses rank as the secondary tenants, taking up approximately 28% of the leased area. The income generated from the commercial centre accounted for approximately 14.54% of the turnover of SZMP for the period under review. In addition, SZMP has been granted permission to revise its development plan of Phase 2 of the commercial centre according to the revision of the zoning plan of north western district of Zhangjiang Park approved by the government of Pudong New Area in 2017. Under the proposed development plan, Phase 2 will be developed as a composite project for office, commercial and cultural purposes with total gross floor area of approximately 60,900 square meters subject to payment of additional land premium.

SZMP keeps in contact with the government authorities and follows up the policy development so as to push forward the preparation works.

SZMP has developed a residential-cum-commercial project in Fengxian District of Shanghai. During the period under review, this project derived its income solely from sales and leasing of car parking spaces and accounted for approximately 0.21% of the turnover of SZMP. SZMP now retains a commercial-cum-office building with total gross floor area of approximately 11,000 square meters for leasing and a marketing programme is being launched to solicit appropriate tenants while it holds one thousand two hundred-plus car parking spaces for sale.

## Securities Trading and Investment

The Group holds various listed securities in Hong Kong for trading and long-term investment purposes. In addition, the Group has invested through a subsidiary in Shanghai in various unlisted start-up partnerships and companies as long-term equity investments. Securities trading and investment was the principal source of both gross proceeds from operations and consolidated profit of the Group for the period under review.

### *Securities held for trading*

All trading securities investments of the Group were listed in Hong Kong. During the first half of 2019, revenue derived from the securities investments held for trading accounted for approximately 58.61% of the Group's gross proceeds from operations. The revenue was attributable to gross proceeds from disposal of HK\$60,760,000 and dividend receipts of HK\$2,911,000. Hence, a total realized gain of HK\$6,073,000 was generated. After taking account of an unrealized gain on changes in fair value of HK\$3,681,000 in accordance with applicable accounting standards, a net gain on trading securities investments of HK\$9,754,000 was recorded for the period under review (2018: HK\$6,341,000).

As at 30th June, 2019, the Group had securities investments held for trading of an aggregate fair value of HK\$193,604,000, representing approximately 7.19% of the total assets of the Group. Other than holding equity interests in H shares of Bank of China Limited (Stock Code: 3988) and Shanghai Industrial Holdings Limited (Stock Code: 363), there were no individual securities investments with fair value representing 1% or more of the Group's total assets.

An analysis of the performance of the trading securities investments of the Group during the period under review by industry classification is set out below:-

| Industry Classification       | As at 30th June, 2019 |   | For the six months ended 30th June, 2019 |                        |                     |
|-------------------------------|-----------------------|---|--|------------------------|---------------------|
|                               | Fair value            | Percentage of total assets of the Group | Realized gain                            | Unrealized gain (loss) | Net gain (loss)     |
|                               | HK\$'000              |   | HK\$'000                                 | HK\$'000               | HK\$'000            |
| Real estate investment trusts | 22,251                | 0.82%                                   | 896                                      | 1,360                  | 2,256               |
| Conglomerates                 | 46,009                | 1.71%                                   | 1,412                                    | 2,440                  | 3,852               |
| Financials – Banks            | 121,618               | 4.52%                                   | 3,765                                    | 539                    | 4,304               |
| Consumer services             | 3,726                 | 0.14%                                   | –  | (658)                  | (658)               |
|                               | <b><u>193,604</u></b> | <b><u>7.19%</u></b>                     | <b><u>6,073</u></b>                      | <b><u>3,681</u></b>    | <b><u>9,754</u></b> |

### ***Long-term Equity Investments***

As at 30th June, 2019, the Group held a 12.547% interest in the total issued shares of Tomson Group Limited (“TGL”), as a long-term equity investment and the fair value of such investment amounted to HK\$556,425,000, representing approximately 20.67% of the Group’s total assets. TGL is a listed company in Hong Kong and is principally engaged in property development and investment as well as hospitality and leisure business in Shanghai. The Group received an interim dividend from TGL for 2018 of HK\$44,514,000 in 2019 (2018: HK\$95,245,000), which accounted for approximately 40.97% of the Group’s gross proceeds from operations for the period under review. An unrealized gain on change in fair value of the equity investment in TGL of HK\$9.89 million was credited to the investment revaluation reserve of the Group in 2019 in accordance with applicable accounting standards.

Boulevard Real Estate formed a wholly-owned subsidiary in Shanghai for the purpose of investing in various unlisted start-up partnerships and companies as long-term equity investments. As at the end of the period under review, the total fair value of these investments amounted to HK\$10,731,000, representing approximately 0.40% of the Group’s total assets. No profit has been generated during the period under review and an unrealized loss on changes in fair value of these equity investments of HK\$0.26 million was charged to the investment revaluation reserve of the Group in 2019 in accordance with applicable accounting standards.

## **FINANCIAL REVIEW**

### **Liquidity and Financing**

There was no change in the Group’s capital structure during the six months ended 30th June, 2019. The Group’s operations and investments for the period under review were mainly funded by its cash on hand and revenue from operating and investing activities.

At the end of the reporting period, the cash and cash equivalents of the Group amounted to HK\$1,055,977,000. During the period under review, the Group’s investing activities generated a net cash inflow of HK\$54,149,000. After taking into account a net cash outflow of HK\$206,316,000 from the Group’s operating activities and the Company’s dividend payment of HK\$104,342,000, the net cash outflow of the Group for the period ended 30th June, 2019 amounted to HK\$256,509,000 (2018: HK\$79,335,000). The reduction in cash balance during the period under review was mainly attributable to payment of land appreciation tax of a subsidiary in Shanghai and dividend payment of the Company.

The Group had no borrowings as at 30th June, 2019 (31st December, 2018: Nil). Of the liabilities of the Group, approximately 35.15% were payable within one year from the end of the reporting period while the balance was deferred tax liabilities related to undistributed earnings of SZMP, the Group’s associate.

As at 30th June, 2019, the Group recorded a current ratio of 97.23 times (31st December, 2018: 10.36 times) and a gearing ratio (being total liabilities to equity attributable to owners of the Company) of 1.45% (31st December, 2018: 6.21%). The sharp rise in the current ratio and significant drop in the gearing ratio were mainly attributable to the reduction of current liabilities after the tax payment by the subsidiary in Shanghai during the period under review.

In addition, the Group had no capital commitments in respect of expenditure on property development at the end of the period under review (31st December, 2018: Nil).

## **Charge on Assets**

No asset of the Group was subject to any charge as at 30th June, 2019 (31st December, 2018: Nil).

## **Foreign Exchange Exposure**

Other than Hong Kong Dollar being the Group's functional currency, the transactions in the Mainland China and Macau were made in Renminbi and Macau Pataca respectively. The Group's assets and liabilities are predominately denominated in Hong Kong Dollar and Renminbi respectively. Since the liabilities are well covered by the assets, though the depreciation in value of Renminbi may have an adverse impact on the Group's results and net asset value, the Group anticipates that the exchange risk exposure is manageable.

## **Contingent Liabilities**

The Group had no contingent liabilities as at 30th June, 2019 (31st December, 2018: Nil).

## **VOLUNTARY UNCONDITIONAL GENERAL CASH OFFER**

Subsequent to the close of the voluntary unconditional general cash offer made by Able Capital Partners Limited on behalf of Step Famous Investment Limited (the "Offeror") to acquire all the issued shares of the Company (other than those already owned by or to be acquired by the Offeror and the parties acting in concert with it) at an offer price of HK\$0.55 in cash per share (the "Offer") on 25th February, 2019 and due registration of the transfer of those shares of which valid acceptances were received by the Offeror under the Offer, the minimum public float requirement of 25% as prescribed under Rule 8.08(1)(a) of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "prescribed minimum public float requirement") was no longer satisfied. The Company applied to the Stock Exchange for a temporary waiver from strict compliance with the prescribed minimum public float requirement (the "Waiver") and was granted the Waiver for the period from 25th February, 2019 to 15th June, 2019. The Waiver was further extended to 15th September, 2019 after application by the Company. As disclosed in the announcement of the Company on 9th July, 2019, the prescribed minimum public float requirement was satisfied after the Offeror completed its disposal of a total of 130,136,000 issued shares of the Company through on-market sales and placing down.

## **PROSPECTS**

The Group will keep property development and investment as well as securities trading and investment as its principal operating activities.

Residential properties for the middle-class and commercial-cum-office properties in the Mainland China are the target business segments of the Group. It is anticipated that the property development and investment business of SZMP, the Group's associate, in Shanghai will remain one of the principal sources of profit of the Group in 2019 and the revenue will be predominantly generated from rental income. The Group will seek out appropriate opportunities to expand its property portfolio so as to enlarge its revenue base.

It is expected that the global and Hong Kong financial markets will be noticeably uncertain in 2019 under the impact of increasingly unstable political and economic conditions and threatened and implemented trade wars between the biggest economies and trading blocs. The management will closely monitor market conditions and will remain cautious in managing the Group's securities trading and investment portfolio so as to maximize its return to the shareholders. The Group will focus on investment in high-yield listed securities for stable recurrent income and long-term capital appreciation.

The Macau government announced in December 2013 revised planning directives under the "Urban redevelopment programme of the Northern District of Taipa Area" which covers the area in which the investment property of the Group is located. The Group will continue to explore and evaluate various feasibility plans for its investment property to realize its development potential at an opportune time.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30th June, 2019, there was no purchase, sale or redemption made by the Company, or any of its subsidiaries, of the Company's listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

The Board of the Company considers that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the period of six months ended 30th June, 2019 except that:

- (a) in contrast to Code Provision A.4.1 of the CG Code, the non-executive Directors (whether independent or not) of the Company are not appointed for a specific term. However, they are subject to retirement and re-election at least once every three years at annual general meetings of the Company pursuant to the Articles of Association of the Company;
- (b) in accordance with the Articles of Association of the Company, any Director of the Company appointed by the Board to fill a casual vacancy shall hold office until the next following annual general meeting of the Company instead of being subject to election by shareholders at the first general meeting of the Company after his/her appointment as stipulated in Code Provision A.4.2 of the CG Code. Such arrangement not only complies with Appendix 3 to the Listing Rules but also streamlines the mechanism of re-election of Directors so that both new Directors appointed by the Board (either for filling a casual vacancy or as an additional member) and existing Directors retiring by rotation shall be subject to re-election at the annual general meeting for the relevant year. Furthermore, general meetings other than annual general meetings will be reserved for considering and approving notifiable/connected transactions or other corporate actions under the Listing Rules only, which should enhance efficiency in procedures for corporate matters; and
- (c) the Company has not established a nomination committee comprising a majority of independent non-executive Directors pursuant to Code Provision A.5.1 of the CG Code. This is because when identifying individuals of appropriate calibre and qualification to be Board members and when assessing the independence of independent non-executive Directors, it is necessary to have a thorough understanding of the structure, business strategy and daily operation of the Company. The participation of executive Directors during the process is therefore indispensable. Accordingly, the Board as a whole remains responsible for reviewing its own structure, size and composition annually, and also for considering the appointment of Directors and nomination for re-election as well as assessing the independence of independent non-executive Directors.

**PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT  
FOR THE SIX MONTHS ENDED 30TH JUNE, 2019**

This interim results announcement is published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at <https://www.hkexnews.hk> and on the Company's website at <http://www.rivera.com.hk>. The Interim Report 2019 of the Company will be available on both websites and despatched to the shareholders of the Company by the end of September 2019.

On behalf of the Board of  
**RIVERA (HOLDINGS) LIMITED**  
**Liu Ying**

*Non-Executive Chairman*

Hong Kong, 16th August, 2019

*As at the date of this announcement, there are eight members of the Board of the Company comprising a non-executive Chairman who is Madam Liu Ying; three executive Directors who are Madam Hsu Feng, Mr Albert Tong and Mr Wang Fahua; one non-executive Director who is Mr Sung Tze-Chun; and three independent non-executive Directors who are Mr Zhang Hong Bin, Mr Sit Hing Kwok and Mr Ng Chi Him.*