

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Tomson Group

RIVERA (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 281)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

The board of Directors (the “Board”) of Rivera (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31st December, 2019 together with the comparative figures for the corresponding year of 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year ended 31st December	
		2019	2018
		HK\$’000	HK\$’000
Gross proceeds from operations	4&5	<u>181,421</u>	<u>219,662</u>
Revenue	4&5	1,556	38,119
Cost of sales		(297)	(2,457)
Gross profit		<u>1,259</u>	<u>35,662</u>
Dividends from equity instruments at fair value through other comprehensive income		44,514	100,172
Other income		22,717	18,978
Selling expenses		(13)	(367)
Administrative expenses		(13,543)	(13,473)
Exchange losses		(566)	(1,177)
Net gain on financial assets at fair value through profit or loss		14,772	7,497
		<u>69,140</u>	<u>147,292</u>
Share of results of an associate		45,791	47,299
Profit before taxation	6	<u>114,931</u>	<u>194,591</u>
Taxation	7	(3,046)	(17,609)
Profit for the year		<u>111,885</u>	<u>176,982</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – continued

	Notes	Year ended 31st December	
		2019	2018
		HK\$'000	HK\$'000
Profit (loss) for the year attributable to:			
Owners of the Company		111,747	177,053
Non-controlling interests		138	(71)
		<u>111,885</u>	<u>176,982</u>
Earnings per share (HK cents)	9		
– Basic		<u>4.28</u>	<u>6.79</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31st December	
	2019	2018
	HK\$'000	HK\$'000
Profit for the year	111,885	176,982
Other comprehensive expense:		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising from translation of:		
– other foreign operations	(2,518)	(8,740)
– an associate	(14,676)	(45,393)
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value losses on equity instruments at fair value through other comprehensive income	(67,043)	(299,336)
Other comprehensive expense for the year	(84,237)	(353,469)
Total comprehensive income (expense) for the year	<u>27,648</u>	<u>(176,487)</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	27,690	(173,874)
Non-controlling interests	(42)	(2,613)
	<u>27,648</u>	<u>(176,487)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31st December	
		2019 HK\$'000	2018 HK\$'000
Non-current Assets			
Property, plant and equipment		3,593	4,459
Investment property		28,563	28,563
Interest in an associate		739,250	755,406
Deferred tax assets		–	17,885
Equity instruments at fair value through other comprehensive income	10	490,319	557,569
		1,261,725	1,363,882
Current Assets			
Properties held for sale		15,045	15,634
Financial assets at fair value through profit or loss	11	222,659	114,964
Other receivables and prepayments		16,764	21,379
Tax recoverable		17,348	484
Cash and bank balances		1,088,873	1,313,034
		1,360,689	1,465,495
Current Liabilities			
Trade and other payables and accruals	12	11,376	18,963
Tax payable		–	122,519
		11,376	141,482
Net Current Assets		1,349,313	1,324,013
Total Assets less Current Liabilities		2,611,038	2,687,895
Capital and Reserves			
Share capital		442,244	442,244
Reserves		2,137,049	2,213,701
		2,579,293	2,655,945
Equity attributable to owners of the Company		2,579,293	2,655,945
Non-controlling interests		8,548	8,590
Total Equity		2,587,841	2,664,535
Non-current Liability			
Deferred tax liabilities		23,197	23,360
		2,611,038	2,687,895

Notes:

1. The Audit Committee of the Board of the Company has reviewed the consolidated financial statements of the Group for the year ended 31st December, 2019.

2. **BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, and in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and comply with the requirements of the Hong Kong Companies Ordinance (the “Companies Ordinance”) which concern the preparation of consolidated financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the years ended 31st December, 2019 and 2018 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years 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 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 and will deliver the consolidated financial statements for the year ended 31st December, 2019 in due course.

The Company’s auditor has reported on the consolidated financial statements for both years. The auditor’s reports were 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. **APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

The Group has applied the following new HKFRSs and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

The application of the above new HKFRSs and amendments to HKFRSs in the current year has had no material effect on the consolidated financial statements of the Group for current or prior accounting periods.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS – continued

The Group has not early applied the following new HKFRSs and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

¹ Effective for annual periods beginning on or after 1st January, 2021.

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1st January, 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1st January, 2020.

In addition to the above new HKFRSs and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, “the Amendments to References to the Conceptual Framework in HKFRS Standards”, will be effective for annual periods beginning on or after 1st January, 2020.

The Directors of the Company anticipate that the application of all the above new HKFRSs and amendments to HKFRSs will have no material effect on the Group’s consolidated financial statements in the foreseeable future.

4. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

	2019 HK\$’000	2018 HK\$’000
Sales of properties	969	37,381
Leasing of properties	587	738
REVENUE	1,556	38,119
Gross proceeds from disposal of financial assets at fair value through profit of loss (“FVTPL”)	127,924	78,007
Dividends income from equity instruments at fair value through other comprehensive income (“FVTOCI”)	44,514	100,172
Dividends income from financial assets at FVTPL	7,427	3,364
GROSS PROCEEDS FROM OPERATIONS	181,421	219,662

Performance obligation for contracts with customers

Revenue from sales of properties is recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

5. SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to 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

	Property Development and Investment HK\$'000	Securities Trading and Investment HK\$'000	Total HK\$'000
<u>2019</u>			
Gross proceeds from operations – segment revenue	<u>1,556</u>	<u>179,865</u>	<u>181,421</u>
Results			
Segment (loss) profit	<u>(612)</u>	<u>59,264</u>	58,652
Other income			22,717
Unallocated expenses			(12,229)
Share of results of an associate			45,791
			<hr/>
Profit before taxation			<u>114,931</u>
<u>2018</u>			
Gross proceeds from operations – segment revenue	<u>38,119</u>	<u>181,543</u>	<u>219,662</u>
Results			
Segment profit	<u>34,099</u>	<u>107,543</u>	141,642
Other income			18,978
Unallocated expenses			(13,328)
Share of results of an associate			47,299
			<hr/>
Profit before taxation			<u>194,591</u>

Except for the presentation of segment revenue which is different from the reported revenue in the consolidated statement of profit or loss, the accounting policies of the reportable segments are the same as the Group's accounting policies. For details of reconciliation of segment revenue to the Group's revenue of HK\$1,556,000 (2018: HK\$38,119,000), please refer to Note 4. Segment (loss) profit represents the results of each segment without allocation of central administrative 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 for the purposes of resources allocation and performance assessment.

5. SEGMENT INFORMATION – continued

REVENUE FROM MAJOR PRODUCTS AND SERVICES

The following is an analysis of the Group's revenue from its major products and services:

	2019	2018
	HK\$'000	HK\$'000
Sales of properties	969	37,381
Leasing of properties	587	738
	<hr/>	<hr/>
	1,556	38,119
	<hr/> <hr/>	<hr/> <hr/>

GEOGRAPHICAL INFORMATION

The Group's operations are located in Hong Kong, Macau and the Mainland of the People's Republic of China (the "Mainland China").

The Group's revenue from external customers based on the location of properties sold and leased out and information about its non-current assets (excluding deferred tax assets and equity instruments at FVTOCI) by geographical location of the assets (including the operation of the associate) are detailed below:

	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	–	–	–	151
Macau	–	33,379	32,154	32,868
The Mainland China	1,556	4,740	739,252	755,409
	<hr/>	<hr/>	<hr/>	<hr/>
	1,556	38,119	771,406	788,428
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. PROFIT BEFORE TAXATION

	2019	2018
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	865	865
Written-off property, plant and equipment	–	1
	<hr/> <hr/>	<hr/> <hr/>

7. TAXATION

	2019 HK\$'000	2018 HK\$'000
Current tax:		
Macau Complementary Tax	–	2,465
Mainland China Enterprise Income Tax (“EIT”)	827	2,915
Mainland China Land Appreciation Tax (“LAT”)	82	692
Mainland China Withholding Tax	2,364	11,089
(Overprovision) underprovision in prior years:		
Hong Kong Profits Tax	–	(30)
Macau Complementary Tax	(72)	–
Mainland China EIT (<i>Note</i>)	(17,540)	–
Mainland China LAT	–	11,323
	<u>(14,339)</u>	<u>28,454</u>
Deferred tax charge (credit)	17,385	(10,845)
Total tax charge for the year	<u><u>3,046</u></u>	<u><u>17,609</u></u>

Hong Kong Profits Tax is calculated at 16.5% (2018: 16.5%). No provision for Hong Kong Profits Tax has been made since there is no assessable profit for both years.

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

The income tax rate of the subsidiaries in the Mainland China for the year ended 31st December, 2019 is 25% (2018: 25%).

Note:

During the year ended 31st December, 2019, a subsidiary of the Group paid LAT to local tax authorities and the related deferred tax asset of HK\$17,540,000 arising from the LAT was charged to profit or loss. The same amount of overprovision of EIT in prior years was credited to profit or loss.

8. DIVIDEND

The Directors recommend payment of a final dividend of HK0.04 (2018: HK\$0.04) per share amounting to approximately HK\$104,342,000 for the year ended 31st December, 2019, subject to approval by the shareholders at the forthcoming annual general meeting.

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 year ended 31st December, 2019 of HK\$111,747,000 (2018: HK\$177,053,000) and on the number of 2,608,546,511 (2018: 2,608,546,511) shares in issue during the year.

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

10. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	2019 HK\$'000	2018 HK\$'000
Equity instruments at FVTOCI (<i>Note (a)</i>)		
– Listed equity investment (<i>Note (b)</i>)	479,762	546,533
– Unlisted equity investments (<i>Note (c)</i>)	10,557	11,036
	<u>490,319</u>	<u>557,569</u>

Notes:

- (a) The above equity investments are not held for trading, instead, they are held for long-term strategic purposes. The Directors of the Company have elected to designate these investments as equity instruments at FVTOCI.
- (b) The listed equity investment represents 12.547% (2018: 11.879%) of the ordinary shares of Tomson Group Limited (“TGL”) which is a company incorporated in the Cayman Islands and listed on The Stock Exchange of Hong Kong Limited. Fair value of listed equity investment has been determined with reference to quoted market price. As at 31st December, 2019, the investment cost of the equity investment in TGL amounted to approximately HK\$498,333,000 (2018: HK\$498,333,000).
- (c) The unlisted equity investments represent investments in private entities. Fair value of the unlisted equity investments has been determined with reference to the adjusted net asset values or market approach for business enterprises valuation.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL represent equity securities listed in Hong Kong.

An analysis of financial assets at fair value through profit or loss as at 31st December, 2019 and 2018 by industry classification is set out below:

	2019	2018
	HK\$'000	HK\$'000
Real estate investment trusts	18,367	21,981
Financials	153,253	61,208
Conglomerates	47,865	31,775
Consumer discretionary	3,174	–
	<hr/>	<hr/>
	222,659	114,964
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE AND OTHER PAYABLES AND ACCRUALS

As at 31st December, 2018, included in trade and other payables and accruals were trade payables amounting to HK\$23,000 and their aged analysis based on invoice date as at the end of the reporting period was as follows:

	2019	2018
	HK\$'000	HK\$'000
Over 1 year	–	23
	<hr/> <hr/>	<hr/> <hr/>

FINAL DIVIDEND

The Board of the Company recommends payment of a final dividend of HK\$0.04 per share for the year ended 31st December, 2019 (2018: HK\$0.04 per share).

Subject to the shareholders' approval at the forthcoming annual general meeting of the Company, the record date and time for entitlement to the proposed final dividend for 2019 is Tuesday, 9th June, 2020 at 4:30 p.m.. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 9th June, 2020 for registration. Dividend warrants are expected to be despatched on Thursday, 18th June, 2020.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled for Thursday, 4th June, 2020 (the "2020 AGM"). For determining the shareholders' entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Monday, 1st June, 2020 to Thursday, 4th June, 2020, both days inclusive, during which period no transfer of shares of the Company will be effected.

In order to be eligible to attend and vote at the 2020 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited at the above address, not later than 4:30 p.m. on Friday, 29th May, 2020 for registration.

GENERAL OVERVIEW

For the year ended 31st December, 2019, the Group recorded a consolidated profit after taxation attributable to shareholders of the Company of HK\$111,747,000 (2018: HK\$177,053,000) and basic earnings per share of 4.28 HK cents (2018: 6.79 HK cents).

The Group recorded an improvement in the results of its securities trading business in Hong Kong and reported a net gain on its trading securities investments of HK\$14,772,000 for the year under review (2018: HK\$7,497,000). However, the dividends received from the long-term equity investments of the Group were reduced to HK\$44,514,000 (2018: HK\$100,172,000). In addition, unlike the case in the corresponding period in 2018 when there was a one-off profit generated from sale of miscellaneous properties held for sale in Macau, the gross profit of the Group's property development and investment business for the year 2019 decreased to HK\$1,259,000 (2018: HK\$35,662,000) and was solely generated from sales and leasing of the car parking spaces in Shanghai. Hence, there was a significant drop in the operating profit of the Group.

Furthermore, there was a slight decrease in the share of the profit of an associate of the Group. The associate is engaged in property development and investment in Shanghai and the Group shared from such associate a net profit of HK\$45,791,000 for the year under review (2018: HK\$47,299,000).

As a result, there was a decrease of approximately 36.89% in the consolidated profit after taxation attributable to the shareholders of the Company for the year 2019 as compared with that for the year 2018.

As at 31st December, 2019, the equity attributable to the shareholders of the Company was HK\$2,579,293,000 (2018: HK\$2,655,945,000) in total or approximately HK\$0.99 (2018: HK\$1.02) per share.

OPERATIONS REVIEW

Property development and investment as well as securities trading and investment were the principal activities of the Group for the year ended 31st December, 2019.

The operating results of the Group for the year 2019 were mainly attributable to securities trading and investment in Hong Kong, which contributed approximately 99.14% of the gross proceeds from operations of the Group and generated a segment profit of HK\$59,264,000 (2018: HK\$107,543,000). This segment was the principal source of the consolidated profit of the Group for the year under review. The segment profit was principally attributable to dividend receipts while a realized gain on sale 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 0.86% of the gross proceeds from operations of the Group for the year under review. The segment revenue was principally derived from sales of car parking spaces and a segment loss of HK\$612,000 (2018: profit of HK\$34,099,000) was recorded.

The share of results of the associate of the Group engaged in property development and investment in Shanghai was HK\$45,791,000 (2018: HK\$47,299,000).

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 year under review.

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

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 year ended 31st December, 2019, operating revenue of Boulevard Real Estate was derived solely from sales and leasing of the said car parking spaces, which accounted for approximately 0.86% 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 year under review, its interest income decreased. Boulevard Real Estate reported a profit before taxation of HK\$3.41 million for the year 2019 (2018: HK\$6.79 million) after taking account of 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. SZMP derived its revenue for the year under review mainly from leasing of the property projects in Zhangjiang Park and sale proceeds of the car parking spaces were the secondary source. For the year ended 31st December, 2019, SZMP reported a slight decrease in its net profit to HK\$123,760,000 (2018: HK\$127,835,000) and the Group shared a profit of HK\$45,791,000 (2018: HK\$47,299,000). In addition, the Group received dividend (net of withholding tax) of HK\$44,907,000 from SZMP in the year 2019 (2018: HK\$210,695,000).

Zhangjiang Micro-electronics Port

Seven blocks of office buildings in Zhangjiang Micro-electronics Port situated in Zhangjiang Park are retained for leasing purpose. This project was the principal source of revenue of SZMP for the year under review and accounted for approximately 56.48% of the turnover of SZMP. As at 31st December, 2019, the total rentable gross floor area for commercial and office purposes were approximately 90,200 square meters and approximately 86% were let.

Zhangjiang Tomson Garden

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 31st December, 2019. Around sixty car parking spaces were sold during the year under review and SZMP now holds eight hundred-plus car parking spaces for sale. This project accounted for approximately 29.60% of the turnover of SZMP for the year 2019.

ZJ Legend

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 31st December, 2019. The income generated from the commercial centre accounted for approximately 13.05% of the turnover of SZMP for the year under review. Food and beverage outlets were the principal tenants of the commercial centre, occupying approximately 56% of the leased area while entertainment businesses ranked as the secondary tenants, taking up approximately 28% of the leased area.

In addition, SZMP owns a land bank in Zhangjiang Park for development of Phase 2 of the commercial centre. SZMP has been granted permission to revise its development plan of Phase 2 according to the revision of the zoning plan of north western district of Zhangjiang Park approved by the municipal government of Shanghai 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 has been in regular contact with the government authorities and is monitoring policy development so as to push forward the preparation works.

Development in Fengxian District, Shanghai

SZMP has developed a residential-cum-commercial project in Fengxian District of Shanghai. All the residential units of Tomson Ginkgo Garden have been sold and SZMP now retains a commercial-cum-office building with total gross floor area of approximately 11,000 square meters. SZMP is following up the formalities of leasing of the commercial-cum-office building.

During the year under review, this project derived its income solely from sales and leasing of car parking spaces and accounted for approximately 0.87% of the turnover of SZMP. Around ten car parking spaces were sold in 2019 and there are now one thousand two hundred-plus car parking spaces retained 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 year under review.

Securities held for Trading

All trading securities investments of the Group were listed in Hong Kong. During the year 2019, revenue derived from the securities investments held for trading accounted for approximately 74.60% of the Group's gross proceeds from operations. The revenue was attributable to gross proceeds from disposal of HK\$127,924,000 and dividend receipts of HK\$7,427,000. Hence, a net realized gain of HK\$13,825,000 was generated. After taking account of a net unrealized gain on changes in fair value of HK\$947,000 in accordance with applicable accounting standards, a net gain on trading securities investments of HK\$14,772,000 was recorded for the year under review (2018: HK\$7,497,000).

As at 31st December, 2019, the Group had securities investments held for trading of an aggregate fair value of HK\$222,659,000, representing approximately 8.49% of the Group's total assets. An analysis of the performance of the trading securities investment of the Group during the year under review by industry classification is set out below:

Industry Classification	As at 31st December, 2019		For the year ended 31st December, 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	18,367	0.70%	1,685	492	2,177
Financials	153,253	5.84%	7,618	4,686	12,304
Conglomerates	47,865	1.83%	4,453	(3,021)	1,432
Consumer discretionary	3,174	0.12%	69	(1,210)	(1,141)
	<u>222,659</u>	<u>8.49%</u>	<u>13,825</u>	<u>947</u>	<u>14,772</u>

There were no individual trading securities investments with fair value representing 5% or more of the Group's total assets as at the end of the year under review other than the following equity investment and an analysis of the performance of such investment during the year under review is set out below:

Equities	As at 31st December, 2019		For the year ended 31st December, 2019		
	Fair value	Percentage of total assets of the Group	Realized gain	Unrealized gain	Net gain
	HK\$ '000		HK\$ '000	HK\$ '000	HK\$ '000
Bank of China Limited – H shares (Stock Code: 3988)	144,385	5.50%	3,763	4,131	7,894

As at 31st December, 2019, the Group held 43,359,000 H shares, representing approximately 0.05% of the total H shares, of Bank of China Limited, at the investment cost of HK\$140.38 million. During the year under review, the Group recognized a realized gain of HK\$3,763,000, which accounted for approximately 2.07% of the Group's gross proceeds from operations and included a dividend income of HK\$719,000. Bank of China Limited is a commercial bank based in the Mainland China and is mainly engaged in the provision of banking and related financial services, including commercial banking business, investment banking business, insurance business, direct investments and investment management businesses, fund management business and aircraft leasing business. The Group intends to retain its investment in the H shares of Bank of China Limited to enjoy a stable dividend income and long-term capital appreciation.

Long-term Equity Investments

As at 31st December, 2019, the Group held 247,300,000 shares, representing 12.547% interest in the total issued shares, of Tomson Group Limited ("TGL"), as a long-term investment and the fair value of such investment amounted to HK\$479,762,000, representing approximately 18.29% of the Group's total assets. The investment cost amounted to HK\$498.33 million. 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 during the year under review (2018: HK\$95,245,000), which accounted for approximately 24.54% of the Group's gross proceeds from operations for the year under review and represented the realized gain on such investment. Nevertheless, an unrealized loss on change in fair

value of the equity investment in TGL of HK\$66.77 million was charged to the investment revaluation reserve of the Group in 2019 in accordance with the applicable accounting standards. It is expected that the equity investment in TGL will provide a steady dividend income and potential capital appreciation in the future.

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 year under review, the total fair value of these investments amounted to HK\$10,557,000, representing approximately 0.40% of the Group's total assets. No revenue has been generated during the year 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, Financing and Profitability

There was no change in the Group's capital structure during the year ended 31st December, 2019 and the Group's operations and investments for the year under review were mainly funded by its cash on hand and revenue from operating and investing activities.

As at 31st December, 2019, the cash and cash equivalents of the Group amounted to HK\$1,088,873,000. During the year under review, the Group generated a net cash inflow of HK\$110,525,000 from its investing activities. After taking into account a net cash outflow of HK\$226,548,000 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 year ended 31st December, 2019 amounted to HK\$220,365,000 (2018: net inflow of HK\$104,352,000). The decrease in cash balance in 2019 was mainly attributable to payment of land appreciation tax of a subsidiary in Shanghai, an increase in trading securities investments in Hong Kong and payment of final dividend of the Company.

The Group had no borrowing as at the end of the reporting period (2018: Nil). Of the liabilities of the Group, approximately 32.90% 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 31st December, 2019, the Group recorded a current ratio of 119.61 times (2018: 10.36 times) and a gearing ratio (being total liabilities to equity attributable to owners of the Company) of 1.34% (2018: 6.21%). The sharp rise in the current ratio and a significant drop in the gearing ratio were mainly attributable to the reduction of current liabilities after tax payment by a subsidiary of the Company in Shanghai during the year under review.

In addition, the Group had no capital commitment in respect of expenditure on property development which had been contracted for but not provided in the financial statements for 2019 (2018: Nil).

For the year under review, the Group reported a return on equity (net profit to the average equity, both attributable to owners of the Company) of 4.27% (2018: 6.32%) owing to a drop in the profit.

Charge on Assets

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

Foreign Exchange Exposure

Other than Hong Kong Dollar being the Group's functional currency, the transactions in the Mainland China and Macau are made in Renminbi and Macau Pataca respectively. The Group's assets and liabilities are predominantly 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 31st December, 2019 (2018: Nil).

PROSPECTS

The Group will keep property development and investment as well as securities trading and investment as its principal operating activities. The Group will also explore other appropriate and sustainable investments to expand its business scopes and investment portfolio at an opportune time so as to enlarge its revenue base.

In regard to property development and investment business, 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 2020 and the revenue will be predominantly generated from rental income. However, the results of the SZMP for 2020 may be adversely affected by the recent outbreak of a novel coronavirus disease ("COVID-19") and the management would endeavour to alleviate the impact.

It is expected that the global and Hong Kong financial markets will be noticeably uncertain in 2020 under the impact of the recent outbreak of COVID-19 and unstable global economic and political situation. 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 listed securities with high yield and liquidity 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.

The scope and intensity of the recent outbreak of COVID-19 worldwide is expected to create disruptions and uncertainties in economic and business activities of populations in the countries affected. The extent to which national and global economies and financial markets would be adversely impacted would be difficult to predict with any accuracy at this stage. However, one encouraging sign has emerged in that incumbent governments of developed economies have implemented aggressive policies and measures to mitigate the unfavourable effects and to lend support to their respective economy. The Group will continue to monitor the situation closely and any financial impact on the operations of the Group, should this materialise, would be reflected in the financial statements of the Group for the financial year 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st December, 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 has reviewed the Company's corporate governance practices and considers that the Company was in compliance with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31st December, 2019 and up to the date of this annual results announcement, 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 ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2019

This annual 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 Annual Report 2019 of the Company will be available on both websites and despatched to the shareholders of the Company by the end of April 2020.

On behalf of the Board of
RIVERA (HOLDINGS) LIMITED
Liu Ying
Non-Executive Chairman

Hong Kong, 18th March, 2020

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; four executive Directors who are Madam Hsu Feng, Mr Albert Tong, Mr Tong Chi Kar Charles and Mr Zhao Haisheng; one non-executive Director who is Mr Sung Tze-Chun; and two independent non-executive Directors who are Mr Zhang Hong Bin and Mr Ng Chi Him.