Tomson Group

RIVERA (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 281)

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

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, 2018 together with the comparative figures of 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Unaudited)

	Notes	**Six months ended 30th June** **2018** **HK$'000**	2017 HK$'000
Gross proceeds from operations	4&5	**148,390**	105,744
Revenue	4&5	**34,949**	1,122
Cost of sales		**(1,937)**	(283)
Gross profit		**33,012**	839
Dividends from equity instruments at fair value through other comprehensive income		**95,245**	–
Dividends from available-for-sale investments		**–**	86,000
Other income		**7,001**	4,001
Selling expenses		**(358)**	–
Administrative expenses		**(5,676)**	(6,007)
Exchange (loss) gain		**(318)**	712
Gain on financial assets at fair value through profit or loss		**6,341**	4,518
		135,247	90,063
Share of results of an associate		**22,205**	187,796
Profit before taxation	6	**157,452**	277,859
Taxation	7	**(4,527)**	(9,887)
Profit for the period		**152,925**	267,972
Profit for the period attributable to:			
Owners of the Company		**152,824**	267,917
Non-controlling interests		**101**	55
		152,925	267,972
Earnings per share (HK cents)	9		
– Basic		**5.86**	10.27

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

	Six months ended 30th June	
	2018	2017
	HK$'000	HK$'000
Profit for the period	**152,925**	267,972
Other comprehensive (expense) income:		
Item that will not be reclassified to profit or loss:		
Fair value loss on equity instruments at fair value through other comprehensive income	**(115,300)**	–
Items that may be subsequently reclassified to profit or loss:		
Fair value gain on available-for-sale investments	–	300,269
Exchange differences arising from translation of:		
– other foreign operations	**(2,153)**	5,100
– an associate	**(12,584)**	33,143
Other comprehensive (expense) income for the period	**(130,037)**	338,512
Total comprehensive income for the period	**22,888**	606,484
Total comprehensive income (expense) attributable to:		
Owners of the Company	**24,196**	606,099
Non-controlling interests	**(1,308)**	385
	22,888	606,484

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**(Unaudited) 30th June 2018 HK$'000**	(Audited) 31st December 2017 HK$'000
Non-current Assets			
Property, plant and equipment		**4,892**	5,290
Investment property		**28,563**	28,563
Interest in an associate		**984,905**	975,284
Deferred tax assets		**16,472**	16,594
Equity instruments at fair value through other comprehensive income	10	**743,279**	–
Available-for-sale investments	10	**–**	776,956
		1,778,111	1,802,687
Current Assets			
Properties held for sale		**16,804**	18,942
Financial assets at fair value through profit or loss	11	**74,895**	57,287
Other receivables and prepayments		**19,888**	21,211
Prepaid tax		**2,127**	2,235
Cash and bank balances		**1,136,959**	1,218,731
		1,250,673	1,318,406
Current Liabilities			
Trade and other payables and accruals	12	**16,359**	16,745
Tax payable		**115,321**	113,857
		131,680	130,602
Net Current Assets		**1,118,993**	1,187,804
Total Assets less Current Liabilities		**2,897,104**	2,990,491
Capital and Reserves			
Share capital		**442,244**	442,244
Reserves		**2,411,771**	2,504,960
Equity attributable to owners of the Company		**2,854,015**	2,947,204
Non-controlling interests		**9,895**	11,203
Total Equity		**2,863,910**	2,958,407
Non-current Liability			
Deferred tax liabilities		**33,194**	32,084
		2,897,104	2,990,491

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 ("HKAS") 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, 2017 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, 2017 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.

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards ("HKFRSs") and amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2017.

In current interim period, the Group has applied for the first time, the new HKFRSs and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1st January, 2018 for the preparation of the Group's condensed consolidated financial statements.

The new HKFRSs and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which result in changes in accounting policies, amounts reported and/or disclosures as described below.

3. PRINCIPAL ACCOUNTING POLICIES - continued

3.1 Impacts and changes in accounting policies of application of HKFRS 9 "Financial Instruments"

In the current period, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to financial instruments that have not been derecognised as at 1st January, 2018 (date of initial application) and has not applied the requirements to financial instruments that have already been derecognised as at 1st January, 2018.

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9

<u>Classification and measurement of financial assets</u>

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39 "Financial Instruments : Recognition and Measurement".

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments designated as at fair value through other comprehensive income ("FVTOCI")

At the date of initial application / initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income ("OCI") and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are separately disclosed in the condensed consolidated statement of profit or loss.

3. PRINCIPAL ACCOUNTING POLICIES - continued

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is separately disclosed in the condensed consolidated statement of profit or loss.

The Directors of the Company reviewed and assessed the Group's financial assets as at 1st January, 2018 based on the facts and circumstances that existed at that date. Change in classification and measurement of the Group's financial assets and the impacts thereof are detailed in Note 3.1.2.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. When the financial instruments are determined to have low credit risk, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. PRINCIPAL ACCOUNTING POLICIES - continued

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the financial instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

As at 1st January, 2018, the Directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. No material impact on impairment was noted at the date of initial application, 1st January, 2018.

3.1.2 Summary of effects arising from initial application of HKFRS 9

For available-for-sale equity investments reclassified to FVTOCI, the Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK$776,956,000 were reclassified from available-for-sale investments to equity instruments at FVTOCI, of which HK$43,791,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. The fair value gains of HK$316,990,000 relating to those investments previously carried at fair value continued to accumulate in investment revaluation reserve.

3.2 Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations. HKFRS 15 applies to all contracts with customers except for leases within the scope of HKAS 17 "Leases".

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1st January, 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated.

3. PRINCIPAL ACCOUNTING POLICIES – continued

3.2.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a goods that is distinct or a series of distinct goods that are substantially the same.

Revenue is recognised at a point in time when the customer obtains control of the distinct goods.

3.2.2 Summary of effects arising from initial application of HKFRS 15

The Group engages in property development and investment. Income from the sales of properties, which falls within HKFRS 15, has a stand-alone selling price for the goods which are observable under the sales contracts and it is recognised as revenue only when the properties are completed and delivered to the buyers.

The Directors of the Company reviewed and assessed the Group's revenue as at 1st January, 2018 based on the facts and circumstances that existed at that date. There would be no material impact on initial application of HKFRS 15.

Except as disclosed above, the application of other new HKFRSs and amendments to HKFRSs in the current interim period has had 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

	Six months ended 30th June	
	2018	2017
	HK$'000	HK$'000
REVENUE		
Leasing of properties	**–**	119
Sales of properties	**34,949**	1,003
	34,949	1,122
Gross proceeds from disposal of financial assets at fair value through profit or loss	**16,408**	17,107
Dividends income from equity instruments at fair value through other comprehensive income	**95,245**	–
Dividends income from available-for-sale investments	**–**	86,000
Dividends income from financial assets at fair value through profit or loss	**1,788**	1,515
GROSS PROCEEDS FROM OPERATIONS	**148,390**	105,744

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 fair value through profit or loss and equity instruments at fair value through other comprehensive income

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

5. SEGMENT INFORMATION - continued

	Property Development and Investment HK$'000	Securities Trading and Investment HK$'000	Total HK$'000
Six months ended 30th June, 2017			
Gross proceeds from operations			
Segment revenue	1,122	104,622	105,744
Results			
Segment profit	368	90,424	90,792
Other income			4,001
Unallocated expenses			(4,730)
Share of results of an associate			187,796
Profit before taxation			277,859

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$34,949,000 (2017: HK$1,122,000), please refer to Note 4. Segment profit represents the results of each segment without allocation of central administration costs including depreciation of leasehold land and building 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

	Six months ended 30th June	
	2018	2017
	HK$'000	HK$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**433**	524
and after crediting:		
Interest income	**6,966**	3,950

7. TAXATION

	Six months ended 30th June	
	2018	2017
	HK$'000	HK$'000
Current tax:		
Hong Kong Profits Tax	**–**	9
Macau Complementary Tax	**2,528**	–
The Mainland of the People's Republic of China (the "Mainland China") Enterprise Income Tax	**605**	236
Mainland China Land Appreciation Tax	**365**	269
	3,498	514
Overprovision in prior years:		
Hong Kong Profits Tax	**–**	(80)
	3,498	434
Deferred tax charge	**1,029**	9,453
Total tax charge for the period	**4,527**	9,887

Hong Kong Profits Tax is calculated at 16.5% (2017: 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, 2018 since the assessable profit was wholly absorbed by tax losses brought forward.

The Macau Complementary Tax is levied at 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, 2018 is 25% (2017: 25%).

8. DIVIDEND

The Directors of the Company do not recommend payment of an interim dividend for the period under review (2017: Nil).

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.

In June 2017, a dividend of HK$0.05 per share amounting to approximately HK$130,427,000 in aggregate was paid to shareholders as the final dividend for the year ended 31st December, 2016.

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, 2018 of approximately HK$152,824,000 (2017: HK$267,917,000) 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/AVAILABLE-FOR-SALE INVESTMENTS

The investments as at 30th June, 2018 and 31st December, 2017 comprise:

	30th June 2018 HK$'000	31st December 2017 HK$'000
Equity instruments at fair value through other comprehensive income		
Listed investment:		
– equity securities listed in Hong Kong	**719,643**	–
Unlisted equity investments	**23,636**	–
	743,279	–
Available-for-sale investments		
Listed investment:		
– equity securities listed in Hong Kong	–	733,165
Unlisted equity investments	–	43,791
	–	776,956

According to the application of HKFRS 9, the equity investments held by the Group were reclassified from available-for-sale investments to equity instruments at fair value through other comprehensive income on 1st January, 2018.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The analysis of financial assets at fair value through profit or loss listed in Hong Kong as at 30th June, 2018 and 31st December, 2017 by industry classification is set out below:

	30th June 2018 HK$'000	31st December 2017 HK$'000
Real estate investment trusts	**23,983**	23,059
Conglomerates	**30,699**	21,645
Telecommunications	**20,213**	–
Financials	–	12,583
	74,895	57,287

12. TRADE AND OTHER PAYABLES AND ACCRUALS

Included in trade and other payables and accruals are trade payables amounting to HK$23,000 (2017: HK$24,000) and their aged analysis based on invoice date as at the end of the reporting period is as follows:

	30th June 2018 HK$'000	31st December 2017 HK$'000
Over 1 year	**23**	24

GENERAL OVERVIEW

For the six months ended 30th June, 2018, the Group reported a consolidated profit after taxation attributable to shareholders of the Company of HK$152,824,000 (2017: HK$267,917,000), a decrease of approximately 42.96% as compared with that for the corresponding period in 2017. Basic earnings per share was 5.86 HK cents (2017: 10.27 HK cents).

The decrease in the results for the period under review was principally attributable to a reduction in the share of the profit of an associate of the Group which is engaged in property development and investment in Shanghai. The Group shared a net profit from such associate of HK$22,205,000 for the period under review (2017: HK$187,796,000).

On the other hand, there was a slight increase in the gain generated from securities trading and investment business of the Group in Hong Kong. In the first half of 2018, the Group received a dividend income of HK$95,245,000 (2017: HK$86,000,000) from its long-term equity investments and recorded a net gain in its trading securities investments of HK$6,341,000 (2017: HK$4,518,000).

Furthermore, the Group recorded an increase in gross profit for the six months ended 30th June, 2018 to HK$33,012,000 (2017: HK$839,000) owing to completion of sale of miscellaneous properties held for sale in Macau.

As at 30th June, 2018, the equity attributable to the shareholders of the Company was HK$2,854,015,000 (31st December, 2017: HK$2,947,204,000) in total or approximately HK$1.09 (31st December, 2017: HK$1.13) per share.

The Board does not recommend payment of an interim dividend for the six months ended 30th June, 2018 (2017: 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 2018 were mainly attributable to securities trading and investment in Hong Kong, which contributed approximately 76.45% of the gross proceeds from operations of the Group and generated a segment profit of HK$101,566,000 (2017: HK$90,424,000). 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 Macau and Shanghai undertaken by the Group's subsidiaries accounted for the remaining approximately 23.55% of the gross proceeds from operations of the Group for the period under review. The segment revenue was solely derived from sales and a segment profit of HK$32,154,000 (2017: HK$368,000) was recorded.

The Group's share of profit of the associate engaged in property development and investment in Shanghai was HK$22,205,000 (2017: HK$187,796,000).

Property Development and Investment

The Group is engaged in property development and investment in Macau and Shanghai.

Macau Property Portfolio

The Company completed a disposal of the properties held for sale in Macau in the first half of 2018 through a 60%-owned subsidiary. The disposal accounted for approximately 22.49% of the Group's gross proceeds from operations and a gross profit of HK$31.96 million was recognized for the period under review. The Group now holds an investment property in Macau.

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 2017, Shanghai Boulevard Real Estate Co., Limited ("Boulevard Real Estate"), a 93.53%-owned subsidiary of the Company, holds three hundred-plus 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 of the said car parking spaces, which accounted for approximately 1.06% of the Group's gross proceeds from operations. Boulevard Real Estate reported a profit before taxation of HK$2.46 million for the six months ended 30th June, 2018 (2017: HK$2.12 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. A considerable amount of sale proceeds of its residential development project in Fengxian District, Shanghai were recognized in the first half of 2017 upon completion and delivery to the buyers, but for the period under review, SZMP derived its revenue mainly from property leasing. As a result, the Group's share of profit of SZMP decreased to HK$22,205,000 for the first half of 2018 (2017: HK$187,796,000).

Zhangjiang Micro-electronics Port was the principal source of revenue of SZMP for the period under review and accounted for approximately 40.74% of the turnover of SZMP. SZMP retains 7 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, 2018, approximately 96% of the said total rental gross floor area were let.

SZMP has developed a residential-cum-commercial project in Fengxian District of Shanghai. After completion of the sale of all 1,244 units of the residential project, Tomson Ginkgo Garden, SZMP now retains a commercial-cum-office building with total gross floor area of approximately 11,000 square meters for leasing and holds one thousand two hundred-plus car parking spaces for sale. Three hundred-plus car parking spaces were sold during the period under review. This project accounted for approximately 31.30% of the turnover of SZMP.

As for Zhangjiang Tomson Garden, a residential development project in Zhangjiang Park, SZMP now retains residential gross floor area of approximately 65,400 square meters for leasing and holds nine hundred-plus car parking spaces for sale. Approximately 99% of the residential rentable rooms were leased out as at 30th June, 2018 and around 60 car parking spaces were sold in the first half of 2018. This project accounted for approximately 20.17% 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 88% was recorded as at 30th June, 2018. Food and beverage outlets are the principal tenants of the commercial centre, occupying approximately 49% of the leased area while entertainment businesses rank as the secondary tenants, taking up approximately 29% of the leased area. The income generated from the commercial centre accounted for approximately 7.79% of the turnover of SZMP for the period under review. In addition, SZMP is negotiating with the planning and land authorities in order to expedite preparation works for the development of phase 2 of the commercial centre. 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.

Securities Trading and Investment

The Group has invested in various listed securities in Hong Kong for trading and long-term investment purposes. 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 2018, revenue derived from the securities investments held for trading accounted for approximately 12.26% of the Group’s gross proceeds from operations. The revenue was attributable to gross proceeds from disposal of HK$16,408,000 and dividend receipts of HK$1,788,000. Hence, a total realized gain of HK$3,655,000 was generated. After taking account of an unrealized gain on changes in fair value of HK$2,686,000 in accordance with applicable accounting standards, a net gain in trading securities investments of HK$6,341,000 was recorded for the period under review (2017: HK$4,518,000).

As at 30th June, 2018, the Group had securities investments held for trading with an aggregate fair value of HK$74,895,000, representing approximately 2.47% of the total assets of the Group. 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, 2018		For the six months ended 30th June, 2018		
	Fair value	**Percentage of total assets of the Group**	**Realized gain**	**Unrealized gain**	**Net gain**
	HK$'000		*HK$'000*	*HK$'000*	*HK$'000*
Real estate investment trusts	23,983	0.79%	968	299	1,267
Conglomerates	30,699	1.01%	499	3,406	3,905
Telecommunications	20,213	0.67%	432	(1,019)	(587)
Financials - Banks	–	–	1,756	–	1,756
	74,895	2.47%	3,655	2,686	6,341

Long-term Equity Investments

As at 30th June, 2018, the Group held a 11.87% 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$719,643,000, representing approximately 23.76% 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 2017 of HK$95,245,000 in 2018 (2017: HK$86,000,000), which accounted for approximately 64.19% of the Group's gross proceeds from operations for the period under review. An unrealized loss on change in fair value of the equity investment in TGL of HK$95.68 million was charged to the investment revaluation reserve of the Group in 2018 in accordance with applicable accounting standards.

In addition, 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$23,636,000, representing approximately 0.78% 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$18.35 million was charged to the investment revaluation reserve of the Group in 2018 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, 2018. 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$1,136,959,000. During the period under review, the Group's operating and investing activities generated a net cash inflow of HK$18,880,000 and HK$19,170,000 respectively. After taking into account the Company's dividend payment of HK$117,385,000, the net cash outflow of the Group for the period ended 30th June, 2018 amounted to HK$79,335,000 (2017: HK$158,173,000). The reduction in cash balance during the period under review was mainly attributable to dividend payment of the Company.

The Group had no borrowings as at 30th June, 2018 (31st December, 2017: Nil). Of the liabilities of the Group, approximately 79.87% 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, 2018, the Group recorded a current ratio of 9.50 times (31st December, 2017: 10.09 times) and a gearing ratio (being total liabilities to equity attributable to owners of the Company) of 5.78% (31st December, 2017: 5.52%). There was no significant change in the gearing ratio while the drop in the current ratio was mainly attributable to the payment of final dividend for the year 2017 by the Company.

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, 2017: Nil).

Charge on Assets

No asset of the Group was subject to any charge as at 30th June, 2018 (31st December, 2017: Nil).

Foreign Exchange Exposure

The majority of the Group's assets and liabilities are denominated in Renminbi, and the liabilities are well covered by the assets. The depreciation in value of Renminbi may have an adverse impact on the Group's results and net asset value. In addition, all of the other assets and liabilities of the Group are denominated in either Hong Kong Dollar or Macau Pataca. Hence, the Group anticipates that the exchange risk exposure is manageable.

Contingent Liabilities

The Group had no contingent liabilities as at 30th June, 2018 (31st December, 2017: Nil).

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, will remain one of the principal sources of profit of the Group in 2018 despite a possible drop in its revenue predominantly from rental income.

It is expected that the global and Hong Kong financial markets will become noticeably uncertain in 2018 with the ending of quantitative easing and possible rise in interest rates. 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 seek out appropriate opportunities to expand its investment portfolio and will also 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, 2018, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period of six months ended 30th June, 2018 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 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;

(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 and nomination of re-election of Directors as well as assessing the independence of independent non-executive Directors; and

(d) the Code Provision F.1.1 of the CG Code was not fully complied until the Company Secretary, who has day-to-day involvement and knowledge of the Company's affairs, has been in the employment with the Company since March 2018.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH JUNE, 2018

This interim results announcement is published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk and on the Company's website at http://www.rivera.com.hk. The Interim Report 2018 of the Company will be available on both websites and despatched to the shareholders of the Company by the end of September 2018.

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

Hong Kong, 17th August, 2018

As at the date of this announcement, there are nine 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 Wang Fahua and Madam Fan Suxia; 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 Hung Wai Lung Ricky.