



**2019
INTERIM REPORT**

**CORE ECONOMY
INVESTMENT GROUP LIMITED
核心經濟投資集團有限公司**

(Continued into Bermuda with limited liability)
(Stock Code : 339)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. SUN Bo (*Chairman*)

Mr. WANG Daming

Non-executive Directors

Mr. HE Yu*

Mr. LIANG Qianyuan#

Independent Non-executive Directors

Mr. CHEN Ming

Mr. MOK Ho Ming

Mr. WONG Yan Wai George

CHIEF EXECUTIVE OFFICER

Mr. ZHANG Yufei

COMPANY SECRETARY

Ms. CHEUNG Hoi Ue

AUDITOR

Messrs. RSM Hong Kong

Certified Public Accountants

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 04 & 05

19/F Harbour Centre

25 Harbour Road

Wanchai, Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

INVESTMENT MANAGER

China Everbright Securities (HK) Limited

AUDIT COMMITTEE

Mr. MOK Ho Ming (*Chairman*)

Mr. CHEN Ming

Mr. WONG Yan Wai George

REMUNERATION COMMITTEE

Mr. WONG Yan Wai George (*Chairman*)

Mr. MOK Ho Ming

Mr. SUN Bo

NOMINATION COMMITTEE

Mr. SUN Bo (*Chairman*)

Mr. MOK Ho Ming

Mr. WONG Yan Wai George

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Management (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

STOCK CODE

339

* Appointed on 21 March 2019

Appointed on 4 July 2019

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "Board") of directors (the "Directors", and each, a "Director") of Core Economy Investment Group Limited (the "Company", together with its subsidiaries, the "Group") is pleased to present the unaudited consolidated interim financial results for the six months ended 30 June 2019 (the "Period").

RESULTS

During the Period, the Group recorded a turnover of approximately HK\$63,000 (2018: Approximately HK\$58,000), loss attributable to owners of the Company of approximately HK\$4,887,000 (2018: Approximately HK\$5,412,000) and basic loss per share of HK\$0.031 (2018: HK\$0.039). The turnover recorded in the Period is generated from dividend income from listed investments as well as bank and other interest income. The increased in turnover was mainly attributable to increase in bank and other interest income received during the Period.

The Group's administrative and other operating expenses amounted to approximately HK\$5,509,000 (2018: Approximately HK\$4,990,000). The Group recorded a gain on net change in fair value of financial assets at fair value through profit or loss for the Period of approximately HK\$641,000 as compared with the loss of approximately HK\$480,000 in the corresponding period of previous year. The decrease in net loss was mainly driven by increase in gain on net change in fair value of financial assets at fair value through profit or loss.

INTERIM DIVIDEND

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

BUSINESS REVIEW

In the past few months, US-China trade tension has been accelerated and will definitely hinder cross-border business activities. The Brexit negotiation remains highly uncertain. In Hong Kong, the controversial extradition bill that sparked massive protests could potentially damage the economy. Global investors are pessimistic about 2019 as expected. Currently the Group has kept its existing investment portfolio during the Period but will continue to pursue for various investment opportunities to enhance the investment portfolio value.

The Group's portfolio of listed securities as at 30 June 2019 consisted of China Resources Land Limited, Ping An Insurance (Group) Company of China, Limited, Sunac China Holdings Limited, China Overseas Land & Investment Limited, Sun Hung Kai Properties Limited, CK Asset Holdings Limited, China Pacific Insurance (Group) Company Limited, The Wharf (Holdings) Limited, China Taiping Insurance Holdings Company Limited, New China Life Insurance Company Limited, HSBC Holdings Plc, China Life Insurance Company Limited, CK Hutchison Holdings Limited, Tianjin Development Holdings Limited, Enterprise Products Partners L.P. and Energy Transfer L.P..

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2019, approximately 12% (At 31 December 2018: 15%) of the Group's total investments consisted of a portfolio of listed securities, 3% (At 31 December 2018: 2%) in other assets, 13% (At 31 December 2018: 1%) in non-current assets which consist of 1% (At 31 December 2018: 1%) in property, plant and equipment and 12% (At 31 December 2018: Nil) in right-of-use asset respectively; and 72% (At 31 December 2018: 82%) in cash which was deposited with banks and a financial institute in Hong Kong.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group mainly relies upon shareholders' funds, funds from placing of shares and cash generated from its business operations to finance its operation and expansion. The Group maintained a strong cash position, cash and cash equivalents amounting to HK\$30,139,541 as at 30 June 2019 (At 31 December 2018: HK\$25,704,886). As at 30 June 2019, the consolidated net asset value of the Group was HK\$36,802,212 (At 31 December 2018: HK\$30,681,867) with consolidated net asset value per share of HK\$0.22 (At 31 December 2018: HK\$0.22).

On 25 February 2019, a total of 27,800,000 new shares (the "Placing Shares") of nominal value of HK0.02 each in the share capital of the Company were successfully placed under the general mandate by the placing agent to one placee, namely Sun Oxford Co., Limited, a company incorporated in Hong Kong with limited liability, at the placing price (the "Placing Price") of HK\$0.4 per the Placing Share pursuant to the terms and conditions of the placing agreement (the "Placing Agreement") and the supplemental placing agreement on 25 January 2019 and 12 February 2019 respectively.

The Placing Price of HK\$0.4 per Placing Share represents (i) a discount of approximately 6.98% to the closing price of HK\$0.43 per share as quoted on the The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 25 January 2019, being the date of the Placing Agreement; and (ii) a discount of approximately 6.98% to the average of the closing prices of HK\$0.43 per share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement. The aggregate of 27,800,000 new shares of the Company represents 19.97% of issued share capital of the Company immediately before the completion of the placing and approximately 16.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. Details of the placing of shares was set out in the Company's announcements dated 25 January 2019, 12 February 2019 and 25 February 2019 respectively. To the best knowledge, information and belief of the Company having made such reasonable enquiry and as informed by the placing agent, the placee and its ultimate beneficial owner(s) are independent third parties and not connected with the Company and its connected person as at the date of completion.

MANAGEMENT DISCUSSION AND ANALYSIS

The gross and net proceeds were approximately HK\$11,120,000 and HK\$11,000,000 respectively. The net placing price per share was approximately HK\$0.396. Of the net proceeds, the Company intends to use (i) approximately HK\$5,500,000 for future investment and business development (the "Investment Fund"); and (ii) approximately HK\$5,500,000 as general working capital of the Company (the "General Working Capital Fund"). During the Period, the Group had utilized approximately HK\$4,000,000 General Working Capital Fund and kept the Investment Fund unused.

The Group has no significant liabilities. The Group's accrual and other payables amounted to HK\$118,000 as at 30 June 2019 (At 31 December 2018: HK\$564,311) and a lease liability amounted to HK\$5,169,397 (At 31 December 2018: Nil). The Group has recognised a right-of-use asset and a lease liability for the office property lease contract. Further details have been set out in note 3 of the condensed consolidated financial statements. The gearing ratio of the Group, calculated on the basis of the Group's total liabilities over total owners' equity, was 0.14 as at 30 June 2019 (At 31 December 2018: 0.018).

CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares as at 30 June 2019 and 31 December 2018. There was no change on the Group's overall capital structure for the six months ended 30 June 2019.

CAPITAL EXPENDITURES

The Group's capital expenditures primarily consisted of expenditures on acquisition of computer equipment, furniture and fixtures and office equipment. During the six months ended 30 June 2019, the Group incurred capital expenditure in the amount of HK\$8,480 (2018: HK\$11,898).

CAPITAL COMMITMENTS

As at 30 June 2019, the Group did not have any significant capital commitments (At 31 December 2018: Nil).

FOREIGN EXCHANGE EXPOSURE

The Board believes that the Group has certain exposure to foreign exchange risk as some of the business transactions of the Group are denominated in Renminbi, Singapore dollars and United States dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Board will monitor the foreign currency exposure closely.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group has employed a total of 10 employees (2018: 10) including the directors of the Company. The remuneration packages consist of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to the prevailing market conditions, individual qualification and performance. They are under periodic review based on individual merit and other market factors. The total staff costs for the six months ended 30 June 2019 amounted to HK\$3,045,204 (2018: HK\$2,061,150).

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2019, no charges had been created on the Group's assets (At 31 December 2018: Nil).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2019 (At 31 December 2018: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there is no material subsequent event undertaken by the Group after the end of the six months ended 30 June 2019 and up to the date of this report.

SIGNIFICANT INVESTMENT HELD

Save as disclosed above, the Group had no other significant investment held as at 30 June 2019.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Group had not executed any agreement in respect of material investment or capital asset and did not have any other future plans relating to material investment or capital asset as at the date of this report. Nonetheless, if any potential investment opportunity arises in the coming future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

PROSPECTS

Having mentioned in "Business Review" section, the market is experiencing a tumultuous in short run. The Group expect the global economy will be full of challenge in future. The management of the Group will adopt a conservative approach in managing the existing investments in accordance with the Group's investment objectives and policies. On the other hand, the Group will continue to seek and evaluate good investment opportunities to enrich the investment portfolios, aiming to maximize the return for the shareholders of the Company.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted by the shareholders of the Company at the special general meeting held on 16 May 2016 (the "Adoption Date"). The Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Share Option Scheme is valid and effective for a period of 10 years commencing on the Adoption Date and the purpose of the Share Option Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to participants. Pursuant to the Share Option Scheme the Board may at its discretion, subject always to any limits and restrictions specified in the Listing Rules, offer to grant an option to any participant; impose terms and conditions; and determine such number of shares to be subscribed for at the option price.

The minimum option price for any option granted under the Share Option Scheme shall not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange on the date of offer; (ii) the average closing price of the shares as stated in the Stock Exchange for the five business days immediately preceding the date of offer; and (iii) the nominal value of the share.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any options to be granted under any other scheme must not in aggregate exceed 10% of the aggregate of the shares in issue as at the Adoption Date unless refreshed by the shareholders. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and all outstanding options granted and yet to be exercised under any other scheme should not exceed 30% of the shares in issue from time to time.

During the reporting period, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme and there was no outstanding option as at 30 June 2019.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 30 June 2019, so far as the Directors are aware, the interests and/or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company, its specific undertaking or any of others associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Name of Directors or chief executives	Capacity	Long/ Short position	Number of shares held	Approximate percentage of the issued share capital as at 30 June 2019
HE Yu ¹	Interest of controlled corporation	Long position	27,800,000	16.65%
SUN Bo	Beneficial owner	Long position	22,275,000	13.34%
ZHANG Yufei	Beneficial owner	Long position	8,000,000	4.79%

Note:

- The 27,800,000 shares were held by Sun Oxford Co., Limited was solely and wholly owned by Mr. HE Yu. By virtue of the SFO, Mr. HE Yu is deemed to be interested in the 27,800,000 shares of the Company.

Save as disclosed above, at no time during the Period, the Directors or chief executives had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company and its specific undertaking or any other associated corporations required to be disclosed pursuant to the SFO.

Save as disclosed above, at no time during the Period was the Company or its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company to hold any interests or short positions in shares or underlying shares in, or debentures of, the Company, its specific undertaking or any other associated corporation.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION", as at 30 June 2019, no other person had notified the Company that he or she had an interest or short position in the shares and underlying shares of the Company as recorded in the register of substantial shareholders required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION" and the "SHARE OPTION SCHEME" above in this report, at no time during the reporting period was the Company, a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CHANGE OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

With effect from 21 March 2019, Mr. HE Yu has been appointed as a non-executive director of the Company. Further details have been set out in an announcement of the Company dated 21 March 2019.

With effect from 4 July 2019, Mr. LIANG Qianyuan has been appointed as a non-executive director of the Company. Further details have been set out in an announcement of the Company dated 4 July 2019.

Save as disclosed above, there is no other change in the Directors' and chief executive's information required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all the Directors have complied with the required standards as set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the reporting period.

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and its shareholders. The Company has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company's code of corporate governance practices. During the six months ended 30 June 2019, the Company has complied with the code provisions under the CG Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the reporting period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee"), with its terms of reference established in compliance with the Listing Rules, comprises three independent non-executive Directors, namely Mr. MOK Ho Ming (the chairman of the Audit Committee), Mr. CHEN Ming and Mr. WONG Yan Wai George. The Audit Committee has reviewed with the management of the Company the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2019 including the accounting principles and practices adopted by the Group and has also discussed with management of the Company the financial reporting procedures, internal control and risk management systems.

REVIEW OF ACCOUNTS

The external auditor, RSM Hong Kong, has reviewed the interim financial information for the six months ended 30 June 2019 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT REVIEW REPORT



TO THE BOARD OF DIRECTORS OF CORE ECONOMY INVESTMENT GROUP LIMITED

(Continued into Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 13 to 34 which comprises the condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2019 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

RSM Hong Kong

Certified Public Accountants

Hong Kong
23 August 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Note	(Unaudited)	
		Six months ended 30 June	
		2019 HK\$	2018 HK\$
Revenue	5	62,944	58,076
Net change in fair value of financial assets at fair value through profit or loss	6	641,413	(480,073)
Administrative and other operating expenses		(5,509,150)	(4,990,061)
Loss from operations		(4,804,793)	(5,412,058)
Finance costs		(82,171)	–
Loss before tax		(4,886,964)	(5,412,058)
Income tax	7	–	–
Loss for the period attributable to owners of the Company	8	(4,886,964)	(5,412,058)
Other comprehensive income for the period, net of tax:			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(635)	–
Total comprehensive income for the period attributable to owners of the Company		(4,887,599)	(5,412,058)
Loss per share			
Basic	11	(0.031)	(0.039)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Note	(Unaudited) 30 June 2019 HK\$	(Audited) 31 December 2018 HK\$
Non-current assets			
Property, plant and equipment	12	176,957	227,254
Right-of-use asset		5,273,179	–
		5,450,136	227,254
Current assets			
Financial assets at fair value through profit or loss	13	5,183,108	4,804,779
Prepayments, deposits and other receivables		1,316,824	509,259
Cash and cash equivalents		30,139,541	25,704,886
		36,639,473	31,018,924
Current liabilities			
Accrual and other payables		118,000	564,311
Lease liability		3,239,196	–
		3,357,196	564,311
Net current assets			
		33,282,277	30,454,613
Total assets less current liabilities			
		38,732,413	30,681,867
Non-current liabilities			
Lease liability		1,930,201	–
NET ASSETS			
		36,802,212	30,681,867
Equity attributable to owners of the Company			
Share capital	14	3,340,000	2,784,000
Reserves		33,462,212	27,897,867
TOTAL EQUITY			
		36,802,212	30,681,867
Net asset value per share			
	15	0.22	0.22

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	(Unaudited)					
	Share capital	Share premium account	Contributed surplus account	Foreign currency translation reserve	Accumulated losses	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 January 2018	2,784,000	50,339,486	28,040,011	-	(38,890,666)	42,272,831
Total comprehensive income and change in equity for the period	-	-	-	-	(5,412,058)	(5,412,058)
At 30 June 2018	2,784,000	50,339,486	28,040,011	-	(44,302,724)	36,860,773
At 1 January 2019	2,784,000	50,339,486	28,040,011	(702)	(50,480,928)	30,681,867
Issue of shares (note 14)	556,000	10,451,944	-	-	-	11,007,944
Total comprehensive income for the period	-	-	-	(635)	(4,886,964)	(4,887,599)
Changes in equity for the period	556,000	10,451,944	-	(635)	(4,886,964)	6,120,345
At 30 June 2019	3,340,000	60,791,430	28,040,011	(1,337)	(55,367,892)	36,802,212

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	HK\$	HK\$
Net cash used in operating activities	(6,564,174)	(4,909,571)
Net cash used in investing activities	(8,480)	(11,898)
Net cash generated from financing activities	11,007,944	–
Net increase/(decrease) in cash and cash equivalents	4,435,290	(4,921,469)
Effect of foreign exchange rate changes	(635)	–
Cash and cash equivalents at 1 January	25,704,886	36,226,467
Cash and cash equivalents at 30 June		
Representing cash and cash equivalents	30,139,541	31,304,998

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. CORPORATE INFORMATION

Core Economy Investment Group Limited (the "Company") was continued into Bermuda as an exempted company with limited liability under the Bermuda Companies Act 1981. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The address of its principal place of business is Suites 04 & 05, 19/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company acts as an investment holding company and its principal activity is investment and trading of listed and unlisted equity securities. The Company and its subsidiaries are collectively referred to as the "Group".

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have not been audited.

These condensed consolidated interim financial statements for the six months ended 30 June 2019 (the "Period") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2018 annual financial statements. The accounting policies (including the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2018 except as stated below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2019. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted HKFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, HK (IFRIC) Interpretation ("IFRIC") 4 Determining whether an Arrangement contains a Lease, Hong Kong (SIC) Interpretation ("SIC") 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated losses at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

(a) *Definition of a lease*

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 16 Leases *(continued)*

(a) Definition of a lease *(continued)*

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) As a lessee

The Group leases an office property as its principal place of business.

As a lessee, the Group previously classified its lease as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises a right-of-use asset and a lease liability for its lease of the office property.

At 30 June 2019, the recognised right-of-use asset related to the office property amounted to HK\$5,273,179 (At 1 January 2019: HK\$6,895,695).

Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 16 Leases *(continued)*

(b) As a lessee *(continued)*

Significant accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for the lease contract in which it is a lessee that includes a renewal option. The assessment of whether the Group is reasonably certain to exercise such option impacts the lease term, which significantly affects the amount of lease liability and right-of-use asset recognised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 16 Leases *(continued)*

(b) As a lessee *(continued)*

Transition

Previously, the Group classified its office property lease as an operating lease under HKAS 17. The lease runs for a period of 26 months and includes an option to renew the lease for an additional 10 months after the end of the non-cancellable period.

At transition, for the lease classified as an operating lease under HKAS 17, a lease liability was measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. A right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying HKFRS 16 to the lease previously classified as an operating lease under HKAS 17.

- Applied the exemption not to recognise right-of-use asset and liability for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 16 Leases *(continued)*

(c) Impacts of financial statements

Impact on transition

On transition to HKFRS 16, the Group recognised an additional right-of-use asset and an additional lease liability. The change in accounting policy affected the following items on the condensed consolidated statement of financial position (increase/(decrease)) as at 1 January 2019 is summarised below.

	1 January 2019 HK\$
Assets	
Right-of-use asset	6,895,695
Prepayment	(139,113)
Total assets	6,756,582
Liabilities	
Lease liability	(6,756,582)
Total liabilities	(6,756,582)

When measuring a lease liability for the lease that was classified as an operating lease, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The rate applied is 2.729%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 16 Leases (continued)

(c) Impacts of financial statements (continued)

Impact on transition (continued)

	1 January 2019 HK\$
Operating lease commitments at 31 December 2018 as disclosed in the Group's consolidated financial statements	7,080,852
Discounted using the incremental borrowing rate at initial application and lease liability recognised as at 1 January 2019	6,756,582
Of which are:	
Current lease liability	3,195,882
Non-current lease liability	3,560,700
	6,756,582

Impacts for the Period

As a result of initially applying HKFRS 16, in relation to the lease that was previously classified as an operating lease, the Group recognised right-of-use asset of HK\$5,273,179 and lease liability of HK\$5,169,397 as at 30 June 2019.

Also in relation to the lease under HKFRS 16, the Group has recognised depreciation and finance costs, instead of operating lease expenses. During the six months ended 30 June 2019, the Group recognised depreciation charge of HK\$1,622,517 and finance costs of HK\$82,171 from the lease.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The recurring fair value measurements of the Group's financial assets at fair value through profit and loss are using the Level 1 of the fair value hierarchy.

5. REVENUE AND SEGMENT INFORMATION

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	HK\$	HK\$
Dividend income from listed securities	44,577	56,171
Bank interest income	13,843	1,249
Other interest income	4,524	656
Revenue	62,944	58,076
Proceeds from disposals of financial assets at fair value through profit or loss	263,084	–

No segment information is presented as all of the revenue and contribution to operating results, assets and liabilities of the Group are attributable to investment activities which are carried out or originated principally in Hong Kong.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

6. NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	HK\$	HK\$
Net realised gains on disposals of financial assets at fair value through profit or loss	1,242	–
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	640,171	(480,073)
	641,413	(480,073)

7. INCOME TAX

No provision for Hong Kong Profits Tax is required since the Company has no assessable profit for the Period (2018: Nil).

As at 30 June 2019, the Group has unused tax losses of HK\$67,567,490 (At 31 December 2018: HK\$62,162,754) available to offset against future profits. No deferred tax asset has been recognised in the condensed consolidated interim financial statements due to the unpredictability of future profit streams.

8. LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's loss for the Period attributable to owners of the Company is arrived after charging the following:

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	HK\$	HK\$
Depreciation	1,681,294	57,929
Directors' emoluments		
– Fees	837,548	360,000
Investment management fee (Note 9)	360,000	360,000
Operating lease charges – land and buildings	–	1,435,230

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

9. CONTINUING CONNECTED TRANSACTIONS

The Company entered into an investment management agreement with China Everbright Securities (HK) Limited ("CES") for the provision of investment management services to the Company of a period of two years from 12 May 2016 at investment management fee of HK\$60,000 per month payable monthly in arrears. On 11 May 2018, the Company entered into a new investment management agreement with CES to extend the terms for a further period of two years from 12 May 2018 to 11 May 2020 with the monthly fee and payment term remain unchanged. During the Period, the investment management fee of HK\$360,000 was paid to CES.

Rule 14A.08 of the Listing Rules provides that where a listed company is an investment company listed under Chapter 21 of the Listing Rules, its connected persons also include an investment manager. Accordingly, the provision of investment management services by CES to the Company under the above-mentioned investment management agreements constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

10. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2019 (2018: Nil).

11. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the Period attributable to owners of the Company of HK\$4,886,964 (2018: HK\$5,412,058) and the weighted average number of ordinary shares of 158,552,487 (2018: 139,200,000) in issue during the Period.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2019 and 2018.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired property, plant and equipment of HK\$8,480 (2018: HK\$11,898).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2019 HK\$	(Audited) 31 December 2018 HK\$
Equity securities, at fair value		
Listed in Hong Kong	4,333,735	3,785,220
Listed outside Hong Kong	849,373	1,019,559
	5,183,108	4,804,779

The carrying amounts of the above financial assets are classified as held for trading.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The investments included above represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of the listed securities are based on quoted market prices.

Particulars of the Group's financial assets at fair value through profit or loss are as follows:

At 30 June 2019

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Fair value gains/(losses) HK\$	Dividend income received during the Period HK\$	Dividend cover	Net assets attributable to the Group HK\$
Listed in Hong Kong:									
China Resources Land Limited ("China Resources Land")	Cayman Islands	16,000	Less than 1%	363,200	550,400	187,200	-	N/A	378,439
Ping An Insurance (Group) Company of China, Ltd. ("Ping An")	People's Republic of China ("PRC")	5,000	Less than 1%	400,250	469,000	68,750	-	N/A	194,420
Sunac China Holdings Ltd. ("Sunac China")	Cayman Islands	11,000	Less than 1%	386,650	422,400	35,750	-	N/A	178,170
China Overseas Land & Investment Ltd. ("China Overseas Land")	Hong Kong	14,000	Less than 1%	350,000	403,200	53,200	-	N/A	386,398
Sun Hung Kai Properties Limited ("Sun Hung Kai")	Hong Kong	3,000	Less than 1%	381,000	397,500	16,500	3,750	5.66	565,143
CK Asset Holdings Limited ("CK Asset")	Cayman Islands	5,500	Less than 1%	365,750	336,325	(29,425)	7,865	7.59	495,456
China Pacific Insurance (Group) Co., Ltd. ("China Pacific")	PRC	10,600	Less than 1%	394,320	323,830	(70,490)	-	N/A	216,098
The Wharf (Holdings) Limited ("Wharf")	Hong Kong	15,000	Less than 1%	380,250	310,500	(69,750)	6,000	5.45	701,589
China Taiping Insurance Holdings Company Limited	Hong Kong	14,000	Less than 1%	400,400	292,600	(107,800)	-	N/A	256,042
New China Life Insurance Company Ltd.	PRC	7,700	Less than 1%	399,245	292,600	(106,645)	-	N/A	184,327
HSBC Holdings Plc.	England	2,400	Less than 1%	178,200	155,520	(22,680)	3,955	0.33	175,682
China Life Insurance Co. Ltd.	PRC	8,000	Less than 1%	194,000	153,920	(40,080)	-	N/A	118,536
CK Hutchison Holdings Limited	Cayman Islands	1,500	Less than 1%	152,700	115,500	(37,200)	3,450	4.40	171,796
Tianjin Development Holdings Ltd.	Hong Kong	44,000	Less than 1%	180,558	110,440	(70,118)	-	N/A	464,170
Listed outside Hong Kong:									
Enterprise Products Partners L.P. ("EPD")	United States	2,000	Less than 1%	413,959	449,506	35,547	8,595	2.66	174,474
Energy Transfer L.P. ("ET")	United States	3,648	Less than 1%	400,624	399,867	(757)	10,962	1.93	226,643
				5,341,106	5,183,108	(157,998)			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Particulars of the Group's financial assets at fair value through profit or loss are as follows:
(continued)

At 31 December 2018

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Fair value gains/(losses) HK\$	Dividend income received during the year HK\$	Dividend cover	Net assets attributable to the Group HK\$
Listed in Hong Kong:									
China Resources Land Limited	Cayman Islands	16,000	Less than 1%	363,200	481,600	118,400	15,952	10.64	336,628
China Overseas Land & Investment Ltd.	Hong Kong	14,000	Less than 1%	350,000	376,600	26,600	11,900	9.04	362,236
Ping An Insurance (Group) Company of China, Ltd.	PRC	5,000	Less than 1%	400,250	345,750	(54,500)	9,829	13.01	173,313
Sun Hung Kai Properties Limited	Hong Kong	3,000	Less than 1%	381,000	334,800	(46,200)	13,950	9.35	565,232
CK Asset Holdings Limited	Cayman Islands	5,500	Less than 1%	365,750	315,150	(50,600)	9,625	13.69	481,767
The Wharf (Holdings) Limited	Hong Kong	15,000	Less than 1%	380,250	306,000	(74,250)	18,000	7.57	666,648
China Taiping Insurance Holdings Company Limited	Hong Kong	14,000	Less than 1%	400,400	301,000	(99,400)	1,400	16.36	264,250
Sunac China Holdings Ltd.	Cayman Islands	11,000	Less than 1%	386,650	280,500	(106,150)	6,743	5.20	140,634
China Pacific Insurance (Group) Co., Ltd.	PRC	10,600	Less than 1%	394,320	268,710	(125,610)	9,348	2.12	199,212
New China Life Insurance Company Ltd.	PRC	7,700	Less than 1%	399,245	239,470	(159,775)	4,361	3.53	184,327
HSBC Holdings Plc.	England	2,400	Less than 1%	178,200	155,520	(22,680)	9,600	4.44	171,990
Tianjin Development Holdings Ltd.	Hong Kong	44,000	Less than 1%	180,558	134,200	(46,358)	3,436	10.90	475,124
China Life Insurance Co. Ltd.	PRC	8,000	Less than 1%	194,000	133,120	(60,880)	3,524	2.96	108,081
CK Hutchison Holdings Limited	Cayman Islands	1,500	Less than 1%	152,700	112,800	(39,900)	4,410	6.51	173,544
Listed outside Hong Kong:									
Enterprise Products Partners L.P.	United States	2,000	Less than 1%	413,959	383,678	(30,281)	16,870	6.23	171,230
Energy Transfer L.P.	United States	3,648	Less than 1%	400,624	375,955	(24,669)	29,241	3.92	224,502
Cityneon Holdings Limited	Singapore	34,800	Less than 1%	190,522	259,926	69,404	-	N/A	57,717
				5,531,628	4,804,779	(726,849)			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

A brief description of the business and financial information of the listed investee companies that accounted for the Group's ten largest investments, based on their published annual and interim reports, is as follows:

- (a) China Resources Land is principally engaged in development properties for sale, property investments and management, hotel operations and the provision of construction, decoration services and other property development related services in the PRC. The audited consolidated profit attributable to owners of China Resources Land for the year ended 31 December 2018 was approximately HK\$28,760,662,000 (2017 (restated): HK\$22,736,505,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of China Resources Land was approximately HK\$157,554,694,000 (2017 (restated): HK\$143,530,486,000). The unaudited consolidated profit attributable to owners of China Resources Land for the six months ended 30 June 2019 was approximately HK\$14,693,809,000 (2018: HK\$10,900,782,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of China Resources Land was approximately HK\$163,933,771,000 (2018: HK\$145,821,853,000).
- (b) Ping An is principally engaged in provision of integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities and other assets management as well as banking. The audited consolidated profit attributable to owners of Ping An for the year ended 31 December 2018 was approximately HK\$127,445,586,000 (2017: HK\$102,869,914,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of Ping An was approximately HK\$633,640,009,000 (2017: HK\$567,500,514,000). The unaudited consolidated profit attributable to owners of Ping An for the six months ended 30 June 2019 was approximately HK\$112,776,710,000 (2018: HK\$71,549,802,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of Ping An was approximately HK\$710,809,201,000 (2018: HK\$610,076,674,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

- (c) Sunac China is principally engaged in the businesses of property development and investment, property management services and operations in the PRC. The audited consolidated profit attributable to owners of Sunac China for the year ended 31 December 2018 was approximately HK\$19,657,850,000 (2017: HK\$12,706,161,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of Sunac China was approximately HK\$64,713,730,000 (2017: HK\$52,514,506,000). The unaudited consolidated profit attributable to owners of Sunac China for the six months ended 30 June 2019 was approximately HK\$11,876,569,000 (2018: HK\$7,834,466,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of Sunac China was approximately HK\$71,904,795,000 (2018: HK\$56,331,862,000).
- (d) China Overseas Land is principally engaged in property development and investment, provision of real estate management services as well as construction and building design consultancy services. The audited consolidated profit attributable to owners of China Overseas Land for the year ended 31 December 2018 was approximately HK\$44,900,303,000 (2017: HK\$40,766,835,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of China Overseas Land was approximately HK\$283,481,070,000 (2017: HK\$265,694,287,000). The unaudited consolidated profit attributable to owners of China Overseas Land for the six months ended 30 June 2019 was approximately HK\$24,941,516,000 (2018: HK\$23,218,766,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of China Overseas Land was approximately HK\$302,389,344,000 (2018: HK\$275,879,467,000).
- (e) Sun Hung Kai is principally engaged in development of and investment in properties for sale and rent, hotel operation, telecommunications, transport infrastructure and logistics. The audited consolidated profit attributable to owners of Sun Hung Kai for the year ended 30 June 2018 was approximately HK\$49,951,000,000 (2017: HK\$41,782,000,000). As at 30 June 2018, the audited consolidated net asset value attributable to owners of Sun Hung Kai was approximately HK\$539,098,000,000 (2017: HK\$498,215,000,000). The unaudited consolidated profit attributable to owners of Sun Hung Kai for the six months ended 31 December 2018 was approximately HK\$20,469,000,000 (2017: HK\$33,031,000,000). As at 31 December 2018, the unaudited consolidated net asset value attributable to owners of Sun Hung Kai was approximately HK\$545,856,000,000 (2017: HK\$526,547,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

- (f) CK Asset is principally engaged in the property development and investment, hotel and serviced suite operation, property and project management, as well as aircraft leasing. The audited consolidated profit attributable to owners of CK Asset for the year ended 31 December 2018 was approximately HK\$40,117,000,000 (2017: HK\$30,125,000,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of CK Asset was approximately HK\$323,520,000,000 (2017: HK\$291,552,000,000). The unaudited consolidated profit attributable to owners of CK Asset for the six months ended 30 June 2019 was approximately HK\$15,128,000,000 (2018: HK\$24,753,000,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of CK Asset was approximately HK\$332,712,000,000 (2018: HK\$312,255,000,000).
- (g) China Pacific is principally engaged in property and casualty insurance businesses, life insurance businesses, pension and annuity businesses and asset management. The audited consolidated profit attributable to owners of China Pacific for the year ended 31 December 2018 was approximately HK\$21,381,345,000 (2017: HK\$16,930,211,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of China Pacific was approximately HK\$170,307,234,000 (2017: HK\$164,846,352,000). The unaudited consolidated profit attributable to owners of China Pacific for the six month ended 30 June 2019 was approximately HK\$18,684,892,000 (2018: HK\$10,165,626,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to the owners of China Pacific was approximately HK\$184,743,304,000 (2018: HK\$164,181,572,000).
- (h) Wharf is principally engaged in property-related businesses and operates through five segments. The segments are investment property, development property, hotels, logistics and communications, media and entertainment. The audited consolidated profit attributable to owners of Wharf for the year ended 31 December 2018 was approximately HK\$6,623,000,000 (2017: HK\$21,876,000,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of Wharf was approximately HK\$135,424,000,000 (2017: HK\$141,974,000,000). The unaudited consolidated profit attributable to owners of Wharf for the six months ended 30 June 2019 was approximately HK\$2,450,000,000 (2018: HK\$2,860,000,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of Wharf was approximately HK\$142,522,000,000 (2018: HK\$142,516,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

- (i) EPD is a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, petrochemicals and refined products. The audited consolidated profit attributable to owners of EPD for the year ended 31 December 2018 was approximately HK\$32,704,940,000 (2017: HK\$21,814,945,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of EPD was approximately HK\$186,868,320,000 (2017: HK\$176,183,821,000). The unaudited consolidated profit attributable to owners of EPD for the six months ended 30 June 2019 was approximately HK\$19,415,469,000 (2018: HK\$12,341,876,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of EPD was approximately HK\$190,923,718,000 (2018: HK\$177,881,374,000).
- (j) ET is principally engaged in the businesses of natural gas and liquids operations; NGLs and refined product transportation; terminalling services and acquisition and marketing activities in the United States. The audited consolidated profit attributable to owners of ET for the year ended 31 December 2018 was approximately HK\$12,996,070,000 (2017: HK\$7,683,898,000). As at 31 December 2018, the audited consolidated net asset value attributable to owners of ET was approximately HK\$161,059,210,000 (2017: HK\$220,893,966,000). The unaudited consolidated profit attributable to owners of ET for the six months ended 30 June 2019 was approximately HK\$13,695,624,000 (2018: HK\$2,265,355,000). As at 30 June 2019, the unaudited consolidated net asset value attributable to owners of ET was approximately HK\$162,755,208,000 (2018: HK\$218,628,790,000).

14. SHARE CAPITAL

	(Unaudited) 30 June 2019 HK\$	(Audited) 31 December 2018 HK\$
Authorised:		
1,000,000,000 ordinary shares of HK\$0.02 each	20,000,000	20,000,000
Issued and fully paid:		
167,000,000 (At 31 December 2018: 139,200,000) ordinary shares of HK\$0.02 each	3,340,000	2,784,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

14. SHARE CAPITAL (continued)

A summary of the movements in the issued share capital of the Company is as follows:

	Note	Number of shares issued	Nominal value of shares issued HK\$
At 1 January 2018, 31 December 2018 and 1 January 2019		139,200,000	2,784,000
Issue of shares	(a)	27,800,000	556,000
At 30 June 2019		167,000,000	3,340,000

Notes:

- (a) On 25 January 2019, the Company and Bonus Eventus Securities Limited entered into a placing agreement in respect of the placement of 27,800,000 ordinary shares of HK\$0.02 each (the "Placing Shares") to independent investors at a price of HK\$0.4 each. The placement was completed on 25 February 2019 and the Placing Shares were issued and allotted to a placee, namely Sun Oxford Co., Limited, at the placing price of HK\$0.4 each. To the best knowledge, information and belief of the Company having made such reasonable enquiry and as informed by the placing agent, the placee and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as at the date of completion. The premium on issue of shares amounting to HK\$10,451,944 (net of share issue expenses of HK\$112,056) was credited to the Company's share premium account.

During the six months ended 30 June 2019, no option was granted, exercised, cancelled or lapsed under the share option scheme adopted by the Company on 16 May 2016. There were no outstanding share options as at 30 June 2019 and 31 December 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

15. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of the Group as at 30 June 2019 of HK\$36,802,212 (At 31 December 2018: HK\$30,681,867) and the number of ordinary shares of 167,000,000 (At 31 December 2018: 139,200,000) in issue as at that date.

16. RELATED PARTY TRANSACTIONS

Key management compensation

The key management personnel of the Group comprises all directors and the chief executive officer. Details of their emoluments are disclosed below:

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	HK\$	HK\$
Fees	837,548	360,000
Salaries	1,200,000	780,000
Retirement benefit scheme contributions	6,000	4,500
	2,043,548	1,144,500

17. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2019 (At 31 December 2018: Nil).

18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 23 August 2019.