CEIG

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 announce that the audited consolidated results of the Group for the year ended 31 December 2019, together with the comparative figures for the corresponding year 2018 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2019

	Note	**2019**	2018
		HK$	*HK$*
Revenue	*4*	**195,319**	179,615
Net change in fair value of financial assets at fair value through profit or loss	*5*	**174,082**	(768,538)
Administrative and other operating expenses		**(11,408,646)**	(11,001,339)
Loss from operations		**(11,039,245)**	(11,590,262)
Finance costs	*6*	**(142,830)**	–
Loss before tax		**(11,182,075)**	(11,590,262)
Income tax	*7*	**–**	–
Loss for the year attributable to owners of the Company	*8*	**(11,182,075)**	(11,590,262)
Other comprehensive income for the year, net of tax			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(1,069)**	(702)
Total comprehensive income for the year attributable to owners of the Company		**(11,183,144)**	(11,590,964)
Loss per share			
Basic	*10*	**(0.069)**	(0.083)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2019

	Note	2019 HK$	2018 HK$
Non-current assets			
Property, plant and equipment		**118,180**	227,254
Right-of-use asset		**3,650,662**	–
Refundable rental deposit		**1,112,904**	–
		4,881,746	227,254
Current assets			
Financial assets at fair value through profit or loss		**5,918,323**	4,804,779
Prepayments, deposits and other receivables		**423,241**	509,259
Cash and cash equivalents		**23,308,357**	25,704,886
		29,649,921	31,018,924
Current liabilities			
Accruals and other payables		**464,300**	564,311
Lease liability		**3,283,098**	–
		3,747,398	564,311
Net current assets		**25,902,523**	30,454,613
Total assets less current liabilities		**30,784,269**	30,681,867
Non-current liabilities			
Lease liability		**277,602**	–
NET ASSETS		**30,506,667**	30,681,867
Equity attributable to owners of the Company			
Share capital		**3,340,000**	2,784,000
Reserves		**27,166,667**	27,897,867
TOTAL EQUITY		**30,506,667**	30,681,867
Net asset value per share	*11*	**0.18**	0.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. CORPORATE INFORMATION

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, 19th Floor, 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 "Stock Exchange").

The Company acts as an investment holding company and its principal activities are investment and trading of listed and unlisted securities.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss ("FVTPL") that are measured at fair value.

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

(a) Application of new and revised HKFRSs

The HKICPA has issued a new HKFRS, HKFRS 16 *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 *Leases*, and the related interpretations, HK(IFRIC) Interpretation 4 *Determining whether an Arrangement contains a Lease*, Hong Kong (SIC) Interpretation 15 *Operating Leases – Incentives* and Hong Kong (SIC) Interpretation 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. HKFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements brought forward from HKAS 17 are substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(ii) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liability for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The incremental borrowing rate applied is 2.729%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(I) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;

(II) excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and

(III) relied on the assessment of whether the lease is onerous by applying HKAS 37 as an alternative to an impairment review.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use asset and the related lease liability, the Group first determines whether the tax deductions are attributable to the right-of-use asset or the lease liability.

For leasing transactions in which the tax deductions are attributable to the lease liability, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use asset and lease liability separately. Temporary differences relating to right-of-use asset and lease liability are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liability recognised as at 1 January 2019:

	HK$
Operating lease commitments disclosed as at 31 December 2018	7,080,852
Less: total future interest expense	(324,270)
Present value of remaining lease payments, discounted using the incremental borrowing rate 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

The right-of-use asset in relation to the lease previously classified as an operating lease has been recognised at an amount equal to the amount recognised for the remaining lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 December 2018.

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use asset.

The following table summaries the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16	Note	Carrying amount as at 31 December 2018	Effects of adoption of HKFRS 16 Re-classification	 Recognition of leases	Carrying amount as at 1 January 2019
		HK$	*HK$*	*HK$*	*HK$*
Assets					
Right-of-use asset		–	139,113	6,756,582	6,895,695
Prepayments, deposits and other receivables	*(i)*	509,259	(139,113)	–	370,146
Liabilities					
Lease liability		–	–	6,756,582	6,756,582

Note:

(i) Upon application of HKFRS 16, prepaid rent of HK$139,113 was classified to right-of-use asset.

(iii) Impact of the financial results and cash flows of the Group

After the initial recognition of right-of-use asset and lease liability as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This does not result in a significant impact on the reported loss from operations in the Group's consolidated statement of profit or loss and other comprehensive income, as compared to the results if HKAS 17 had been applied during the year.

In the consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their principal element and interest element. These elements are classified as financing cash outflows and operating cash outflows respectively. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the consolidated statement of cash flows.

The following tables give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial results and cash flows for the year ended 31 December 2019, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

	2019				2018
	Amounts reported under HKFRS 16	Add back: HKFRS 16 depreciation and interest expense	Deduct: Estimated amounts related to operating lease as if under HKAS 17 *(note I)*	Hypothetical amounts for 2019 as if under HKAS 17	Compared to amounts reported for 2018 under HKAS 17
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Financial results for the year ended 31 December 2019 impacted by the adoption of HKFRS 16:					
Loss from operations	(11,039,245)	3,245,033	(3,338,712)	(11,132,924)	(11,590,262)
Finance costs	(142,830)	142,830	–	–	–
Loss before tax	(11,182,075)	3,387,863	(3,338,712)	(11,132,924)	(11,590,262)
Loss for the year	(11,182,075)	3,387,863	(3,338,712)	(11,132,924)	(11,590,262)

	2019			2018
	Amounts reported under HKFRS 16	Estimated amounts related to operating lease as if under HKAS 17 *(notes I & II)*	Hypothetical amounts for 2019 as if under HKAS 17	Compared to amounts reported for 2018 under HKAS 17
	HK$	*HK$*	*HK$*	*HK$*
Line items in the consolidated statement of cash flows for the year ended 31 December 2019 impacted by the adoption of HKFRS 16:				
Cash used in operations	(10,056,212)	(3,338,712)	(13,394,924)	(10,508,982)
Interest element of lease rentals paid	(142,830)	142,830	–	–
Net cash used in operating activities	(10,199,042)	(3,195,882)	(13,394,924)	(10,508,982)
Capital element of lease rentals paid	(3,195,882)	3,195,882	–	–
Net cash generated from financing activities	7,812,062	3,195,882	11,007,944	–

Notes:

(I) The "estimated amounts related to operating lease" is an estimate of the amounts of the cash flows in 2019 that relate to a lease which would have been classified as an operating lease, if HKAS 17 had still applied in 2019. Any potential net tax effect is ignored.

(II) In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash used in operating activities and net cash used in financing activities as if HKAS 17 still applied.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2019. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 and HKAS 8 *Definition of Material*	1 January 2020

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

	2019	2018
	HK$	*HK$*
Dividend income from listed equity investments	**165,337**	168,189
Bank interest income	**22,634**	8,158
Other interest income	**7,348**	3,268
Revenue	**195,319**	179,615
Proceeds from disposals of financial assets at FVTPL	**263,084**	–

No segment information is presented as all of the revenue, 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.

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

	2019	2018
	HK$	*HK$*
Net realised gains on disposals of financial assets at FVTPL	**1,242**	–
Net unrealised gains/(losses) on financial assets at FVTPL	**172,840**	(768,538)
	174,082	(768,538)

6. FINANCE COSTS

	2019	2018
	HK$	*HK$*
Interest expense on lease liability	**142,830**	–

7. INCOME TAX

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

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

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

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

	2019	2018
	HK$	*HK$*
Auditor's remuneration	**232,000**	218,000
Depreciation of property, plant and equipment	**117,554**	115,858
Depreciation of right-of-use asset	**3,245,033**	–
Employee benefits expense including directors' emoluments:		
Basic salaries, fees and allowances	**4,443,784**	4,161,000
Discretionary bonus	**910,000**	156,788
Retirement benefit scheme contributions	**75,581**	83,075
	5,429,365	4,400,863
Investment management fee *(note 9)*	**720,000**	720,000
Operating lease charges – land and buildings	**–**	2,966,641

9. CONTINUING CONNECTED TRANSACTIONS

On 12 May 2016, the Company entered into an investment management agreement (the "Agreement") with China Everbright Securities (HK) Limited ("CES") for the provision of investment management services to the Company for a period of two years from 12 May 2016 at investment management fee of HK$60,000 per month payable monthly in arrears. On expiry date of the Agreement, the Company entered into a new investment management agreement (the "New Agreement") with CES to extend the terms under the Agreement of a further period from 12 May 2018 to 11 May 2020 at a fixed investment management fee of HK$60,000 per month payable monthly in arrears. During the reporting period, the investment management fee of HK$720,000 (2018: HK$720,000) was paid by the Company 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 the investment manager to the Company under the New Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

10. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of HK$11,182,075 (2018: HK$11,590,262) and the weighted average number of ordinary shares of 162,810,958 (2018: 139,200,000) in issue during the year.

No diluted loss per share information is presented as the Company did not have any dilutive potential ordinary shares during two years ended 31 December 2019 and 2018.

11. 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 31 December 2019 of HK$30,506,667 (2018: HK$30,681,867) and the number of ordinary shares of 167,000,000 (2018: 139,200,000) in issue as at that date.

12. EVENTS AFTER THE REPORTING PERIOD

After the coronavirus outbreak in early 2020, a series of precautionary and control measures has been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the effect to business and economic activities caused by, the coronavirus outbreak and evaluating its impact on the financial position, cash flows and operating results of the Group. Given the uncertainties brought by the coronavirus outbreak, it is not practicable to provide a reasonable estimate of its financial effect on the Group's financial position, cash flows and operating results at the date of approval of this results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Appropriations

During the year, the Group recorded a revenue of approximately HK$195,000 (2018: Approximately HK$180,000), proceeds from disposals of listed equity securities of approximately HK$263,000 (2018: HK$Nil), loss attributable to owners of the Company approximately HK$11,182,000 (2018: Approximately HK$11,590,000) and basic loss per share of HK$0.069 (2018: HK$0.083). The revenue recorded in the year represented the dividend income from its investments in listed equity securities as well as bank and other interest income. The increase in revenue was mainly attributable to increase in dividend income from listed equity securities.

The Group's administrative and other operating expenses amounted to approximately HK$11,409,000 (2018: Approximately HK$11,001,000). The Group recorded a gain on net change in fair value of financial assets at FVTPL for the year of approximately HK$174,000 as compared with the loss of approximately HK$769,000 of previous year. The decrease in loss for the year attributable to owners of the Company was mainly driven by increase in gain from change in fair value of financial assets, while such result was partially mitigated by slightly increase in administrative and other operating expenses.

Business Review

The results of the Group remained stable this year. Stock markets have been performed better than last year, Hang Seng Index sees 9% gain in 2019, resulting in an increase in gain from change in fair value of financial assets. However, the market still faces with uncertainties, the unstable political situation in Hong Kong, and the trade negotiation between China and US as well as the Brexit event. It would seem that the situation is even worse than we had previously thought, the outbreak of coronavirus has suspended all cross-border trade activities which will hit the global market tremendously. It is expected that global government will impose a number of measures to stimulate the economy rebound once the coronavirus scare recedes, the Group will cautiously navigate investment opportunities internationally for better return and create value for shareholders.

The Group's portfolio of listed securities as at 31 December 2019 consisted of New Silkroad Culturaltainment Ltd., China Resources Land Limited, Sunac China Holdings Limited, Ping An Insurance (Group) Company of China, Limited, China Overseas Land & Investment Limited, Sun Hung Kai Properties Limited, China Pacific Insurance (Group) Company Limited, CK Asset Holdings Limited, The Wharf (Holdings) Limited, China Taiping Insurance Holdings Company Limited, New China Life Insurance Company Limited, China Life Insurance Company Limited, HSBC Holdings Plc, CK Hutchison Holdings Limited, Tianjin Development Holdings Limited, Enterprise Products Partners L.P. and Energy Transfer L.P..

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$23,308,357 as at 31 December 2019 (2018: HK$25,704,886). The cash was deposited with banks and a financial institution in Hong Kong. As at 31 December 2019, the net financial investments in a portfolio of listed securities was HK$5,918,323 (2018: HK$4,804,779), the consolidated net asset value of the Group was HK$30,506,667 (2018: HK$30,681,867) with consolidated net asset value per share of HK$0.18 (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 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.

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 year, the Group had fully used the General Working Capital Fund and utilised approximately HK$1,200,000 Investment Fund.

The Group has no significant liabilities. The Group's accrual and other payables amounted to HK$464,300 as at 31 December 2019 (2018: HK$564,311) and a lease liability amounted to HK$3,560,700 as at 31 December 2019 (2018: HK$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 consolidated financial statements. The gearing ratio of the Group, calculated on the basis of the Group's total liabilities over total owners' equity, was 0.13 as at 31 December 2019 (2018: 0.018).

Capital Structure

Save as disclosed above in the section headed "Liquidity, Financial Resources and Funding", there was no any other material change on Company's overall share structure for the year ended 31 December 2019. The capital of the Company comprises only ordinary shares as at 31 December 2019 and 2018.

Capital Expenditures

The Group's capital expenditures primarily consisted of expenditures on acquisition of computer equipment, furniture and fixtures and office equipment. For the year ended 31 December 2019, the Group incurred capital expenditure in the amount of HK$8,480 (2018: HK$11,898).

Capital Commitments

As at 31 December 2019, the Group did not have any significant capital commitments (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, United States dollars and Singapore dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor the foreign currency exposure closely.

Environmental, Social and Corporate Responsibility

The Company is committed to maintain environmental and social standard to ensure business development and sustainability. We take steps to reduce our consumption of energy and natural resources, e.g. advocate paperless office to reduce the consumption of paper, turn off computers, printers and lighting immediately after use; and use environmentally friendly products and certified materials whenever possible.

The Company has complied with all relevant laws and regulations which include the Bermuda Companies Act and the Listing Rules and maintained good relationship with its employees and investors.

Employees and Remuneration Policies

As at 31 December 2019, the Group has employed a total of 11 employees (2018: 11) 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 year ended 31 December 2019 amounted to HK$5,429,365 (2018: HK$4,400,863).

Charges on the Group's Assets

As at 31 December 2019, there were no charges on the Group's assets (2018: Nil).

Contingent Liabilities

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

Significant Investment Held

Save as disclosed above, the Group had no other significant investment held as at 31 December 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 further plans relating to material investment or capital asset as at the date of this announcement. 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 maximise the return for the shareholders of the Company.

EVENTS AFTER THE REPORTING PERIOD

After the coronavirus outbreak in early 2020, a series of precautionary and control measures has been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the effect to business and economic activities caused by, the coronavirus outbreak and evaluating its impact on the financial position, cash flows and operating results of the Group. Given the uncertainties brought by the coronavirus outbreak, it is not practicable to provide a reasonable estimate of its financial effect on the Group's financial position, cash flows and operating results at the date of approval of this results announcement.

Save as disclosed above, there is no material subsequent event undertaken by the Group after the year ended 31 December 2019 and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 December 2019 (2018: Nil).

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.

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. For the year ended 31 December 2019, the Company has complied with the code provisions under the CG Code.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this announcement, there is sufficient public float of more than 25% of the issued share capital of the Company as required under the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company and any of its subsidiaries was a party and in which any Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2019 and up to the date of this announcement, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in any business which were in competition or were likely to compete, either directly or indirectly, with the Company's business which needs to be disclosed pursuant to Rule 8.10 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 year.

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 Group's audited consolidated financial statements for the year ended 31 December 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 controls and risk management systems.

SCOPE OF WORK OF RSM HONG KONG

The figures in respect of this announcement of the Group's consolidated results for the year ended 31 December 2019 have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2019. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by RSM Hong Kong on this announcement.

DISCLOSURE OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at *www.hkexnews.hk* as well as the Company's website at *www.ceig.hk*. The annual report of the Group for the year ended 31 December 2019 containing all information required under the Listing Rules will be dispatched to the shareholders of the Company and will be made available on the websites of the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the shareholders of the Company will be held on a date to be fixed by the Board. Notice of Annual General Meeting will be published and despatched to the shareholders of the Company in due course.

By order of the Board
Core Economy Investment Group Limited
SUN Bo
Chairman

Hong Kong, 31 March 2020

As at the date of this announcement, the executive Directors are Mr. SUN Bo (Chairman) and Mr. WANG Daming; the non-executive Directors are Mr. HE Yu and Mr. LIANG Qianyuan; and the independent non-executive Directors are Mr. CHEN Ming, Mr. MOK Ho Ming and Mr. WONG Yan Wai George.