

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



Core Economy Investment Group Limited

核心經濟投資集團有限公司

(formerly known as Earnest Investments Holdings Limited

安利時投資控股有限公司*)

(Continued into Bermuda with limited liability)

(Stock Code: 339)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 interim financial results for the six months ended 30 June 2018 (the “Period”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Note	(Unaudited)	
		Six months ended 30 June	
		2018	2017
		HK\$	HK\$
Revenue	4	58,076	46,002
Net change in fair value of financial assets	5	(480,073)	1,021,125
Administrative and other operating expenses		(4,990,061)	(4,640,322)
Loss before tax		(5,412,058)	(3,573,195)
Income tax	6	—	—
Loss for the period attributable to owners of the Company	7	(5,412,058)	(3,573,195)
Other comprehensive income for the period, net of tax		—	—
Total comprehensive income for the period attributable to owners of the Company		(5,412,058)	(3,573,195)
Loss per share			
Basic	9	(0.039)	(0.031)

* For identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018

	<i>Note</i>	(Unaudited) 30 June 2018 <i>HK\$</i>	(Audited) 31 December 2017 <i>HK\$</i>
Non-current assets			
Property, plant and equipment		<u>285,184</u>	<u>331,215</u>
Current assets			
Financial assets at fair value through profit or loss		5,093,244	5,573,317
Prepayments and deposits		313,680	450,332
Bank and cash balances		<u>31,304,998</u>	<u>36,226,467</u>
		<u>36,711,922</u>	<u>42,250,116</u>
Current liabilities			
Accruals		<u>136,333</u>	<u>308,500</u>
Net current assets		<u>36,575,589</u>	<u>41,941,616</u>
Total assets less current liabilities		<u>36,860,773</u>	<u>42,272,831</u>
NET ASSETS		<u><u>36,860,773</u></u>	<u><u>42,272,831</u></u>
Equity attributable to owners of the Company			
Share capital		2,784,000	2,784,000
Reserves		<u>34,076,773</u>	<u>39,488,831</u>
TOTAL EQUITY		<u><u>36,860,773</u></u>	<u><u>42,272,831</u></u>
Net asset value per share	<i>10</i>	<u><u>0.26</u></u>	<u><u>0.30</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 Canon’s Court, 22 Victoria Street, Hamilton HM 12, 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 “Stock Exchange”).

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 2018 (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 Company’s annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA. Except that these condensed consolidated interim financial statements are the first financial period prepared in accordance with HKFRS 10 “Consolidated Financial Statements”, the accounting policies 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 2017.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. Amendments to HKFRSs effective from 1 January 2018 do not have a material effect on the Group’s consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

	(Unaudited)	
	Six months ended 30 June	
	2018	2017
	HK\$	HK\$
Dividend income from listed securities	56,171	45,009
Bank and other interest income	1,905	993
Revenue	58,076	46,002
Proceeds from disposals of financial assets at fair value through profit or loss	–	13,095,700

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.

5. NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS

	(Unaudited)	
	Six months ended 30 June	
	2018	2017
	HK\$	HK\$
Net realised loss on disposals of financial assets at fair value through profit or loss	–	(851,850)
Net unrealised (losses)/gains on financial assets at fair value through profit or loss	(480,073)	1,872,975
	(480,073)	1,021,125

6. INCOME TAX

No provision for Hong Kong Profits Tax is required since the Company has no assessable profit for the Period (2017: Nil).

As at 30 June 2018, the Group has unused tax losses of HK\$56,524,497 (31 December 2017: HK\$51,588,409) 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.

7. 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	
	2018	2017
	HK\$	HK\$
Depreciation	57,929	51,892
Directors' emoluments		
— Fees	360,000	302,635
— Retirement benefit scheme contributions	—	4,839
	360,000	307,474
Investment management fee (<i>Note 8</i>)	360,000	360,000
Operating lease charges — land and buildings	1,435,230	1,428,000

8. 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 with 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.

9. 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\$5,412,058 (2017: HK\$3,573,195) and the weighted average number of ordinary shares of 139,200,000 (2017: 116,000,000) 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 2018 and 2017.

10. 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 2018 of HK\$36,860,773 (31 December 2017: HK\$42,272,831) and the number of ordinary shares of 139,200,000 (31 December 2017: 139,200,000) in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

During the Period, the Group recorded a turnover of approximately HK\$58,000 (2017: Approximately HK\$13,142,000), loss attributable to owners of the Company approximately HK\$5,412,000 (2017: Approximately HK\$3,573,000) and basic loss per share of HK\$0.039 (2017: HK\$0.031). The turnover recorded in the Period are generated from dividend income from listed investments as well as bank and other interest income. The decreased in turnover was mainly attributable to reduce in trading of listed equity securities.

The Group's administrative and other operating expenses amounted to approximately HK\$4,990,000 (2017: Approximately HK\$4,640,000). The increase in net loss was mainly driven by the reduced in unrealised gain on the Hong Kong listed securities on hand as a result of the recent downturn in financial market especially in the second quarter of 2018. The Group recorded a loss on net change in fair value of financial assets for the Period of approximately HK\$480,000 as compared with the gain of approximately HK\$1,021,000 in the corresponding period of previous year.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: HK\$ Nil).

Business Review

The Group is principally engaged in the investment and trading of listed and unlisted equity securities. The stock market has been volatile in 2018 due to the dispute between China and the United States. The trade war has weakened China and Hong Kong stock markets. The impact on stock markets is severe. The Hang Seng index reached up high at 33,000 level during January 2018 then plunged about 5,000 points to the 28,000 level afterwards. The Group adopted wait-and-see approach to keep the existing securities during the Period.

The Group's portfolio of listed securities as at 30 June 2018 consisted of New China Life Insurance Company Limited, China Taiping Insurance Holdings Company Limited, Ping An Insurance (Group) Company of China, Limited, The Wharf (Holdings) Limited, China Pacific Insurance (Group) Company Limited, Sun Hung Kai Properties Limited, CK Asset Holdings Limited, China Resources Land Limited, CK Hutchison Holdings Limited, HSBC Holdings Plc, China Overseas Land & Investment Limited, Tianjin Development Holdings Limited, Sunac China Holdings Limited, China Life Insurance Company Limited, Enterprise Products Partners L.P., Energy Transfer Partners L.P., Cityneon Holdings Limited.

As at 30 June 2018, approximately 14% (31 December 2017: 13%) of the Group's total investments consisted of a portfolio of listed securities, 1% (31 December 2017: 1%) in other assets, 1% (31 December 2017: 1%) in property, plant and equipment and 84% (31 December 2017: 85%) 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\$31,304,998 as at 30 June 2018 (31 December 2017: HK\$36,226,467). As at 30 June 2018, the net asset value of the Group was HK\$36,860,773 (31 December 2017: HK\$42,272,831) with net asset value per share of HK\$0.26 (31 December 2017: HK\$0.30).

The Group has no significant liabilities. The Group's total liabilities amounted to HK\$136,333 as at 30 June 2018 (31 December 2017: HK\$308,500). The gearing ratio of the Group, calculated on the basis of the Group's total liabilities over total owners' equity, was 0.004 as at 30 June 2018 (31 December 2017: 0.007).

Capital Structure

The capital of the Group comprises only ordinary shares as at 30 June 2018 and 31 December 2017. There was no change on the Group's overall capital structure for the six months ended 30 June 2018.

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 2018, the Group incurred capital expenditure in the amount of HK\$11,898 (2017: HK\$18,800).

Capital Commitments

As at 30 June 2018, the Group did not have any significant capital commitments (31 December 2017: 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.

Employees and Remuneration Policies

As at 30 June 2018, the Group has employed a total of 10 employees (2017: 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 2018 amounted to HK\$2,061,150 (2017: HK\$1,866,978).

Charges on the Group's Assets

As at 30 June 2018, no charges had been created on the Group's assets (31 December 2017: Nil).

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2018 (31 December 2017: Nil).

Change of Company Name

Pursuant to a special resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 8 June 2018 (the "AGM"), the English name of the Company has been changed from "Earnest Investments Holdings Limited" to "Core Economy Investment Group Limited" which was approved by the Registrar of Companies in Bermuda on 21 June 2018, and the certificate of registration of alternation of name of registered non-Hong Kong company was issued by the Registrar of Companies in Hong Kong on 12 July 2018. The Chinese name "核心經濟投資集團有限公司" has been adopted as the secondary name of the Company to replace its former Chinese name "安利時投資控股有限公司", which was formerly adopted for identification purpose only.

Events after the Reporting Period

Save as disclosed here, there was no other significant events that might affect the Group since the end of the six months ended 30 June 2018.

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 assess whether it is beneficial to the Group and the shareholders of the Company as a whole.

Prospectus

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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2018 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 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 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 2018, 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 report, there is sufficient public float of more than 25% of the issued share capital of the Company as required under the Listing Rules.

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 2018 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 2018 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.

PUBLICATION OF 2018 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company’s website (www.ceigi.hk) and the Stock Exchange’s website (www.hkexnews.hk). The Company’s 2018 interim report for the six months ended 30 June 2018 will be made available on the websites of the Company and Stock Exchange and will be dispatched to Company’s shareholders in due course.

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

Hong Kong, 17 August 2018

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

* *For identification purpose only*