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**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)**

# ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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 announce that the audited consolidated results of the Group for the year ended 31 December 2018, together with the comparative figures for the corresponding year 2017 are as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2018*

| | *Note* | **2018** *HK$* | 2017 *HK$* |
|---|---|---|---|
| Revenue | *4* | **179,615** | 112,013 |
| Net change in fair value of financial assets at fair value through profit or loss | *5* | **(768,538)** | 3,047,632 |
| Administrative and other operating expenses | | **(11,001,339)** | (9,751,608) |
| **Loss before tax** | | **(11,590,262)** | (6,591,963) |
| Income tax | *6* | **–** | – |
| **Loss for the year attributable to owners of the Company** | *7* | **(11,590,262)** | (6,591,963) |
| **Other comprehensive income for the year, net of tax** | | | |
| *Item that may be reclassified to profit or loss:* | | | |
| Exchange differences on translating foreign operations | | **(702)** | – |
| **Total comprehensive income for the year attributable to owners of the Company** | | **(11,590,964)** | (6,591,963) |
| **Loss per share** | | | |
| Basic | *9* | **(0.083)** | (0.056) |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*At 31 December 2018*

| | Note | 2018 HK$ | 2017 HK$ |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **227,254** | 331,215 |
| **Current assets** | | | |
| Financial assets at fair value through profit or loss | | **4,804,779** | 5,573,317 |
| Prepayments, deposits and other receivables | | **509,259** | 450,332 |
| Bank and cash balances | | **25,704,886** | 36,226,467 |
| | | **31,018,924** | 42,250,116 |
| **Current liabilities** | | | |
| Accruals and other payables | | **564,311** | 308,500 |
| **Net current assets** | | **30,454,613** | 41,941,616 |
| **Total assets less current liabilities** | | **30,681,867** | 42,272,831 |
| **NET ASSETS** | | **30,681,867** | 42,272,831 |
| **Equity attributable to owners of the Company** | | | |
| Share capital | | **2,784,000** | 2,784,000 |
| Reserves | | **27,897,867** | 39,488,831 |
| **TOTAL EQUITY** | | **30,681,867** | 42,272,831 |
| **Net asset value per share** | *10* | **0.22** | 0.30 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2018*

### 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 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 activities are investment and trading of listed and unlisted equity 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 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 number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2018. Of these, only the new HKFRS below is relevant to the Group's consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

***HKFRS 9 Financial instruments***

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(a) *Classification*

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTPL, and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(b) *Measurement*

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its financial assets:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

- FVTPL: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVTPL. A gain or loss on equity/debt investment that is subsequently measured at FVTPL is recognised directly in profit or loss and presented net as separate line item in the consolidated statement of profit or loss and other comprehensive income in the period it arises.

The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as revenue when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss and presented as separate line item in the consolidated statement of profit or loss and other comprehensive income as applicable.

*(c) Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 January 2018 does not result in an additional impairment allowance.

The following table and the accompanying note below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

| **Financial assets** | **Classification under HKAS 39** | **Classification under HKFRS 9** | **Carrying amount under HKAS 39** | **Carrying amount under HKFRS 9** |
|---|---|---|---|---|
| | | | *HK$* | *HK$* |
| Equity investments *(note)* | FVTPL | FVTPL | 5,573,317 | 5,573,317 |
| Deposits | Loans and receivables | Amortised cost | 5,900 | 5,900 |
| Bank and cash balances | Loans and receivables | Amortised cost | 36,226,467 | 36,226,467 |

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities and equity at 1 January 2018 have not been impacted by the initial application.

The Group did not designate or de-recognise any financial assets or financial liabilities at FVTPL at 1 January 2018.

*Note:* Investments in equity securities which held for trading purpose is required to be held as FVTPL under HKFRS 9. There was no impact on the amounts recognised in relation to these assets from the adoption of HKFRS 9.

**(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 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

| | **Effective for accounting periods beginning on or after** |
|---|---|
| HKFRS 16 Leases | 1 January 2019 |
| Annual Improvements to HKFRSs 2015 – 2017 Cycle | 1 January 2019 |

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 the Group has identified some aspects of HKFRS 16 may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

***HKFRS 16 Leases***

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's office property lease is currently classified as operating lease and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16, the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for the lease. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

The Group's future minimum lease payments under the non-cancellable operating lease for its office property amounted to HK$7,080,852 as at 31 December 2018. The lease is expected to be recognised as lease liability, with corresponding right-of-use asset, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

Other than the recognition of lease liability and right-of-use asset, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

## 4. REVENUE AND SEGMENT INFORMATION

| | 2018 | 2017 |
|---|---|---|
| | ***HK$*** | *HK$* |
| Dividend income from listed equity securities | **168,189** | 109,968 |
| Bank interest income | **8,158** | 1,840 |
| Other interest income | **3,268** | 205 |
| Revenue | **179,615** | 112,013 |
| Proceeds from disposals of financial assets at FVTPL | **–** | 23,290,540 |

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

| | 2018 | 2017 |
|---|---|---|
| | ***HK$*** | *HK$* |
| Net realised losses on disposals of financial assets at FVTPL | **–** | (685,026) |
| Net unrealised (losses)/gains on financial assets at FVTPL | **(768,538)** | 3,732,658 |
| | **(768,538)** | 3,047,632 |

## 6. INCOME TAX

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year. For the year ended 31 December 2017, no provision for Hong Kong Profits Tax had been made since the Group had sufficient tax losses brought forward to set off against the assessable profit for that year.

Tax charge 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.

## 7. 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:

| | 2018 | 2017 |
|---|---|---|
| | *HK$* | *HK$* |
| Auditor's remuneration | **218,000** | 195,000 |
| Depreciation | **115,858** | 108,334 |
| Employee benefits expense including directors' emoluments: | | |
| Basic salaries, fees and allowances | **4,161,000** | 3,523,126 |
| Discretionary bonus | **156,788** | 133,822 |
| Retirement benefit scheme contributions | **83,075** | 66,280 |
| | **4,400,863** | 3,723,228 |
| Investment management fee *(Note 8)* | **720,000** | 720,000 |
| Operating lease charges – land and buildings | **2,966,641** | 2,948,450 |

## 8. 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 the new investment management 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 (2017: 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 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 year attributable to owners of the Company of HK$11,590,262 (2017: HK$6,591,963) and the weighted average number of ordinary shares of 139,200,000 (2017: 116,762,739) in issue during the year.

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during two years ended 31 December 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 31 December 2018 of HK$30,681,867 (2017: HK$42,272,831) and the number of ordinary shares of 139,200,000 (2017: 139,200,000) in issue as at that date.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results and Appropriations

During the year, the Group recorded a revenue of approximately HK$180,000 (2017: Approximately HK$112,000), proceeds from disposals of listed equity securities of HK$Nil (2017: Approximately HK$23,291,000), loss attributable to owners of the Company approximately HK$11,590,000 (2017: Approximately HK$6,592,000) and basic loss per share of HK$0.083 (2017: HK$0.056). 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$11,001,000 (2017: Approximately HK$9,752,000). The Group recorded a loss on net change in fair value of financial assets at FVTPL for the year of approximately HK$769,000 as compared with the gain of approximately HK$3,048,000 of previous year. The increase in loss for the year attributable to owners of the Company was mainly driven by the increase in unrealised losses on the Hong Kong listed securities on hand as a result of the stock market recession since the middle of 2018 and increase in operating expenses.

### Business Review

The US-China trade tension, the Brexit negotiation and the fear of China's slow economic growth brought by trade protectionism continue to be the key focus to jitter the markets. Hong Kong stock market fell sharply since the first quarter of 2018 and it is expected the investors are pessimistic to 2019 global market. The Group has adopted the wait-and-see approach to keep the existing securities during the year. Having said that, the Group will navigate the way to more international opportunities for better return.

The Group's portfolio of listed securities as at 31 December 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 L.P. (formerly known as Energy Transfer Partners L.P.) and Cityneon Holdings Limited.

As at 31 December 2018, approximately 15% (2017: 13%) of the Group's total investments were in a portfolio of listed securities, 2% (2017: 1%) in other assets, 1% (2017: 1%) in property, plant and equipment and 82% (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$25,704,886 as at 31 December 2018 (2017: HK$36,226,467). As at 31 December 2018, the consolidated net asset value of the Group was HK$30,681,867 (2017: HK$42,272,831) with consolidated net asset value per share of HK$0.22 (2017: HK$0.30).

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 of HK$0.4 per the Placing Share pursuant to the terms and conditions of the placing agreement and the supplemental placing agreement dated 25 January 2019 and 12 February 2019 respectively. 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. 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. Of the net proceeds approximately HK$11,000,000, the Company intends to use it for future investment and business development and as general working capital of the Company.

The Group has no significant liabilities. The Group's total liabilities comprising accruals and other payables amounted to HK$564,311 as at 31 December 2018 (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 0.018 as at 31 December 2018 (2017: 0.007).

**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 2018. The capital of the Company comprises only ordinary shares as at 31 December 2018 and 2017.

**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 2018, the Group incurred capital expenditure in the amount of HK$11,898 (2017: HK$45,800).

**Capital Commitments**

As at 31 December 2018, the Group did not have any significant capital commitments (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, 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 2018, the Group has employed a total of 11 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 year ended 31 December 2018 amounted to HK$4,400,863 (2017: HK$3,723,228).

**Charges on the Group's Assets**

As at 31 December 2018, there were no charges on the Group's assets (2017: Nil).

**Contingent Liabilities**

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

**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.

## EVENTS AFTER THE REPORTING PERIOD

On 25 February 2019, a total of 27,800,000 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, at the placing price of HK$0.4 per the Placing Share. For details, please refer to the section under heading “Liquidity, Financial Resources and Funding”.

On 21 March 2019, Mr. HE Yu has been appointed as a non-executive Director with immediate effect. For details, please refer to the announcement of the Company dated 21 March 2019.

Save as disclosed above, there is no material subsequent event undertaken by the Group after the year ended 31 December 2018 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 2018 (2017: Nil).

## SIGNIFICANT INVESTMENT HELD

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

## 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 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 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 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 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 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 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 2018 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 2018. 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 Hong Kong Institute of Certified Public Accountant 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 2018 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, 22 March 2019

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

* *for identification purposes only*