



**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)

2020 INTERIM REPORT

CONTENTS

	Pages
Corporate Information	2
Management Discussion and Analysis	3
Other Information	8
Independent Review Report	13
Condensed Consolidated Financial Statements	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Condensed Consolidated Statement of Financial Position	16
Condensed Consolidated Statement of Changes in Equity	17
Condensed Consolidated Statement of Cash Flows	18
Notes to the Condensed Consolidated Financial Statements	19

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. SUN Bo (*Chairman*)

Mr. WANG Daming

Non-executive Directors

Mr. HE Yu

Mr. LIANG Qianyuan

Independent Non-executive Directors

Mr. CHEN Ming

Mr. MOK Ho Ming

Mr. WONG Yan Wai George

CHIEF EXECUTIVE OFFICER

Mr. ZHANG Yufei

COMPANY SECRETARY

Ms. CHEUNG Hoi Ue

AUDITOR

BDO Limited

Certified Public Accountants

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 04 & 05

19/F Harbour Centre

25 Harbour Road

Wanchai, Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

INVESTMENT MANAGER

China Everbright Securities (HK) Limited*

AUDIT COMMITTEE

Mr. MOK Ho Ming (*Chairman*)

Mr. CHEN Ming

Mr. WONG Yan Wai George

REMUNERATION COMMITTEE

Mr. WONG Yan Wai George (*Chairman*)

Mr. MOK Ho Ming

Mr. SUN Bo

NOMINATION COMMITTEE

Mr. SUN Bo (*Chairman*)

Mr. MOK Ho Ming

Mr. WONG Yan Wai George

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Management (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

STOCK CODE

339

* Contract expired on 11 May 2020

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "Board") of directors (the "Directors", and each, a "Director") of Core Economy Investment Group Limited (the "Company", together with its subsidiaries, the "Group") is pleased to present the unaudited consolidated interim financial results for the six months ended 30 June 2020 (the "Period").

RESULTS

During the Period, the Group recorded a turnover of approximately HK\$311,000 (2019: Approximately HK\$63,000), loss attributable to owners of the Company of approximately HK\$6,749,000 (2019: Approximately HK\$4,887,000) and basic loss per share of HK\$0.039 (2019: HK\$0.031). The turnover recorded in the Period is generated from dividend income from listed investments as well as bank and other interest income. The increased in turnover was mainly attributable to increase in dividend income from listed equity investments received during the Period.

The Group's administrative and other operating expenses amounted to approximately HK\$5,678,000 (2019: Approximately HK\$5,509,000). The Group recorded a loss on net change in fair value of financial assets at fair value through profit or loss for the Period of approximately HK\$1,294,000 as compared with the gain of approximately HK\$641,000 in the corresponding period of previous year. The increase in net loss was mainly driven by increase in loss on net change in fair value of financial assets at fair value through profit or loss.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: HK\$ Nil).

BUSINESS REVIEW

The first half of this year was full of uncertainties and challenges. The worldwide spread of coronavirus pandemic, the deterioration of Sino-US relationship and the potential overshoot in equity market brought by quantitative easing program for economic recovery, which has seriously impacted the investment plans of the Group. Yet, crisis creates opportunities. We will continue to pursue for various investment opportunities to enhance the investment portfolio value.

The Group's portfolio of listed securities as at 30 June 2020 consisted of CK Hutchison Holdings Limited, Alibaba Group Holding Limited, China Merchants Bank Co., Ltd., CK Asset Holdings Limited, China Evergrande Group, Sunac China Holdings Limited, Tencent Holdings Limited, Sun Hung Kai Properties Limited, Wynn Macau, Limited, New Silkroad Culturaltainment Limited, Ping An Insurance (Group) Company of China, Ltd., The Wharf (Holdings) Limited, China Pacific Insurance (Group) Co., Ltd., New China Life Insurance Company Ltd., JD.com, Inc., China Taiping Insurance Holdings Company Limited, China Life Insurance Company Limited, HSBC Holdings Plc, Tianjin Development Holdings Limited, Westpac Banking Corporation, PetroChina Company Limited, China Petroleum & Chemical Corporation, China Railway Group Limited and China State Construction Engineering Corporation Limited. For details of the Group's ten largest investments analysis, please refer to note 15 of the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

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 managed the cash and cash equivalents principally based on making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for the working capital requirements. Cash and cash equivalents stood at HK\$7,165,607 as at 30 June 2020 (At 31 December 2019: HK\$23,308,357). As at 30 June 2020, the consolidated net asset value of the Group was HK\$29,321,599 (At 31 December 2019: HK\$30,506,667) with consolidated net asset value per share of HK\$0.15 (At 31 December 2019: HK\$0.18).

On 26 May 2020, a total of 33,400,000 new shares (the "Placing Shares") of nominal value of HK\$0.02 each in the share capital of the Company were successfully placed under the general mandate by the placing agent to not less than six placees (the "Placees") at the placing price (the "Placing Price") of HK\$0.17 per Placing Share pursuant to the terms and conditions of the placing agreement (the "Placing Agreement") on 29 April 2020.

The Placing Price of HK\$0.17 per Placing Share represents (i) the closing price of HK\$0.17 per share as quoted on the The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 April 2020, being the date of the Placing Agreement; and (ii) a discount of approximately 15.51% to the average of the closing prices of HK\$0.2012 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 33,400,000 new shares of the Company represent (i) 20% of the existing issued share capital of the Company immediately before the completion of the placing; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. Details of the placing of shares was set out in the Company's announcements dated 29 April 2020 and 26 May 2020 respectively. To the best knowledge, information and belief of the Company having made such reasonable enquiry and as informed by the placing agent, each of the Placees and their respective ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as at the date of completion. The Placees are professional investors and none of them has become a substantial shareholder of the Company immediately after completion.

MANAGEMENT DISCUSSION AND ANALYSIS

The gross and net proceeds were approximately HK\$5.68 million and HK\$5.56 million respectively. The net placing price per share was approximately HK\$0.167. Of the net proceeds, the Company intends to use (i) approximately HK\$2.78 million for future investment and business development; and (ii) approximately HK\$2.78 million as general working capital of the Company.

The following table set out the actual use of the net proceeds from the fund-raising exercise for the six-month ended 30 June 2020 and brought forward from previous year:

Date of announcements	Events	Proposed usage	Net proceeds	Utilised	Unutilised
			raised (HK\$ Million)	(HK\$ Million)	(HK\$ Million)
29 April 2020 and 26 May 2020	Placing of 33,400,000 new shares of the Company under the general mandate of the Company	(a) Future investment and business development	2.78	2.78	–
		(b) General working capital	2.78	1.00	1.78 ¹
25 January 2019, 12 February 2019 and 25 February 2019	Placing of 27,800,000 new shares of the Company under the general mandate of the Company	(a) Future investment and business development	5.5	5.5	–
		(b) General working capital	5.5	5.5	–

Note:

- The unutilised proceeds is expected to be utilised by the end of 31 December 2020.

The Group has no significant liabilities. The Group's accrual and other payables amounted to HK\$115,197 as at 30 June 2020 (At 31 December 2019: HK\$464,300) and a lease liability amounted to HK\$1,930,201 (At 31 December 2019: HK\$3,560,700). The Group has recognised a right-of-use asset and a lease liability for the office property lease contract. The gearing ratio of the Group, calculated on the basis of the Group's total liabilities over total owners' equity, was 0.07 as at 30 June 2020 (At 31 December 2019: 0.13).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares as at 30 June 2020 and 31 December 2019. There was no change on the Group's overall capital structure for the six months ended 30 June 2020.

CAPITAL EXPENDITURES

The Group's capital expenditures primarily consisted of expenditures on acquisition of computer equipment, furniture and fixtures, motor vehicles and office equipment. During the six months ended 30 June 2020, the Group incurred capital expenditure in the amount of HK\$651,199 (2019: HK\$8,480).

CAPITAL COMMITMENTS

As at 30 June 2020, the Group did not have any significant capital commitments (At 31 December 2019: 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 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 2020, the Group has employed a total of 12 employees (2019: 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 2020 amounted to HK\$2,421,000 (2019: HK\$3,045,204).

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2020, no charges had been created on the Group's assets (At 31 December 2019: Nil).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2020 (At 31 December 2019: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there is no material subsequent event undertaken by the Group after the end of the six months ended 30 June 2020 and up to the date of this report.

SIGNIFICANT INVESTMENT HELD

Save as disclosed above, the Group had no other significant investment held as at 30 June 2020.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

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

PROSPECTS

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

OTHER INFORMATION

SHARE OPTION SCHEME

At the special general meeting of the Company held on 16 May 2016, the shareholders of the Company approved the adoption of a share option scheme (the "Share Option Scheme") under which the Directors of the Company may grant options to eligible persons ("Eligible Person(s)") to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the Share Option Scheme will remain valid for a period of 10 years from the date of its adoption. The Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Share Option Scheme was adopted on 16 May 2016, details are as follows:

(i) Purpose

The purpose of the Share Option Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to participants.

(ii) Eligible Person

(a) Any executive, i.e. any person who is a full-time or part-time employee or a Director (including executive and non-executive directors) of the Company or any of its subsidiaries at the offer date.

(b) Any non-executive as approved by the Board.

(iii) The total number of shares available for issue under the Share Option Scheme and the percentage of the issued share capital that it represents as at the date of the interim report

(a) The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 11,600,000 shares, representing approximately 5.79% of the issued share capital as at 30 June 2020.

(b) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time.

OTHER INFORMATION

SHARE OPTION SCHEME *(continued)*

(iv) **Maximum entitlement of each Eligible Person**

The maximum number of shares issued and to be issued upon the exercise of options granted to each Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting of the Company.

(v) **Timing for exercise of options**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Directors to each option holder but may not be exercised after the expiry of 10 years from the offer date. The Directors may provide restrictions on the exercise of an option during the period and option may be exercised as a result.

(vi) **The minimum period for which an option must be held before it can be exercised**

Pursuant to the Share Option Scheme, the Directors have discretion to set a minimum period for which an option has to be held before the exercise of the subscription rights attaching thereto.

(vii) **Basis for determination of option price**

The option price per share in relation to an option shall be a price to be determined by the Directors and shall be no less than the highest of:

- (a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date on which the option is offered to an Eligible Person, which must be a business day;
- (b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; or
- (c) the nominal value of the shares on the offer date.

(viii) **Life of the scheme**

The Share Option Scheme will remain in force for a period of 10 years commencing on 16 May 2016, which was the date of adoption of the Share Option Scheme.

During the reporting period, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme and there was no outstanding option as at 30 June 2020.

OTHER INFORMATION

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

As at 30 June 2020, so far as the Directors are aware, the interests and/or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company, its specific undertaking or any of others associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Name of Directors or chief executives	Capacity	Long/ Short position	Number of shares held	Approximate percentage of the issued share capital as at 30 June 2020
HE Yu ¹	Interest of controlled corporation	Long position	27,800,000	13.87%
SUN Bo	Beneficial owner	Long position	22,275,000	11.12%
ZHANG Yufei	Beneficial owner	Long position	8,000,000	3.99%

Note:

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

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

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

OTHER INFORMATION

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

Save as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION", as at 30 June 2020, no other person had notified the Company that he or she had an interest or short position in the shares and underlying shares of the Company as recorded in the register of substantial shareholders required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

CHANGE OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

With effect from 30 March 2020, Mr. WONG Yan Wai George has ceased to be the managing director of China Tonghai Financial Media Limited, a subsidiary of China Tonghai International Financial Limited whose shares are listed on the Stock Exchange (Stock Code: 952).

With effect from 19 June 2020, Mr. LIANG Qianyuan has retired as an executive director of Solis Holdings Limited ("Solis"), a Hong Kong listed company (Stock Code: 2227), and ceased to be the chairman of corporate governance committee of Solis. With effect from 23 June 2020, Mr. LIANG has ceased to be the chief executive officer and one of the authorised representatives of Solis.

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

CHANGE OF THE AUDITOR OF THE COMPANY

Reference is made to the announcement of the Company dated 25 May 2020. Messrs. RSM Hong Kong ("RSM") retired as the auditor of the Company with effect from the conclusion of the annual general meeting of the Company on 30 June 2020 and did not seek for re-appointment. BDO Limited had been appointed as the auditor of the Company in replace of RSM until the conclusion of the next annual general meeting of the Company.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and its shareholders. The Company has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company's code of corporate governance practices. During the six months ended 30 June 2020, the Company has complied with the code provisions under the CG Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee"), with its terms of reference established in compliance with the Listing Rules, comprises three independent non-executive Directors, namely Mr. MOK Ho Ming (the chairman of the Audit Committee), Mr. CHEN Ming and Mr. WONG Yan Wai George. The Audit Committee has reviewed with the management of the Company the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2020 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, BDO Limited, has reviewed the interim financial information for the six months ended 30 June 2020 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT REVIEW REPORT



Tel : +852 2218 8288
 Fax : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
 111 Connaught Road Central
 Hong Kong

電話 : +852 2218 8288
 傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
 永安中心25樓

To the Board of Directors of Core Economy Investment Group Limited

(continued into Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 15 to 34 which comprise the condensed consolidated statement of financial position of Core Economy Investment Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2020 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

INDEPENDENT REVIEW REPORT

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2020. The condensed consolidated financial statements of the Group for the six months period ended 30 June 2019, were reviewed by another auditor who expressed an unmodified conclusion on those statements on 23 August 2019.

BDO Limited

Certified Public Accountants

Lam Tsz Ka

Practising Certificate Number P06838

Hong Kong, 28 August 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Notes	(Unaudited)	
		Six months ended 30 June	
		2020 HK\$	2019 HK\$
Revenue	6	310,983	62,944
Net change in fair value of financial assets at fair value through profit or loss	7	(1,294,394)	641,413
Administrative and other operating expenses		(5,677,578)	(5,509,150)
Finance costs	8	(87,967)	(82,171)
Loss before income tax expense	9	(6,748,956)	(4,886,964)
Income tax expense	10	–	–
Loss for the period attributable to owners of the Company		(6,748,956)	(4,886,964)
Other comprehensive income for the period, net of tax:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(115)	(635)
Total comprehensive income for the period attributable to owners of the Company		(6,749,071)	(4,887,599)
Loss per share			
– Basic and diluted	13	(0.039)	(0.031)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	(Unaudited) As at 30 June 2020 HK\$	(Audited) As at 31 December 2019 HK\$
Non-current assets			
Property, plant and equipment	14	714,804	118,180
Right-of-use asset		2,028,145	3,650,662
Refundable rental deposit		–	1,112,904
		2,742,949	4,881,746
Current assets			
Financial assets at fair value through profit or loss	15	20,134,708	5,918,323
Prepayments, deposits and other receivables		1,323,733	423,241
Cash and cash equivalents		7,165,607	23,308,357
		28,624,048	29,649,921
Current liabilities			
Accruals and other payables		115,197	464,300
Lease liability		1,930,201	3,283,098
		2,045,398	3,747,398
Net current assets		26,578,650	25,902,523
Total assets less current liabilities		29,321,599	30,784,269
Non-current liabilities			
Lease liability		–	277,602
NET ASSETS		29,321,599	30,506,667
Equity attributable to owners of the Company			
Share capital	16	4,008,000	3,340,000
Reserves		25,313,599	27,166,667
TOTAL EQUITY		29,321,599	30,506,667

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Share capital HK\$	Share premium HK\$	Contributed surplus HK\$	Exchange reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2019 (audited)	2,784,000	50,339,486	28,040,011	(702)	(50,480,928)	30,681,867
Loss for the period	-	-	-	-	(4,886,964)	(4,886,964)
Other comprehensive income for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	(635)	-	(635)
Total comprehensive income for the period	-	-	-	(635)	(4,886,964)	(4,887,599)
Issue of shares (note 16)	556,000	10,451,944	-	-	-	11,007,944
At 30 June 2019 (unaudited)	3,340,000	60,791,430	28,040,011	(1,337)	(55,367,892)	36,802,212
At 1 January 2020 (audited)	3,340,000	60,791,430	28,040,011	(1,771)	(61,663,003)	30,506,667
Loss for the period	-	-	-	-	(6,748,956)	(6,748,956)
Other comprehensive income for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	(115)	-	(115)
Total comprehensive income for the period	-	-	-	(115)	(6,748,956)	(6,749,071)
Issue of shares (note 16)	668,000	4,896,003	-	-	-	5,564,003
At 30 June 2020 (unaudited)	4,008,000	65,687,433	28,040,011	(1,886)	(68,411,959)	29,321,599

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	(Unaudited)	
	Six months ended 30 June	
	2020 HK\$	2019 HK\$
Cash flows from operating activities		
Cash used in operations	(19,647,956)	(4,957,761)
Dividend Income received	310,651	44,577
Interest received	332	18,367
Interest on lease liability	(38,856)	(82,171)
Net cash used in operating activities	(19,375,829)	(4,976,988)
Cash flows from investing activities		
Purchase of property, plant and equipment and net cash used in investing activities	(651,199)	(8,480)
Cash flows from financing activities		
Interest paid on other borrowings	(49,111)	–
Proceeds from issue of shares	5,678,000	11,120,000
Share issue expenses	(113,997)	(112,056)
Principal elements of lease payments	(1,630,499)	(1,587,186)
Net cash generated from financing activities	3,884,393	9,420,758
Net (decrease)/increase in cash and cash equivalents	(16,142,635)	4,435,290
Effect of foreign exchange rate changes	(115)	(635)
Cash and cash equivalents at 1 January	23,308,357	25,704,886
Cash and cash equivalents at 30 June		
Representing cash and cash equivalents	7,165,607	30,139,541

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Core Economy Investment Group Limited (the "Company") was continued into Bermuda as an exempted company with limited liability under 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. The Company and its subsidiaries are collectively referred to as the "Group".

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2020 (the "Period") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2019 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2020. The Group has not early adopted any new and revised Hong Kong Financial Reporting Standards (the "HKFRSs") that has been issued but not yet effective in the current accounting period.

The preparation of these condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4 to the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(continued)*

These condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. These condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. These condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRSs and should be read in conjunction with the 2019 consolidated financial statements.

These condensed consolidated financial statements are unaudited, but have been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

3. CHANGES IN HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

None of these 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 in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2019 annual financial statements.

5. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

The recurring fair value measurements of the Group's financial assets at fair value through profit or loss ("FVTPL") are using the Level 1 of the fair value hierarchy.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE AND SEGMENT INFORMATION

	(Unaudited)	
	Six months ended 30 June	
	2020 HK\$	2019 HK\$
Dividend income from listed equity investments	310,651	44,577
Bank interest income	54	13,843
Other interest income	278	4,524
Revenue	310,983	62,944
Proceeds from disposals of financial assets at FVTPL	28,511,479	263,084

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

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

	(Unaudited)	
	Six months ended 30 June	
	2020 HK\$	2019 HK\$
Net realised gains on disposals of financial assets at FVTPL	287,549	1,242
Net unrealised (losses)/gains on financial assets at FVTPL	(1,581,943)	640,171
	(1,294,394)	641,413

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. FINANCE COSTS

	(Unaudited)	
	Six months ended 30 June	
	2020	2019
	HK\$	HK\$
Interest expense on lease liability	38,856	82,171
Interest expense on other borrowings	49,111	–
	87,967	82,171

9. LOSS BEFORE INCOME TAX EXPENSE

	(Unaudited)	
	Six months ended 30 June	
	2020	2019
	HK\$	HK\$
Loss before income tax expense for the Period is stated at after charging:		
Depreciation		
– Property, plant and equipment	124,575	58,777
– Right-of-use asset	1,622,517	1,622,517
Directors' emoluments		
– Fees	1,368,000	837,548
Investment management fee (Note 11)	261,290	360,000

10. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the Period (2019: Nil).

As at 30 June 2020, the Group has unused tax losses of HK\$78,363,733 (At 31 December 2019: HK\$73,744,500) available to offset against future profits. No deferred tax asset has been recognised in the condensed consolidated financial statements due to the unpredictability of future profit streams.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. 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 for a period of two years from 12 May 2016. 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 ended 30 June 2020, the investment management fee of HK\$261,290 (2019: HK\$360,000) was paid by the Company to CES. After the expiration of agreement on 11 May 2020, the management does not appoint a new investment manager.

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.

12. DIVIDENDS

The directors do not recommend the payment of interim dividend for the six months ended 30 June 2020 (2019: Nil).

13. 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\$6,748,956 (2019: HK\$4,886,964) and the weighted average number of 173,606,593 (2019: 158,552,487) ordinary shares in issue during the Period.

Diluted loss per share equals to basic loss per share, as there were no potential dilutive ordinary shares issued during the six months ended 30 June 2020 and 2019.

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired items of property, plant and equipment with a cost of HK\$721,199 (2019: HK\$8,480).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2020 HK\$	(Audited) 31 December 2019 HK\$
Equity securities, at fair value		
Listed in Hong Kong	11,925,175	5,118,185
Listed outside Hong Kong	8,209,533	800,138
	20,134,708	5,918,323

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

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

Particulars of the Group's financial assets at FVTPL are as follows:

At 30 June 2020

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$	Market Value HK\$	Fair value gains/(losses) HK\$	Dividend income received during the Period HK\$	Dividend cover	Net assets/(liabilities) attributable to the Group HK\$
Listed in Hong Kong:									
CK Hutchison Holdings Limited ("CKH Holdings") (note a)	Cayman Islands	77,500	Less than 1%	4,145,201	3,859,500	(285,701)	155,250	4.49	9,361,541
Alibaba Group Holding Limited ("Alibaba") (note e)	Cayman Islands	5,000	Less than 1%	1,000,000	1,048,000	48,000	-	N/A	192,646
China Merchants Bank Co., Ltd. ("CM Bank") (note g)	People's Republic of China ("PRC")	26,000	Less than 1%	988,000	926,900	(61,100)	-	N/A	714,828
CK Asset Holdings Limited ("CK Asset") (note h)	Cayman Islands	18,500	Less than 1%	920,750	854,700	(66,050)	8,690	4.99	1,715,385
China Evergrande Group ("Evergrande") (note i)	Cayman Islands	36,000	Less than 1%	496,418	720,000	223,582	-	N/A	448,982
Sunac China Holdings Limited ("Sunac China") (note j)	Cayman Islands	20,000	Less than 1%	642,000	649,000	7,000	-	N/A	456,968
Tencent Holdings Limited	Cayman Islands	1,300	Less than 1%	502,060	648,180	146,120	1,560	9.05	79,851
Sun Hung Kai Properties Limited	Hong Kong	6,000	Less than 1%	656,700	593,700	(63,000)	3,750	8.51	1,179,711
Wynn Macau, Limited	Cayman Islands	40,000	Less than 1%	522,400	533,600	11,200	-	N/A	(14,346)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars of the Group's financial assets at FVTPL are as follows: (continued)

At 30 June 2020 (continued)

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$	Market Value HK\$	Fair value gains/(losses) HK\$	Dividend income received during the Period HK\$	Dividend cover	Net assets/(liabilities) attributable to the Group HK\$
Listed in Hong Kong: (continued)									
New Silkroad Culturaltainment Limited	Bermuda	1,900,000	Less than 1%	1,202,546	400,900	(801,646)	-	N/A	953,571
Ping An Insurance (Group) Company of China, Ltd.	PRC	5,000	Less than 1%	400,250	387,500	(12,750)	6,400	7.19	210,474
The Wharf (Holdings) Limited	Hong Kong	15,000	Less than 1%	380,250	236,400	(143,850)	1,125	14.80	688,005
China Pacific Insurance (Group) Co., Ltd.	PRC	10,600	Less than 1%	394,320	219,420	(174,900)	12,535	2.83	238,790
New China Life Insurance Company Ltd.	PRC	7,700	Less than 1%	399,245	199,815	(199,430)	-	N/A	246,670
JD.com, Inc.	Cayman Islands	800	Less than 1%	180,800	185,440	4,640	-	N/A	38,448
China Taiping Insurance Holdings Company Limited	Hong Kong	14,000	Less than 1%	400,400	173,880	(226,520)	-	N/A	305,734
China Life Insurance Company Limited	PRC	8,000	Less than 1%	194,000	124,800	(69,200)	-	N/A	129,042
HSBC Holdings Plc	England	2,400	Less than 1%	178,200	86,880	(91,320)	-	N/A	168,164
Tianjin Development Holdings Limited	Hong Kong	44,000	Less than 1%	180,558	76,560	(103,998)	-	N/A	460,566
Listed outside Hong Kong:									
Westpac Banking Corporation ("Westpac Banking") (note b)	Australia	24,398	Less than 1%	1,881,372	2,356,443	475,071	-	N/A	2,424,724
PetroChina Company Limited ("PetroChina") (note c)	PRC	475,200	Less than 1%	2,747,193	2,164,357	(582,836)	-	N/A	3,383,411
China Petroleum & Chemical Corporation ("China Petroleum & Chemical") (note d)	PRC	420,000	Less than 1%	2,170,413	1,776,860	(393,553)	77,925	2.78	2,861,545
Ping An Insurance (Group) Company of China, Ltd. ("Ping An Insurance") (note f)	PRC	12,600	Less than 1%	1,100,063	973,411	(126,652)	15,966	7.19	530,394
China Railway Group Limited	PRC	89,100	Less than 1%	552,835	483,969	(68,876)	-	N/A	695,935
China State Construction Engineering Corporation Limited	PRC	90,000	Less than 1%	549,461	464,503	(84,958)	16,221	5.83	653,032
				22,785,435	20,134,708	(2,650,727)			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars of the Group's financial assets at FVTPL are as follows: (continued)

At 31 December 2019

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$	Market Value HK\$	Fair value gains/(losses) HK\$	Dividend income received during the year HK\$	Dividend cover	Net assets attributable to the Group HK\$
Listed in Hong Kong:									
New Silkroad Culturalainment Limited	Bermuda	1,900,000	Less than 1%	1,202,546	750,500	(452,046)	-	N/A	1,012,020
China Resources Land Limited	Cayman Islands	16,000	Less than 1%	363,200	620,800	257,600	20,096	11.97	435,217
Sunac China Holdings Limited	Cayman Islands	11,000	Less than 1%	386,650	512,050	125,400	10,362	4.58	229,379
Ping An Insurance (Group) Company of China, Ltd.	PRC	5,000	Less than 1%	400,250	460,500	60,250	9,549	9.47	205,757
China Overseas Land & Investment Ltd.	Hong Kong	14,000	Less than 1%	350,000	424,900	74,900	13,300	8.84	400,690
Sun Hung Kai Properties Limited	Hong Kong	3,000	Less than 1%	381,000	357,900	(23,100)	14,850	6.56	589,855
China Pacific Insurance (Group) Co., Ltd.	PRC	10,600	Less than 1%	394,320	325,420	(68,900)	10,857	2.21	233,233
CK Asset Holdings Limited	Cayman Islands	5,500	Less than 1%	365,750	309,375	(56,375)	10,725	10.31	512,642
The Wharf (Holdings) Limited	Hong Kong	15,000	Less than 1%	380,250	297,300	(82,950)	9,750	5.77	702,837
China Taiping Insurance Holdings Company Limited	Hong Kong	14,000	Less than 1%	400,400	270,480	(129,920)	1,400	18.44	297,246
New China Life Insurance Company Ltd.	PRC	7,700	Less than 1%	399,245	257,950	(141,295)	6,075	3.67	232,944
China Life Insurance Company Limited	PRC	8,000	Less than 1%	194,000	173,200	(20,800)	1,311	2.71	127,709
HSBC Holdings Plc	England	2,400	Less than 1%	178,200	146,040	(32,160)	9,586	5.03	166,577
CK Hutchison Holdings Limited	Cayman Islands	1,500	Less than 1%	152,700	111,450	(41,250)	4,755	6.57	180,598
Tianjin Development Holdings Limited	Hong Kong	44,000	Less than 1%	180,558	100,320	(80,238)	3,538	13.01	466,033
Listed outside Hong Kong:									
Enterprise Products Partners L.P.	United States	2,000	Less than 1%	413,959	436,987	23,028	17,277	4.95	176,166
Energy Transfer L.P.	United States	3,648	Less than 1%	400,624	363,151	(37,473)	21,906	4.07	230,534
				6,543,652	5,918,323	(625,329)			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

A brief description of the business and financial information of the listed investee companies that accounted for the Group's ten largest investments at 30 June 2020, based on their published annual and interim reports, is as follows:

- (a) CKH Holdings is principally engaged in provision of ports and related services, health and beauty retail services, infrastructure, energy as well as telecommunications. The audited consolidated profit attributable to owners of CKH Holdings for the year ended 31 December 2019 was approximately HK\$39,830,000,000 (2018: HK\$39,000,000,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of CKH Holdings was approximately HK\$464,285,000,000 (2018: HK\$446,151,000,000). The unaudited consolidated profit attributable to owners of CKH Holdings for the six months ended 30 June 2020 was approximately HK\$13,000,000,000 (2019: HK\$18,324,000,000). As at 30 June 2020, the unaudited consolidated net asset value attributable to owners of CKH Holdings was approximately HK\$465,811,000,000 (2019: HK\$441,657,000,000).
- (b) Westpac Banking is Australia's first bank and provides a broad range of consumer, business and institutional banking and wealth management services through a portfolio of financial services brands and businesses. The audited consolidated profit attributable to owners of Westpac Banking for the year ended 30 September 2019 was approximately HK\$36,958,554,000 (2018: HK\$47,459,366,000). As at 30 September 2019, the audited consolidated net asset value attributable to owners of Westpac Banking was approximately HK\$357,182,478,000 (2018: HK\$356,897,912,000). The unaudited consolidated profit attributable to owners of Westpac Banking for the six months ended 31 March 2020 was approximately HK\$6,076,735,000 (2019: HK\$17,572,074,000). As at 31 March 2020, the unaudited consolidated net asset value attributable to owners of Westpac Banking was approximately HK\$358,936,695,000 (2019: HK\$349,573,248,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

- (c) PetroChina is principally engaged in provision of a broad range of petroleum related products, services and activities including exploration and production, refining and chemicals, marketing, and natural gas and pipeline. The audited consolidated profit attributable to owners of PetroChina for the year ended 31 December 2019 was approximately HK\$51,794,252,000 (2018: HK\$62,932,518,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of PetroChina was approximately HK\$1,374,699,330,000 (2018: HK\$1,382,013,324,000). The unaudited consolidated loss attributable to owners of PetroChina for the six months ended 30 June 2020 was approximately HK\$33,050,261,000 (2019: profit of HK\$32,817,196,000). As at 30 June 2020, the unaudited consolidated net asset value attributable to owners of PetroChina was approximately HK\$1,303,104,461,000 (2019: HK\$1,394,371,703,000).
- (d) China Petroleum & Chemical is principally engaged in the oil and gas and chemical operations and businesses including the exploration, development and production of crude oil and natural gas, the refining, transportation, storage and marketing of crude oil and petroleum product and the production and sale of chemical. The audited consolidated profit attributable to owners of China Petroleum & Chemical for the year ended 31 December 2019 was approximately HK\$65,153,817,000 (2018: HK\$73,115,919,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of China Petroleum & Chemical was approximately HK\$824,882,625,000 (2018: HK\$816,699,562,000).
- (e) Alibaba was listed in the Stock Exchange in Hong Kong on 26 November 2019. It provides the technology infrastructure and marketing reach to its customers including retail and wholesale, logistics services and consumer service business; cloud computing; digital media and entertainment; and innovation initiatives and others. The audited consolidated profit attributable to owners of Alibaba for the year ended 31 March 2020 was approximately HK\$164,532,605,000 (2019: HK\$101,142,960,000). As at 31 March 2020, the audited consolidated net asset value attributable to owners of Alibaba was approximately HK\$828,070,576,000 (2019: HK\$559,548,532,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

- (f) Ping An Insurance is principally engaged in provision of integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities and other assets management as well as banking. The audited consolidated profit attributable to owners of Ping An Insurance for the year ended 31 December 2019 was approximately HK\$169,397,657,000 (2018: HK\$127,445,586,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of Ping An Insurance was approximately HK\$752,257,418,000 (2018: HK\$633,640,009,000). The unaudited consolidated profit attributable to owners of Ping An Insurance for the six months ended 30 June 2020 was approximately HK\$75,709,271,000 (2019: HK\$112,776,710,000). As at 30 June 2020, the unaudited consolidated net asset value attributable to owners of Ping An Insurance was approximately HK\$769,501,706,000 (2019: HK\$710,809,201,000).
- (g) CM Bank is principally engaged in the provision of corporate and personal banking services, conducting treasury business, provision of asset management and other financial services. The audited consolidated profit attributable to owners of CM Bank for the year ended 31 December 2019 was approximately HK\$105,292,605,000 (2018: HK\$95,592,496,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of CM Bank was approximately HK\$683,128,868,000 (2018: HK\$614,978,355,000). The unaudited consolidated profit attributable to owners of CM Bank for the six months ended 30 June 2020 was approximately HK\$54,881,312,000 (2019: HK\$58,436,615,000). As at 30 June 2020, the unaudited consolidated net asset value attributable to owners of CM Bank was approximately HK\$693,379,386,000 (2019: HK\$645,516,016,000).
- (h) CK Asset is principally engaged in the property development, property investment, hotel and serviced suite operation, property and project management, as well as aircraft leasing. The audited consolidated profit attributable to owners of CK Asset for the year ended 31 December 2019 was approximately HK\$29,134,000,000 (2018: HK\$40,117,000,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of CK Asset was approximately HK\$344,253,000,000 (2018: HK\$323,520,000,000). The unaudited consolidated profit attributable to owners of CK Asset for the six months ended 30 June 2020 was approximately HK\$6,360,000,000 (2019: HK\$15,128,000,000). As at 30 June 2020, the unaudited consolidated net asset value attributable to owners of CK Asset was approximately HK\$342,465,000,000 (2019: HK\$332,712,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

- (i) Evergrande is principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC. The audited consolidated profit attributable to owners of Evergrande for the year ended 31 December 2019 was approximately HK\$19,592,064,000 (2018: HK\$44,366,974,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of Evergrande was approximately HK\$162,819,750,000 (2018: HK\$151,428,107,000).
- (j) Sunac China is principally engaged in the businesses of property development and investment, property management services and operations in the PRC. The audited consolidated profit attributable to owners of Sunac China for the year ended 31 December 2019 was approximately HK\$29,509,985,000 (2018: HK\$19,657,850,000). As at 31 December 2019, the audited consolidated net asset value attributable to owners of Sunac China was approximately HK\$92,834,355,000 (2018: HK\$64,713,730,000). The unaudited consolidated profit attributable to owners of Sunac China for the six months ended 30 June 2020 was approximately HK\$12,080,240,000 (2019: HK\$11,876,569,000). As at 30 June 2020, the unaudited consolidated net asset value attributable to owners of Sunac China was approximately HK\$106,375,562,000 (2019: HK\$71,904,795,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. SHARE CAPITAL

	(Unaudited) 30 June 2020 HK\$	(Audited) 31 December 2019 HK\$
Authorised:		
1,000,000,000 ordinary shares of HK\$0.02 each	20,000,000	20,000,000
Issued and fully paid:		
200,400,000 (At 31 December 2019: 167,000,000) ordinary shares of HK\$0.02 each	4,008,000	3,340,000
	Number of	Nominal value of
	Notes	shares issued
		HK\$
At 1 January 2019	139,200,000	2,784,000
Issue of shares	27,800,000	556,000
	(a)	
At 31 December 2019 and 1 January 2020	167,000,000	3,340,000
Issue of shares	33,400,000	668,000
	(b)	
At 30 June 2020	200,400,000	4,008,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. SHARE CAPITAL *(continued)*

Notes:

- (a) On 25 January 2019, the Company and Bonus Eventus Securities Limited entered into a placing agreement in respect of the placement of 27,800,000 ordinary shares of HK\$0.02 each (the "2019 Placing Shares") to independent investors at a price of HK\$0.4 each. The placement was completed on 25 February 2019 and the 2019 Placing Shares were issued and allotted to a placee, namely Sun Oxford Co., Limited, at the placing price of HK\$0.4 each. To the best knowledge, information and belief of the Company having made such reasonable enquiry and as informed by the placing agent, the placee and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as at the date of completion. The premium on issue of shares amounting to HK\$10,451,944 (net of share issue expenses of HK\$112,056) was credited to the Company's share premium account.
- (b) On 29 April 2020, the Company and Bonus Eventus Securities Limited entered into a placing agreement in respect of the placement of 33,400,000 ordinary shares of HK\$0.02 each (the "2020 Placing Shares") to independent investors at a price of HK\$0.17 each. The placement was completed on 26 May 2020 and the 2020 Placing Shares were issued and allotted to not less than six placees, at the placing price of HK\$0.17 each. To the best knowledge, information and belief of the Company having made such reasonable enquiry and as informed by the placing agent, each of the placees and their respective ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as at the date of completion. The placees are professional investors and none of them has become a substantial shareholder of the Company immediately after completion. The premium on issue of shares amounting to HK\$4,896,003 (net of share issue expenses of HK\$113,997) was credited to the Company's share premium account.

17. NET ASSET VALUE PER SHARE

The net asset value per share is HK\$0.15 as at 30 June 2020 (At 31 December 2019: HK\$0.18). The calculation is based on the net assets of the Group as at 30 June 2020 of HK\$29,321,599 (At 31 December 2019: HK\$30,506,667) and the number of ordinary shares of 200,400,000 (At 31 December 2019: 167,000,000) in issue as at that date.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS

Key management compensation

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

	(Unaudited)	
	Six months ended 30 June	
	2020	2019
	HK\$	HK\$
Fees	1,368,000	837,548
Salaries	60,000	1,200,000
Retirement benefit scheme contributions	12,000	6,000
	1,440,000	2,043,548

19. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2020 (At 31 December 2019: Nil).

20. IMPACTS OF COVID-19 PANDEMIC

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has dealt a big blow on the global business environment. In preparing these condensed consolidated financial statements, the Group applies fair value approach to measure its financial assets at FVTPL. In 2020, fair value of the Group's financial assets at FVTPL has been suffering from fluctuations due to the COVID-19 outbreak. The impact will largely depend on duration of the outbreak.

In view of the development and spread of COVID-19 subsequent to the date of this report, further changes in economic conditions arising thereof may have negative impact on the financial results of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep monitoring to the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the board of directors on 28 August 2020.