

# TARGET

## Intelligence Report

VOLUME XXV No. 125

T U E S D A Y

June 13, 2023

### CORE ECONOMY INVESTMENT GROUP LTD: WHAT IS THE FAIR VALUE OF THE ASSETS OF THIS COMPANY ?

No matter how one might like to study the financials of Core Economy Investment Group Ltd (核心經濟投資集團有限公司) (Code: 339, Main Board, The Stock Exchange of Hongkong Ltd), the Bottom Line becomes only too obvious: The Company is facing a very difficult, financial situation.

Which leads one to ponder:

*‘Will Management be able to survive the calamitous circumstances that it has been forced to face in the past... and continues to face?’*

One is reminded of the words of William Shakespeare in his play, ‘*Hamlet, Prince of Denmark*’:

*‘Whether tis nobler in the mind to suffer the slings and arrows of outrageous fortune, Or to take arms against a sea of troubles, And by opposing end them...’.*

Without further ado, the following is the ‘**Consolidated Statement of Profit or Loss and Other Comprehensive Income**’ found at Page 69 of the 2022 Annual Report of the Company with regard to the Financial Year, ended December 31, 2022:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In Hongkong Dollars (except where otherwise stipulated)		
Revenue	172,943	186,198	(7.12)
Loss Before Income Tax Expense	(11,797,983)	(14,991,938)	(21.30)
Income Tax Expense	Nil	Nil	N/A
Loss Attributable To Shareholders Of The Company	(11,797,983)	(14,991,938)	(21.30)
Loss Per Share	(0.049)	(0.063)	(22.23)

\* These are **TARGET**'s calculations.

At the following Page 70 of the 2022 Annual Report of Core Economy Investment Group Ltd, it was noted that the Company's Net Assets (Shareholders' Funds), as at December 31, 2022, amounted to \$HK7,650,684.00 (2021: \$HK19,449,336.00).

Ergo: Shareholders' Funds had depreciated, Year-On-Year, by 60.66 percent.

Also, at Page 70 of the 2022 Annual Report, it was shown, under the heading, '**Current Liabilities**', a '*Director's Loans*' were in the books of Core Economy Investment Group Ltd at \$HK3,000,000.00.

At Page 113 of the 2022 Annual Report of the Company, it was shown that the Director's Loans were via the seeming generosity of Mr Sun Bo (孫博), the Chairman of the Board of Directors and an Executive Director of Core Economy Investment Group Ltd.

Under Note 20 to the notes of the Company, one learns:

*'During the year ended 31 December 2022, the Group obtained loans from a director, Mr. SUN Bo, amounting to HK\$3,000,000. The director's loans were carried at amortised cost. The director's loans were unsecured, interest free and repayable within one year.'*

### **'THE CHAIRMAN'S STATEMENT**

#### **'MANAGEMENT DISCUSSION AND ANALYSIS**

##### **'Results and Appropriations**

*'During the year, the Group recorded a revenue of approximately HK\$173,000 (2021: Approximately HK\$186,000), proceeds from disposals of listed equity securities of approximately HK\$15,551,000 (2021: Approximately HK\$44,209,000), loss attributable to owners of the Company approximately HK\$11,798,000 (2021: Approximately HK\$14,992,000) and basic loss per share of HK\$0.049 (2021: HK\$0.063). 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 decrease in revenue was mainly attributable to decrease in dividend income from listed equity securities.*

*'The Group's administrative and other operating expenses amounted to approximately HK\$8,213,000 (2021: Approximately HK\$9,016,000). The Group recorded a loss on net change in fair value of financial assets at fair value through profit or loss for the year of approximately HK\$3,457,000 as compared with the loss of approximately HK\$5,546,000 of the previous year. The decrease in net loss was mainly driven by decrease in loss on net change in fair value of financial assets at fair value through profit or loss as a result of the volatility of capital markets and decrease in administrative and other operating expenses because of implementation of cost saving plan.*

## ***'Business Review***

*'Last year, the markets underwent a correction which had a deleterious impact on stocks. Elevated inflation rates eroded purchasing power, prompting the (Hongkong) government to adopt a more stringent monetary policy to combat the issue. This, along with increased interest rates, resulted in a sluggish economy in 2022. Despite the present state of uncertainty, it is anticipated that volatility will persist for a while. However, as inflation stabilizes, the government may opt to adopt a more accommodative monetary policy in an effort to spur growth and rejuvenate the market. Furthermore, the lifting of the majority of pandemic restrictions and reopening of borders in China has also provided a boost to global demand, further fueling growth prospects. Our company remains steadfast in its conservative investment approach, aimed at safeguarding the value of our investment portfolios. In order to reap long-term benefits from investment, it is essential to adopt a proactive management approach that is capable of navigating the tumultuous market and shifts in industry authority. An ongoing surveillance of macroeconomic, policy, and business trends is imperative in light of the ever-evolving circumstances ... '.*

At ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*