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IMAGI INTERNATIONAL HOLDINGS LIMITED
意力國際控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 585)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The board (the “Board”) of directors (the “Director(s)”) of Imagi International Holdings Limited (the “Company”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2023 (the “Year under Review”) together with the comparative figures for the corresponding year in 2022 as follows:

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 HK\$’000	2022 <i>HK\$’000</i>
Revenue			
Brokerage related commission income and clearing fee income	4	1,942	2,431
Asset management fee income	4	3,021	2,517
Revenue from financial service provided	4	–	18,000
Interest income on margin clients	4	36,809	26,209
Interest income on loans receivable	4	10,198	15,785
Loan commitment fee income	4	–	563
Dividend income from held-for-trading investments	4	121	31

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*

For the year ended 31 December 2023

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Net realised losses from sales of investments classified as held-for-trading	4	(3,685)	(7,887)
Income from film rights investment	4	–	1,183
Income from film distribution license rights	4	532	–
Artiste management income	4	95	–
Royalty income	4	–	42
Total Revenue		49,033	58,874
Cost of revenue			
Related cost on film rights investment		–	(1,607)
Related cost on film distribution license rights		(627)	–
Related cost on artiste management income		(70)	–
Total cost of revenue		(697)	(1,607)
Other income	5	3,184	744
Other net gain/(loss)	6	331	(7,293)
Unrealised losses from changes in fair value of financial assets classified as held-for-trading	9	(20,855)	(13,087)
Impairment loss on film rights investment		(2)	(2,757)
Impairment loss on prepayment for film rights investment		(5)	–
Impairment allowances on margin loans receivable, net	14(a)	(2,992)	(6,505)
Impairment allowances on loans receivable, net	15(d)	(1,323)	(5,073)
Share of results of associates		–	1,718
Administrative expenses		(39,022)	(35,510)
Loss from operations		(12,348)	(10,496)
Finance costs	7	(497)	(357)
Loss before tax	9	(12,845)	(10,853)
Income tax expenses	10	(2,492)	(3,726)
Loss for the year		(15,337)	(14,579)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*

For the year ended 31 December 2023

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		<u>(242)</u>	<u>382</u>
Other comprehensive (expense)/income that may be reclassified subsequently to profit or loss, net of Nil tax		<u>(242)</u>	<u>382</u>
Item that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at FVTOCI (non-recycling)		<u>(50,888)</u>	<u>(23,035)</u>
Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods, net of Nil tax		<u>(50,888)</u>	<u>(23,035)</u>
Other comprehensive expense for the year		<u>(51,130)</u>	<u>(22,653)</u>
Total comprehensive expense for the year		<u>(66,467)</u>	<u>(37,232)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*

For the year ended 31 December 2023

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Loss for the year attributable to:			
Owners of the Company		(12,845)	(10,972)
Non-controlling interests		<u>(2,492)</u>	<u>(3,607)</u>
		<u>(15,337)</u>	<u>(14,579)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(59,172)	(28,826)
Non-controlling interests		<u>(7,295)</u>	<u>(8,406)</u>
		<u>(66,467)</u>	<u>(37,232)</u>
Loss per share			
Basic and diluted (HK cents per share)	<i>11</i>	<u>(2)</u>	<u>(1)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		8,202	6,376
Goodwill		–	–
Intangible assets		600	700
Investment in equity instruments designated at fair value through other comprehensive income	<i>12</i>	391,722	167,885
Other non-current assets		3,205	3,205
Prepayment for film rights		4,739	4,744
Prepayment for film distribution license rights		367	–
Prepayment for film production		234	–
Film rights		1,091	1,093
Film distribution license rights		1,018	–
		411,178	184,003
Current assets			
Accounts receivable	<i>13</i>	1,077	5,304
Margin loans receivable	<i>14</i>	287,179	469,983
Other receivables, deposits and prepayments		2,483	1,526
Loans receivable	<i>15</i>	80,612	171,376
Held-for-trading investments	<i>16</i>	22,260	29,821
Income tax recoverable		1,653	3,946
Deposit with bank (maturity over 3 months)		3,600	3,600
Bank balances – trust accounts		28,604	23,291
Bank balances and cash		30,608	76,262
		458,076	785,109
Current liabilities			
Accounts payable	<i>17</i>	28,628	23,323
Lease liabilities		3,857	3,258
Other payables and accruals		3,242	3,378
		35,727	29,959
Net current assets		422,349	755,150
Total assets less current liabilities		833,527	939,153

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**At 31 December 2023*

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		539	1,698
		<u>539</u>	<u>1,698</u>
Net assets		<u>832,988</u>	<u>937,455</u>
Capital and reserves			
Share capital		33,197	33,197
Reserves		<u>666,896</u>	<u>731,671</u>
Total equity attributable to owners of the Company		700,093	764,868
Non-controlling interests		<u>132,895</u>	<u>172,587</u>
Total equity		<u>832,988</u>	<u>937,455</u>

NOTES:

1. GENERAL INFORMATION

Imagi International Holdings Limited (the “Company”) is a public limited company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company (together with its subsidiaries, the “Group”) acts as an investment holding company.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND HONG KONG ACCOUNTING STANDARDS (“HKASs”)

The Group has applied the following new and amendments to HKFRSs and HKASs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) to these financial statements for the current accounting period for the first time, which are mandatorily effective for the Group’s financial annual period beginning on or after 1 January 2023:

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The Group has not applied any new standards or amendments that are not yet mandatorily effective for the current accounting period. Except as described below, the application of the new and amendments to HKFRSs and HKASs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 17 and related amendments *Insurance Contracts*

HKFRS 17 and related amendments establish the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4 Insurance Contracts.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees HKFRS 17 and related amendments are to be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

The Group does not have any contracts that meet the definition of an insurance contract under HKFRS 17.

Amendment to HKAS 1 and HKFRS Practice Statement 2 *Disclosure of Accounting Policies*

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current year has no impact on the Group's consolidated financial statements.

Amendments to HKAS 8 *Definition of Accounting Estimates*

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments in the current year has no impact on the Group's consolidated financial statements.

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

However, there was no material impact on the consolidated statement of financial position because the balances qualify for offset under paragraph 74 of HKAS 12. There was also no material impact on the retained profits at 1 January 2022 as a result of the change.

Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules

The amendments apply to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Cooperation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The Group has applied the amendments for the first time in the current year retrospectively. In accordance with the transitional provisions, the Group applies the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

3. SEGMENT REPORTING

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the directors of the Company) (the "CODM"), for the purpose of resource allocation and performance assessment.

The Group organises business units based on their services and the CODM regularly reviews revenue and results analysis of the Group by the reportable operating segments as below.

- securities brokerage and asset management segment engages in provision of securities brokerage services, margin financing services, asset management services and financial services;
- provision of finance segment engages in the provision of financing services (other than margin financing);
- trading of securities segment engages in the purchase and sale of securities investments; and
- entertainment segment engages in CGI business and entertainment business, including film rights investment, film distribution license rights business and provision of artiste management services.

All assets are allocated to reportable segments with the exception of corporate assets (including bank balances and cash). All liabilities are allocated to reportable segments other than corporate liabilities.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank and other interest income (excluding interest income from the provision of finance), other income (excluding loan commission income), other net (loss)/gain, finance costs, depreciation, impairment loss on intangible assets, share of results of associates as well as head office and corporate expenses are excluded from such measurement.

Inter-segment transactions are made with reference to the prices used for services made to third parties at the then prevailing market prices.

The Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 are set out below.

(a) Segment results, assets and liabilities

For the year ended 31 December 2023

	Securities brokerage and asset management <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Trading of securities <i>HK\$'000</i>	Entertainment <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	41,774	10,198	(3,566)	627	-	49,033
Inter-segment revenue	(2)	-	2	-	-	-
Segment revenue from external customers	41,772	10,198	(3,564)	627	-	49,033
Segment results	32,778	8,782	(22,988)	(2,192)	-	16,380
Reconciliation:						
Other income and other net gain						3,515
Depreciation						(5,961)
Finance costs						(497)
Unallocated head office and corporate expenses						
- Staff cost						(17,061)
- Others						(9,221)
Consolidated loss before tax						(12,845)

At 31 December 2023

	Securities brokerage and asset management <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Trading of securities <i>HK\$'000</i>	Entertainment <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>326,751</u>	<u>80,724</u>	<u>413,981</u>	<u>11,393</u>	<u>-</u>	<u>832,849</u>
Unallocated head office and corporate assets						
– Deposit with bank (maturity over 3 months)						3,600
– Bank balances and cash						30,608
– Others						<u>2,197</u>
Consolidated total assets						<u>869,254</u>
Segment liabilities	<u>(30,744)</u>	<u>(63)</u>	<u>(8)</u>	<u>(2,065)</u>	<u>-</u>	<u>(32,880)</u>
Unallocated head office and corporate liabilities						<u>(3,386)</u>
Consolidated total liabilities						<u>(36,266)</u>

For the year ended 31 December 2022

	Securities brokerage and asset management <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Trading of securities <i>HK\$'000</i>	Entertainment <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	49,220	16,348	(7,919)	1,225	–	58,874
Inter-segment revenue	<u>(63)</u>	<u>–</u>	<u>63</u>	<u>–</u>	<u>–</u>	<u>–</u>
Segment revenue from external customers	<u>49,157</u>	<u>16,348</u>	<u>(7,856)</u>	<u>1,225</u>	<u>–</u>	<u>58,874</u>
Segment results	<u>36,108</u>	<u>11,210</u>	<u>(21,169)</u>	<u>(4,204)</u>	<u>–</u>	<u>21,945</u>
<i>Reconciliation:</i>						
Share of results of associates						1,718
Other income and other net loss						(6,549)
Depreciation						(3,513)
Finance costs						(357)
Unallocated head office and corporate expenses						
– Staff cost						(15,239)
– Others						<u>(8,858)</u>
Consolidated loss before tax						<u>(10,853)</u>

At 31 December 2022

	Securities brokerage and asset management <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Trading of securities <i>HK\$'000</i>	Entertainment <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>507,406</u>	<u>173,594</u>	<u>197,706</u>	<u>7,090</u>	<u>–</u>	885,796
Unallocated head office and corporate assets						
– Deposit with bank (maturity over 3 months)						3,600
– Bank balances and cash						76,262
– Others						<u>3,454</u>
Consolidated total assets						<u>969,112</u>
Segment liabilities	<u>(26,713)</u>	<u>(48)</u>	<u>(8)</u>	<u>(10)</u>	<u>–</u>	(26,779)
Unallocated head office and corporate liabilities						<u>(4,878)</u>
Consolidated total liabilities						<u>(31,657)</u>

4. REVENUE

	2023 HK\$'000	2022 HK\$'000
Brokerage related commission income and clearing fee income (notes (i) and (ii))	1,942	2,431
Asset management fee income (notes (i) and (ii))	3,021	2,517
Revenue from financial service provided (notes (i) and (ii))	–	18,000
Interest income on margin clients (notes (ii) and (vi))	36,809	26,209
Interest income on loans receivable (notes (iii) and (vi))	10,198	15,785
Loan commitment fee income (note (iii))	–	563
Dividend income from held-for-trading investments (note (iv))	121	31
Net realised losses from sales of investments classified as held- for-trading (notes (iv) and (v))	(3,685)	(7,887)
Income from film rights investment (note (vii))	–	1,183
Income from film distribution license rights (notes (i) and (vii))	532	–
Artiste management income (note (i) and (vii))	95	–
Royalty income (notes (i) and (vii))	–	42
	<u>49,033</u>	<u>58,874</u>

Notes:

- (i) The commission income and clearing fee income, asset management fee income, revenue from financial service provided, income from film distribution license rights, artiste management income and royalty income are the revenue arising under the scope of HKFRS 15, while interest income, loan commitment fee income, dividend income, sales of investments and income from film rights investment are revenue from other sources.

Included in revenue arising under the scope of HKFRS 15, revenue from brokerage related commission income and clearing fee income recognised at a point in time were HK\$1,942,000 (2022: HK\$2,431,000) and revenue from asset management fee income, revenue from financial service provided, income from film distribution license rights, artiste management income and royalty income recognised over time were HK\$3,648,000 (2022: HK\$20,559,000).

- (ii) Amount are reported under securities brokerage and asset management segment as set out in note 3.
- (iii) Amount are reported under provision of finance segment as set out in note 3.
- (iv) Amount are reported under trading of securities segment as set out in note 3.
- (v) During the year ended 31 December 2023, the Group disposed of held-for-trading securities at cost of HK\$10,980,000 (2022: HK\$16,000,000) at gross proceeds of HK\$7,352,000 (2022: HK\$8,150,000), incurring trading fee of HK\$57,000 (2022: HK\$37,000).
- (vi) For the year ended 31 December 2023, the total amount of interest income on financial assets measured at amortised cost, including bank interest income (note 5), was HK\$47,485,000 (2022: HK\$42,029,000).
- (vii) Amount are reported under entertainment segment as set out in note 3.

5. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	478	35
Government subsidy	19	704
Dividend income (<i>note 12</i>)	1,682	—
Others	1,005	5
	<u>3,184</u>	<u>744</u>

6. OTHER NET GAIN/(LOSS)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Gain on lease termination	87	7
Loss on disposal of associates	—	(6,858)
Net foreign exchange gain/(loss)	244	(442)
	<u>331</u>	<u>(7,293)</u>

7. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on lease liabilities	497	357
Total interest expense on financial liabilities that are not at FVTPL	<u>497</u>	<u>357</u>

8. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: HK\$Nil).

9. LOSS BEFORE TAX

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration:		
– Audit service	1,579	1,500
– Non-audit service	629	627
	2,208	2,127
Directors' emoluments	3,594	3,714
Other staff costs:		
– Salaries and allowance	13,029	11,168
– Contribution to retirement benefit scheme	438	357
Total staff costs	17,061	15,239
Depreciation charge:		
– Owned property, plant and equipment	1,082	742
– Right-of-use assets	4,879	2,771
Amortisation of intangible assets	100	100
Amortisation of film rights	–	1,607
Amortisation of film distribution license rights	102	–
Impairment loss on film rights investment	2	2,757
Impairment loss on prepayment for film rights investment	5	–
Loss from changes in fair value of financial assets mandatorily measured at FVTPL – held-for-trading investments:		
– Net realised losses from sales of listed equity investments	3,685	7,887
– Unrealised losses from changes in fair value of listed equity investments	20,855	13,087
	24,540	20,974

10. INCOME TAX EXPENSES

Income tax expenses recognised in profit or loss

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current tax	2,365	3,736
Under-provision/(Over-provision) in respect of prior years	<u>127</u>	<u>(10)</u>
	<u><u>2,492</u></u>	<u><u>3,726</u></u>

The Group is subject to income tax on an entity basis on profits arising on derived from the jurisdictions in which the members domiciled and operate.

The provision for Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year ended 31 December 2023, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in year ended 31 December 2022.

The subsidiary in Netherlands is subject to Dutch Corporate Income Tax at the rate of 19% for the first EUR 200,000 of assessable profit and the remaining assessable profits are taxed at 25.8% (2022: 15% for the first EUR 395,000 of assessable profit and the remaining assessable profits are taxed at 25.8%). No Dutch Corporate Income Tax has been provided for the years ended 31 December 2023 and 2022 as the Group has no estimated assessable profits in Netherlands.

Pursuant to rules and regulations of Bermuda, the British Virgin Islands (“BVI”), Cayman Islands and Marshall Islands, the Group has no assessable profits in the above-mentioned jurisdictions.

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of HK\$12,845,000 (2022: HK\$10,972,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss		
Loss for the purposes of basic loss per share	<u><u>(12,845)</u></u>	<u><u>(10,972)</u></u>

	2023	2022
Number of shares		
Issued ordinary shares at 1 January	829,921,572	829,921,572
Effect of shares issued	—	—
	<u> </u>	<u> </u>
Weighted average number of ordinary shares in issue during the year	<u><u>829,921,572</u></u>	<u><u>829,921,572</u></u>

(b) Diluted loss per share

For the years ended 31 December 2023 and 2022, there were no dilutive potential ordinary shares in issue during the years and diluted loss per share was the same as the basic loss per share.

12. INVESTMENT IN EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Equity securities designated at FVTOCI (non-recycling)		
– Listed equity securities in Hong Kong (<i>Note (i)</i>)	137,670	31,444
– Unlisted equity securities (<i>Note (ii)</i>)		
– Entity A	195,614	123,959
– Entity B	11,379	10,445
– Entity C	26,680	2,037
– Entity D	20,379	—
	<u> </u>	<u> </u>
	<u>254,052</u>	<u>136,441</u>
	<u><u>391,722</u></u>	<u><u>167,885</u></u>

Notes (i):

The listed equity securities represent ordinary shares of entities listed in Hong Kong. These investments are strategic investments that are not held for trading. The Group has elected to designate these investments in equity instruments as FVTOCI as it is believed that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for strategic purposes and realising their performance potential in the long run.

No dividends were received on this listed equity investment during the year ended 31 December 2023 (2022: HK\$Nil).

As at 31 December 2023, approximately HK\$23 million (2022: HK\$31 million) listed equity investments were pledged to financial institution to secure approximately HK\$16 million (2022: HK\$22 million) margin financing facilities obtained, which were not utilised by the Group as at 31 December 2023 and 2022.

None of individual listed equity securities designated at FVTOCI held as at 31 December 2023 had a value of 5% or more of the Group's total assets as at 31 December 2023.

Notes (ii):

The above unlisted equity investments represent the Group's equity interest in private entities established in the BVI. These investments are not held-for-trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as the directors believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in long run.

During the year ended 31 December 2022, with the allotment of new shares by Hope Capital Limited ("Hope Capital" or "Entity A") to other investors, the Group's equity interest in Hope Capital was eventually diluted to 17.39% on 10 October 2022 and resulted in loss of significant influence by the Group over Hope Capital. Thereafter, the investment in Hope Capital is reclassified from interest in associates to financial asset designated at FVTOCI.

During the year ended 31 December 2023, with the allotment of new shares by Hope Capital to other investors, the Group's equity interest in Hope Capital reduced from 17.39% at 31 December 2022 to 16.79% at 31 December 2023.

During the year ended 31 December 2022, the Group accepted the settlement proposal offered by Entity B that the Group subscribed 820 shares in Entity B (representing 5.28% of the then issued share capital of Entity B) at a consideration of approximately HK\$15,051,000 which is settled by the loan and interest receivable of the same amount due by Entity B as the borrower to the Group as the lender. Upon the settlement of the loan and interest receivable of approximately HK\$15,051,000, the fair value of the equity instrument acquired as determined by an independent professional valuer amounted to HK\$12,174,000, with the difference of approximately HK\$2,877,000 being recognised as impairment loss on the loan and interest receivable and written off at the date of derecognition of the loan receivable in financial year ended 31 December 2022.

During the year ended 31 December 2022, with the allotment of new shares by Entity B to other investor, the Group's equity interest in Entity B reduced from 5.28% (at the date of acquisition) to 4.70% at 31 December 2022.

During the year ended 31 December 2023, with the allotment of new shares by Entity B to other investors, the Group's equity interest in Entity B reduced from 4.70% at 31 December 2022 to 4.22% at 31 December 2023.

During the year ended 31 December 2023, the Group further invested HK\$23,904,000 to Entity C. The Group's equity interest in Entity C remains 8% at 31 December 2023 (31 December 2022: 8%) with proportional allotment of shares by Entity C to all its investors.

During the year ended 31 December 2023, the Group subscribed 10,000,000 shares in Entity D at a consideration of HK\$25,000,000. The Group's equity interest in Entity D is 8.53% at 31 December 2023.

Except for Entity A declared and paid dividend of HK\$1,682,000 to the Group during the year ended 31 December 2023 (2022: HK\$Nil), no dividend was declared from other unlisted equity investments.

The following table further set forth the significant investment with a value of 5% or more of the Group's total assets as at 31 December 2023:

Name of investee	Number of shares held as at 31 December 2023	Investment cost as at 31 December 2023 <i>HK\$'000</i>	Fair value as at 31 December 2023 <i>HK\$'000</i>	Realised gain/	Unrealised	Approximate % to the Group's total assets as at 31 December 2023	Approximate % of shareholding in investee as at 31 December 2023	Dividend income recognised during the year ended 31 December 2023 <i>HK\$'000</i>
				(loss) recognised during the year ended 31 December 2023 <i>HK\$'000</i>	loss measured at FVTOCI (non-recycling) during the year ended 31 December 2023 <i>HK\$'000</i>			
Hope Capital Limited	360	213,514	195,614	-	(29,146)	22.5%	16.79%	1,682

Save as disclosed, the Group did not hold any investments with a value of 5% or more of the Group's total assets as at 31 December 2023.

13. ACCOUNTS RECEIVABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accounts receivable arising from:		
Securities brokerage and asset management segment		
– Securities brokerage cash clients and clearing house	21	4,081
Entertainment segment	<u>1,056</u>	<u>1,223</u>
	<u><u>1,077</u></u>	<u><u>5,304</u></u>

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the trade date or invoice date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Over 1 year	983	–
Over 180 days but within 1 year	73	1,183
Within 90 days	<u>21</u>	<u>4,121</u>
	<u><u>1,077</u></u>	<u><u>5,304</u></u>

The normal settlement terms of accounts receivable from securities brokerage cash clients and clearing house are two days after the trade date. The remaining accounts receivable are expected to be recovered within one year.

Accounts receivable from securities brokerage cash clients and clearing house as at 31 December 2023 and 2022 were not past due. No credit loss allowance has been provided for accounts receivable from clearing house as the related credit loss allowances were immaterial.

The Group offsets certain accounts receivable and accounts payable arising from securities brokerage cash clients and clearing house when the Group has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously. At 31 December 2023, no amount was set off (2022: HK\$2,453,000).

The settlement term of accounts receivable from film rights investment is 30 days after the receipt by the producer from the distributor and calculation from the producer. No credit loss allowance has been provided for accounts receivable from film right investments as the related credit loss allowances were immaterial.

The settlement term of accounts receivable from film distribution license rights is 30 days from the date of billing.

The Group did not hold any collateral or other credit enhancements over these balances. Accounts receivable as at 31 December 2023 and 2022 relate to clients that have a good track record with the Group for whom there was no recent history of default.

14. MARGIN LOANS RECEIVABLE

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Margin loans receivable arising from securities brokerage business	297,075	476,887
Less: Impairment allowances	(9,896)	(6,904)
	<u>287,179</u>	<u>469,983</u>

- (a) An analysis of changes in the provision for impairment allowances of margin clients is as follows:

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2023	293	6,611	–	6,904
Transfer to stage 1	2,951	(2,951)	–	–
Transfer to stage 2	(277)	277	–	–
Transfer to stage 3	–	(703)	703	–
Impairment allowances for the year	<u>(2,567)</u>	<u>2,069</u>	<u>3,490</u>	<u>2,992</u>
At 31 December 2023	<u>400</u>	<u>5,303</u>	<u>4,193</u>	<u>9,896</u>
ECL rate	0.38%	3.16%	15.96%	3.33%
	<i>Stage 1</i> <i>HK\$'000</i>	<i>Stage 2</i> <i>HK\$'000</i>	<i>Stage 3</i> <i>HK\$'000</i>	<i>Total</i> <i>HK\$'000</i>
At 1 January 2022	399	–	–	399
Transfer to stage 2	(183)	183	–	–
Impairment allowances for the year	<u>77</u>	<u>6,428</u>	<u>–</u>	<u>6,505</u>
At 31 December 2022	<u>293</u>	<u>6,611</u>	<u>–</u>	<u>6,904</u>
ECL rate	0.14%	2.40%	Not applicable	1.45%

- (b) At 31 December 2023, margin loans receivable of HK\$297,075,000 (2022: HK\$476,887,000) were secured by underlying equity securities amounted to approximately HK\$732,236,000 (2022: approximately HK\$1,377,052,000).

Trading limits are set for margin clients. The Group seeks to maintain tight control over its outstanding receivables in order to minimise the credit risk. Outstanding balances are regularly monitored by management.

- (c) The Group offsets certain margin loans receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.
- (d) No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business in margin financing.
- (e) At 31 December 2023, margin loans receivable carry interest at 5% to 16% (2022: 9% to 16%) per annum.

15. LOANS RECEIVABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Fixed-rate loans receivable	85,184	174,625
Less: Impairment allowances	<u>(4,572)</u>	<u>(3,249)</u>
	<u>80,612</u>	<u>171,376</u>

- (a) Loans receivable represented receivables arising from the provision of finance business of the Group. During the year ended 31 December 2023, the new loan facilities granted by the Group were of the size in the range from HK\$0.1 million to HK\$13 million (during the year ended 31 December 2022: from HK\$2.5 million to HK\$75 million), with interest rates ranging from 4% to 12% (2022: 4% to 15%) per annum. At 31 December 2023, except that a loan receivable of HK\$5,011,000 which is secured by a property held by the borrower as a second mortgage loan (2022: except that a loan receivable of HK\$11,024,000 which is secured by a property held by the borrower as a second mortgage loan), the Group did not hold any collateral or other credit enhancements over these balances.

As at 31 December 2023, the outstanding loan receivables were due from 11 (2022: 9) customers, and none of the customers is from a connected person, of which the largest single loan of HK\$13,353,000 (2022: HK\$75,752,000) and the five largest loans in aggregate of HK\$64,762,000 (2022: HK\$138,302,000) represent approximately 16% (2022:43%) and 76% (2022: 79%) respectively of the total loan receivables before impairment allowances.

During the year ended 31 December 2023, Imagi Lenders Limited (“Imagi Lenders”), an indirect non-wholly owned subsidiary, entered into the deed of assignment with an individual third party, pursuant to which Imagi Lender has conditionally agreed to sell and assign, and the individual third party has conditionally agreed to purchase and be assigned, the rights, titles and benefits of loans receivable amounted HK\$68,433,000 at the consideration of HK\$68,433,000. The consideration has been received in full during the year ended 31 December 2023.

(b) Maturity profile

At the end of the reporting period, the maturity profile of loans receivable, based on maturity date, is as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Past due over 1 year	5,037	–
Past due over 6 months but within 1 year	–	17,694
Past due over 1 month but within 3 months	–	5,037
Due within 1 month	13,936	777
Due after 1 month but within 3 months	15,019	51,905
Due after 3 months but within 6 months	14,594	24,212
Due after 6 months but within 12 months	36,598	75,000
	<u>85,184</u>	<u>174,625</u>

(c) Distribution of loans receivable balance

The following tables set forth the distribution of the balances of the Group's outstanding loan exposure to borrowers by size as at 31 December 2023 and 2022:

As at 31 December 2023

	Number of loan	Original tenure of loan <i>(note)</i>	Interest rate per annum	Loans receivable <i>HK\$'000</i>	Impairment allowances <i>HK\$'000</i>	Net loans receivable <i>HK\$'000</i>
Over HK\$100,000 to HK\$5,000,000	3	12 months	7% p.a. – 8% p.a.	2,208	(43)	2,165
Over HK\$5,000,000 to HK\$10,000,000	3	6 months – 12 months	4% p.a. – 12% p.a.	18,214	(3,256)	14,958
Over HK\$10,000,000 to HK\$20,000,000	5	6 months – 12 months	7% p.a. – 8% p.a.	64,762	(1,273)	63,489
	<u>11</u>			<u>85,184</u>	<u>(4,572)</u>	<u>80,612</u>

As at 31 December 2022

	Number of loan	Original tenure of loan (note)	Interest rate per annum	Loans receivable <i>HK\$'000</i>	Impairment allowances <i>HK\$'000</i>	Net loans receivable <i>HK\$'000</i>
Over HK\$5,000,000 to HK\$10,000,000	1	12 months	12% p.a.	5,037	(181)	4,856
Over HK\$10,000,000 to HK\$20,000,000	7	3 months – 12 months	4% p.a. – 15% p.a.	93,836	(2,282)	91,554
Over HK\$20,000,000 to HK\$80,000,000	1	12 months	5% p.a.	75,752	(786)	74,966
	9			174,625	(3,249)	171,376
	9			174,625	(3,249)	171,376

Note: The term of the loans were extended on case by case basis and the extension period ranged from 4 to 12 months.

(d) ECL of loans receivable

The table below provides a reconciliation of the Group's gross carrying amount and allowances for loans receivable for the years ended 31 December 2023 and 2022.

The transfers of financial instruments represents the impact of stage transfers on the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase in ECL due to these transfers.

Reconciliation of gross exposure and allowances for loans receivable

For the year ended 31 December 2023

	Non credit-impaired				Credit-impaired		Total	
	Stage 1		Stage 2		Stage 3		Gross exposure HK\$'000	Allowance for ECL HK\$'000
	Gross exposure HK\$'000	Allowance for ECL HK\$'000	Gross exposure HK\$'000	Allowance for ECL HK\$'000	Gross exposure HK\$'000	Allowance for ECL HK\$'000		
At 1 January 2023	151,894	(1,481)	22,731	(1,768)	-	-	174,625	(3,249)
New loans/financing originated	178,310	(1,854)	1,623	(9)	600	(352)	180,533	(2,215)
Transfer to Stage 2	(24,017)	476	24,017	(476)	-	-	-	-
Transfer to Stage 3	-	-	(5,037)	181	5,037	(181)	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	(35)	-	(2,773)	-	(2,808)
Loans/financing derecognised or repaid during the year	(244,044)	1,760	(25,330)	1,588	(600)	352	(269,974)	3,700
At 31 December 2023	62,143	(1,099)	18,004	(519)	5,037	(2,954)	85,184	(4,572)

For the year ended 31 December 2022

	Non credit-impaired				Credit-impaired		Total	
	Stage 1		Stage 2		Stage 3		Gross exposure HK\$'000	Allowance for ECL HK\$'000
	Gross exposure HK\$'000	Allowance for ECL HK\$'000	Gross exposure HK\$'000	Allowance for ECL HK\$'000	Gross exposure HK\$'000	Allowance for ECL HK\$'000		
At 1 January 2022	127,835	(1,053)	-	-	-	-	127,835	(1,053)
New loans/financing originated	194,291	(1,532)	3,994	(326)	-	-	198,285	(1,858)
Transfer to Stage 2	(29,337)	225	29,337	(225)	-	-	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	(2,136)	-	-	-	(2,136)
Impairment loss recognised on loan balance (note 12)	-	(2,877)	-	-	-	-	-	(2,877)
Written off (note 12)	(15,051)	2,877	-	-	-	-	(15,051)	2,877
Loans/financing derecognised or repaid during the year	(125,844)	879	(10,600)	919	-	-	(136,444)	1,798
At 31 December 2022	151,894	(1,481)	22,731	(1,768)	-	-	174,625	(3,249)

16. HELD-FOR-TRADING INVESTMENTS

As at 31 December 2023, held-for-trading investments represent the listed equity securities in Hong Kong of HK\$22,260,000 (2022: HK\$29,821,000). None of individual listed equity securities held as at 31 December 2023 had a value of 5% or more of the Group's total assets as at 31 December 2023.

At 31 December 2023, the Group pledged held-for-trading investment of approximately HK\$14,710,000 (2022: approximately HK\$29,821,000) for the margin loan facilities of approximately HK\$5,589,000 (2022: approximately HK\$6,331,000). The Group did not utilise this facilities as at 31 December 2023 and 2022. The realised gains/(losses) and unrealised gains/(losses) arising from held-for-trading investments are reported under trading of securities segment.

17. ACCOUNTS PAYABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accounts payable arising from securities brokerage business:		
– Cash and margin clients and clearing house	<u>28,628</u>	<u>23,323</u>

The settlement terms of accounts payable to cash and margin clients and clearing house are two days after trade date. Accounts payable to cash clients are repayable on demand subsequent to settlement date. No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

The Group offsets certain accounts payable and accounts receivable arising from securities brokerage cash clients and clearing house when the Group has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously. At 31 December 2023, no amount was set off (2022: HK\$2,453,000).

Accounts payable amounting to HK\$23,189,000 as at 31 December 2023 (2022: HK\$23,165,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of conducting the regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

18. COMMITMENTS

Credit commitments

The Group's credit commitments mainly include loan commitments. The contractual amounts of unutilised loan commitments represent the amounts should the contracts be fully drawn upon.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Unutilised loan commitments		
– Original contractual maturity within one year	<u>32,900</u>	<u>–</u>

The Group may be exposed to credit risk in above credit business. The management of the Group periodically assesses credit risk and makes provision for any probable losses. As the facilities may expire without being drawn upon, the contractual amounts shown above is not representative of expected future cash outflows.

19. POSSIBLE IMPACT OF AMENDMENTS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2023

Up to the date of approval for issue of these consolidated financial statements, the HKICPA has issued a number of amendments which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these consolidated financial statements, as follows:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after a date to be determined

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONAL REVIEW

For the Year under Review, the principal business of the Group remain engaging in integrated financial services (“Integrated Financial Services”), investment holdings, computer graphic imaging (“CGI”) business and entertainment business. The Integrated Financial Services comprises of provision of securities brokerage and related financial advisory services, margin financing services, asset management services, corporate finance advisory services, money lending services, listed and unlisted securities investments and proprietary trading. During the Year under Review, the Group started engaging in film distribution license rights business and provision of artiste management services which are reported under entertainment segment. Since 2016, the Integrated Financial Services is the core business of the Group and the Group will continue to devote its principal resources to this business.

There are two main business operations of the Group, namely (a) Integrated Financial Services business; and (b) entertainment business. The management of the Company (the “Management”) monitors these two operation results based on four different segments: (i) securities brokerage and asset management (including securities related financial services and margin financing services); (ii) provision of finance (excluding margin financing under brokerage business); (iii) trading of securities; and (vi) entertainment.

The major segments of the Group’s business for the Year under Review are as follows:

(a) Integrated Financial Services business

(i) Securities brokerage and related financial services

The Group conducts its securities brokerage and related financial services through Imagi Brokerage Limited (“Imagi Brokerage”) and Supreme China Securities Limited (“Supreme China”), both are licensed by Securities and Futures Commission of Hong Kong (the “SFC”) to carry out regulated activities in Hong Kong. Imagi Brokerage and Supreme China have different risk appetites targeting different clienteles and both of which are indirect non-wholly-owned subsidiaries of the Company. The Company engages in full range of securities brokerage and related services business with different licenses granted by the SFC to Imagi Brokerage including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated businesses. Supreme China is principally engaged in securities brokerage, provision of margin financing and provision of underwriting and placing services in Hong Kong and is licensed by the SFC to carry out Type 1 (dealing in securities) regulated activity. Imagi Brokerage is a main contributor to the Group’s business and the Management is confident that it will remain a significant contributor to the Group’s operations and profits through revenues from brokerage commission and clearing fee income, underwriting and placement commission, related financial services income, interest income on margin clients and asset management fee income.

The Board believes that acquisition and/or forming informal strategic alliance with other local securities brokerage firms would enable the Company to further consolidate the existing clientele, technological infrastructure, and type of services of the allied securities brokerage firms and attract more customers for different financial services. The Group continues to explore other opportunities including co-operations with other securities brokerage firms and through acquisitions of potential securities brokerage firms with clientele in different risk appetites and solid client base so as to enhance the varieties and quality of securities brokerage related services.

For the Year under Review, securities brokerage and related financial services business segment generated a total revenue of approximately HK\$42 million for the Group. As at 31 December 2023, the outstanding margin loans receivable arising from securities brokerage business was approximately HK\$297 million (before impairment allowances) which was secured by underlying equity securities held by the brokerage customers. With reference to the expected credit loss assessment performed by an independent professional valuer, approximately HK\$10 million impairment allowances was provided on the outstanding margin loans receivable as at 31 December 2023. Further details of margin loans receivable, assessment and the related movement of impairment allowances are disclosed in notes 14 to the consolidated financial statements.

With the steady advance in our securities brokerage operations, the Management is confident the Company will maintain its pace in the expansion of its financial services and securities brokerage operations which will remain as a core, sustainable and profitable business for the Group in the foreseeable future.

(ii) *Provision of finance*

The Group conducts its money lending business through Imagi Lenders Limited (“Imagi Lenders”) which is a licensed money lender and is governed under the Money Lenders Ordinance (Chapter 163 of Laws of Hong Kong) (“MLO”) to undertake money lending business in Hong Kong. The Group focuses on providing sizeable loans to niche customers including corporate customers and high-net-worth individuals instead of the mass customer market. These niche customers mostly have been repeat customers and had been customers for a number of years who were mostly acquired through business referrals or introductions by the Company’s senior management, business partners or clients or had past business or dealings with the Group. Besides in compliance with all rules and regulations imposed under the MLO, Imagi Lenders conducts the money lending business also with reference to internal money lending policy (“ML Manual”), the Group’s overall internal control and operation manual and applicable requirements under the Listing Rules. The business team of Imagi Lenders is led by the general manager of the Company as a

compliance officer who is responsible for credit assessment of the loan application and directors of Imagi Lenders are with full power and authorities to review and to approve or reject the loan application in accordance with MLO, the Listing Rules, ML Manual and the Group's internal control and operation manual. The loan terms would be arrived at after considering a combination of factors including prevalent market interest rates, the financial strength of the borrower, the collaterals offered and past credit history of the borrower with Imagi Lenders and adjusted, if necessary, by arms-length negotiations with the borrower. The Group has not entered into any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrower(s) whose loan(s) was granted during the Year under Review and was still outstanding as at 31 December 2023.

During the Year under Review, the new loan facilities granted by the Group were of the size in a range from HK\$0.1 million to HK\$13 million. The total loan principal drawdown during the Year under Review were HK\$170.2 million. The source of funds for the money lending business is funded by internal resources of the Group and thus no external financial cost. For the Year under Review, total interest income generated from money lending business was approximately HK\$10 million, with interest rates ranging from 4% to 12% per annum which are competitive interest rate in the market. As at 31 December 2023, the outstanding loans receivable (including the loan principal and accrued interest) amounted approximately HK\$85 million were due from eleven customers, of which the largest single loan and the five largest loans in aggregate represent approximately 16% (approximately HK\$13.4 million) and approximately 76% (approximately HK\$64.8 million) respectively to the total loans receivable (before impairment allowances). The Company retained an independent professional valuer to conduct impairment assessment on the outstanding loans for each reporting period end date, approximately HK\$4.6 million impairment allowances were provided on the outstanding loans receivable of approximately HK\$85 million as at 31 December 2023. Further details of loans receivable, maturity profile, assessment and movement of impairment allowances on the loans receivable are disclosed in note 15 to the consolidated financial statements.

The Management is confident that the money lending business will remain a consistent and rewarding business for the Group.

(iii) Securities investments and proprietary trading

Securities investments and proprietary trading is one of business operation under the Integrated Financial Services which mainly comprises of purchase and sale of listed and unlisted equity/debt investments. For the Year under Review, the Group recorded a net realised losses from sales of listed equity investments and unrealised losses from changes in fair value of listed equity investments classified as held-for-trading for the Year under Review of approximately HK\$3.7 million and approximately HK\$20.9 million respectively. As at 31 December 2023, the market value of listed equity investments classified as held-for-trading (for short-term purpose) were approximately HK\$22.3 million and market value/fair value of investment in equity instruments designated at fair value through other comprehensive income (for long-term purpose) were approximately HK\$391.7 million, respectively.

The Company is continuously carefully reviewing its strategy in this business model. As aforementioned, the financial markets in China and Hong Kong were depressed by various factors in 2023. During the Year under Review, the Group cautiously look for securities on performance prospects in longer run instead of the short term and not held-for trading.

(b) Entertainment business

The operation of CGI business and film related business/investment are reported under entertainment segment. The Management does not see immediate improving prospects for the CGI business. After considering costs and benefits, the Company will devote minimal resources with the intention of just maintaining the CGI business until there are substantial improvements in the potential and prospects. Accordingly, the Company had temporarily suspended efforts on the production side of the CGI business but will only retain efforts on the distribution side of the CGI business.

The Group suspended its film investment in 2022 upon expiry of film investment agreement dated 30 November 2018 which was supplemented by a supplemental agreement dated 28 December 2020 (collectively as the “Film Investment Agreements”) on 31 December 2021. Pursuant to the Film Investment Agreements, the Group agreed to invest in six proposed films within the contract period with a total budget of approximately HK\$20.4 million. The Group is entitled to share income generated from such six proposed film based on the proportion of investment amounts for each proposed film. Up to the expiry of Film Investment Agreements, the Group had invested approximately HK\$16.9 million in four proposed films. Three of the films were screened and the remaining film that the Group had invested of approximate HK\$4.7 million is in post-production stage and expect to be released in the second quarter of 2024.

In view of recovery of film industry after COVID, during the Year under Review, the Group started to develop the film distribution license rights business in Hong Kong/Macau and North America. To expand the entertainment segment, the Group also started to invest in film production or variety show and engaged in artiste management services. The Company will take a conservative stance in reviewing any future opportunities towards film investments but remains confident in the longer term future for film industry.

FINANCIAL REVIEW

Review of results

The net loss attributable to the Shareholders for the Year under Review was approximately HK\$13 million compared to a net loss attributable to the Shareholders of approximately HK\$11 million for the corresponding financial year in 2022. Such increase in loss as compared to last year was primarily attributable to, among other factors, (i) reduce in revenue for the Year under Review that interest income from loans receivable dropped from approximately HK\$16 million to approximately HK\$10 million and total revenue from securities brokerage and asset management segment dropped from approximately HK\$49 million to approximately HK\$42 million respectively; and (ii) increase in unrealised losses from changes in fair value of financial assets classified as held-for-trading from approximately HK\$13.1 million to approximately HK\$20.9 million for the Year under Review. The aforementioned factors was partially offset by absence of loss on disposal of associates (2022: approximately HK\$6.9 million).

LIQUIDITY AND FINANCIAL RESOURCES

During the Year under Review, the Group primarily financed its existing operations with internally generated cash flows. The liquidity and financial position of the Group as at 31 December 2023 remain healthy, with bank balances amounting to approximately HK\$31 million (2022: approximately HK\$76 million) and a current ratio (the total amount of current assets over the total amount of current liabilities) of approximately 13 times (2022: approximately 26 times).

As at 31 December 2023, the Group had no bank or other borrowings and therefore the gearing ratio (expressed as a percentage of total borrowings over total Shareholders' equity) was zero (2022: zero).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Save as disclosed in this results announcement, the Company did not have any other material acquisitions or disposals of subsidiaries during the Year under Review.

SIGNIFICANT INVESTMENTS

As at 31 December 2023, save as disclosed in note 12 to the consolidated financial statements, the Group did not hold any significant investments with a value of 5% or more of the Group's total assets as at 31 December 2023.

CAPITAL STRUCTURE

During the Year under Review, the Company has not conducted any equity fund raising activities.

As at 31 December 2023, the total number of issued shares of the Company (the "Share(s)") was 829,921,572 Shares with a par value of HK\$0.04 each. Based on the closing price of HK\$1.470 per Share as at 29 December 2023 (being the last trading day), the market value of the Company as at 31 December 2023 was approximately HK\$1,220 million (2022: approximately HK\$270 million).

The consolidated net asset value attributable to the Shareholders per Share as at 31 December 2023 was approximately HK\$0.84 (2022: approximately HK\$0.92).

EXPOSURE TO EXCHANGE RATES

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars and United States dollar. The Group's exposure to currency risk is minimal as Hong Kong dollar is pegged to United States dollar. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risk. However, the Management will closely monitor the exposure of the Group to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

PLEDGE OF ASSETS

As at 31 December 2023, investment in equity instrument designated at fair value through other comprehensive income and held-for-trading investments of approximately HK\$23 million (2022: approximately HK\$31 million) and approximately HK\$15 million (2022: approximately HK\$30 million) were pledged to financial institutions to secure margin financing facilities provided to the Group. The Group did not utilise the margin financing facilities as at 31 December 2023 and 2022.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year under Review (2022: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed in note 18 to the consolidated financial statements, the Group did not have any other significant capital commitments and contingent liabilities.

PROSPECTS

With China regulatory authorities beginning to ease their clampdowns and starting to loosen its credit policies, it is expected that the China property market will begin to stabilise. This will in turn filter through the general economy in China and Hong Kong. General business environment in Hong Kong and China for 2024 is expected to see gradual and consistent improvement. We also expect that the high interest regime, which have been topped out recently will begin its reverse in the second half of 2024 thus heralding better environment for the global economy and financial markets. The Company will strive to make more progress in its principal core business of integrated financial services and is confident that there will be improvement in performance for the coming year.

(a) Securities brokerage and related services business

The Company will maintain its strategy of making financial services as a core business and will continue to steadily develop such businesses. With the effects of aforementioned promising improvement in its operating environment, we expect the outlook will improve for the foreseeable future. The Management will persist with its expansion strategy but will proceed with caution and constantly assess and monitor the market situation. The Company expects that performance of securities brokerage and related services business will continue to improve in 2024 and remain a significant contributor to the Group's operations and profits for the coming future.

(b) Money lending business

During the Year under Review, the Group made total new loan principal of HK\$170.2 million and generated interest income of approximately HK\$10 million which was recorded under provision of finance segment. With the difficult economic environment stated previously, the Group had slowed down its money lending business but the Management is still confident that the money lending business will in future continue to provide steady and attractive returns to the Group.

(c) Securities investments and proprietary trading

For the Year under Review, the Hong Kong and China economy and financial markets had been negatively affected as previously mentioned. As such, the Group intends to acquire listed securities for long-term purpose in future and realising their performance in the long run.

(d) CGI business and entertainment business

The Management believes that CGI business will not be profitable in the near terms and as a result, the Company will devote only minimal resources to maintain the business until there is significant turnaround in prospects for this business.

As Hong Kong began returning to normal in 2023, the Company started film distribution license rights business and artiste management during the Year under Review. The Company will actively seek, in 2024, for additional opportunities in movie investment or production and also will look towards to broaden its entertainment business in film distribution license rights related areas, especially focus on local movies.

GENERAL INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance is essential for enhancing accountability and transparency of a company to investing public and other stakeholders. The Company had adopted the principles set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 (renamed as Appendix C1 with effect on 31 December 2023) of the Listing Rules as its own code of corporate governance.

During the Year under Review, the Company has complied with the code provisions set out in the CG Code.

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”) contained in Appendix C3 to the Listing Rules as the code of conduct regarding directors’ securities transactions. The Company will notify its Directors in advance for any aware restricted period for dealings in the Company’s securities. In response to the specific enquiry made by the Company, all existing Directors confirmed that they fully complied with the required standards set out in the Model Code throughout the Year under Review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year under Review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

HUMAN RESOURCES

As at 31 December 2023, the Group employed 40 employees including 6 Directors (2022: 37 employees including 7 Directors). The emolument policy of the Group is to reward its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. The Company will review regularly to ensure compliance of the latest labor laws and market norms where the Group has operations. In addition to basic salaries, incentives in the form of bonus, share options and share award may also be offered to eligible employees on the basis of individual performance and the Group's business results. The total staff cost paid to Directors and staff for the Year under Review amounted to approximately HK\$17 million (2022: approximately HK\$15 million).

OTHER INFORMATION FOR THE YEAR UNDER REVIEW AND UP TO THE DATE OF THIS RESULTS ANNOUNCEMENT

Save as disclosed elsewhere in this results announcement, the Group have the following events for the Year under Review and up to the date of this results announcement:

Change of secondary name of the Company in Chinese

On 28 February 2024, a special resolution in relation to proposed change of secondary name of the Company in Chinese from “元匯集團有限公司” to “意力國際控股有限公司” was duly passed by the Shareholders at the special general meeting. The Registrar of Companies in Bermuda had registered the new secondary name of the Company and “意力國際控股有限公司” have been entered into the register maintained by the Registrar of Companies in Bermuda with effect from 28 February 2024. The Certificate of Secondary Name of the Company and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong to the Company on 8 March 2024 and 22 March 2024, respectively.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has met with the external auditor of the Company, Crowe (HK) CPA Limited, and the management of the Company, to review the accounting principles and practices adopted by the Group and the annual results of the Group for the Year under Review. The Audit Committee has also discussed auditing, financial reporting matters, risk management and internal control systems of the Company. As at the date this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Miu Frank H. (Chairman of the Audit Committee), Mr. Chan Hak Kan and Ms. Liu Jianyi.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this results announcement have been agreed by the Company’s auditors, Crowe (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement 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 Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on this results announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the “AGM”) is scheduled to be held on Wednesday, 26 June 2024. The notice of the AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.imagi.hk) in due course.

The register of members of the Company will be closed, for the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, from Friday, 21 June 2024 to Wednesday, 26 June 2024 (both days inclusive), during which period no transfer of share(s) of the Company can be registered. In order to qualify for attending and voting at the AGM, all share transfer documents accompanied by the relevant share certificate(s) must be lodged for registration with the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited of 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 20 June 2024.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2023 ANNUAL REPORT

This annual results announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.imagi.hk). The 2023 annual report of the Company containing all information required by the Listing Rules will be despatched to the Shareholders and will also be available on websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.imagi.hk) in due course.

By order of the Board
Imagi International Holdings Limited
Kitchell Osman Bin
Chairman

Hong Kong, 26 March 2024

At the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. Kitchell Osman Bin (*Chairman*)
Ms. Choi Ka Wing`
Mr. Shimazaki Koji

Independent non-executive Directors:

Mr. Chan Hak Kan
Ms. Liu Jianyi
Mr. Miu Frank H.