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(incorporated in Bermuda with limited liability)
(Stock Code: 585)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the "Board") of directors (the "Director(s)") of Imagi International Holdings Limited (the "Company") presents the unaudited consolidated interim financial results of the Company and its subsidiaries (collectively as the "Group") for the six months ended 30 June 2021 (the "Period under Review") as follows:

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 Ju			
		2021	2020		
	Notes	HK\$'000	HK\$'000		
		(unaudited)	(unaudited)		
Revenue					
Brokerage related commission and clearing fee income	4	14,438	525		
Asset management fee income	4	4,098	_		
Interest income on margin clients	4	32,099	15,442		
Interest income on loans receivable	4	6,933	11,450		
Net realised gains from sales of investments classified as					
held-for-trading	4	_	6,049		
Income from film rights investment		4,484	_		
Royalty income	4	-	13		

^{*} for identification purpose only

$\begin{array}{c} \textbf{CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE} \\ \textbf{INCOME} \ (continued) \end{array}$

		Six months ended 30 June		
		2021	2020	
	Notes	HK\$'000	HK\$'000	
		(unaudited)	(unaudited)	
Total Revenue		62,052	33,479	
Cost of revenue				
Related cost on film rights investment		(4,268)		
Total cost of revenue		(4,268)	_	
Other income	6	862	5,070	
Other net gain/(loss)	7	55	(34,131)	
(Losses)/gains from changes in fair value of listed equity	7			
investments classified as held-for-trading	<i>8(b)</i>	(24,849)	23,886	
Break fee income in relation to termination of acquisition	n		110.550	
of target companies		- (4.425)	119,578	
Fair value loss on derivative financial instruments	 .	(1,435)	-	
Impairment allowances on margin loans receivable, net	15(a)	(176)	(248)	
(Impairment allowances)/reversal of impairment	7.5.	(10.1)		
allowances on loans receivable, net	16(c)	(134)	2,020	
Administrative expenses		(20,127)	(27,130)	
Profit from operations		11,980	122,524	
Finance costs	8(a)	(1,285)	(37,936)	
Profit before tax	8	10,695	84,588	
Income tax expenses	9	(2,200)		
Profit for the period		8,495	84,588	
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to				
profit or loss:				
Exchange differences arising on translation of				
foreign operations		210	13	
Net loss on debt securities at fair value through				
other comprehensive income				
("FVTOCI") (recycling)		(1,178)	(357)	
- -			·	

$\begin{array}{c} \textbf{CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE} \\ \textbf{INCOME} \ (continued) \end{array}$

	Notes	Six months end 2021 HK\$'000 (unaudited)	ded 30 June 2020 <i>HK</i> \$'000 (unaudited)
Other comprehensive expense that may be reclassified subsequently to profit or loss, net of Nil tax		(968)	(344)
Item that will not be reclassified to profit or loss in subsequent periods: Changes in fair value of equity instruments at fair value through other comprehensive income (non-recycling)		(10,291)	21,725
Other comprehensive (expense)/income that will not be reclassified to profit or loss in subsequent periods, net of Nil tax		(10,291)	21,725
Other comprehensive (expense)/income for the period		(11,259)	21,381
Total comprehensive (expense)/income for the period		(2,764)	105,969
Profit for the period attributable to: Owners of the Company Non-controlling interests		6,380 2,115 8,495	83,338 1,250 84,588
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company Non-controlling interests		(3,733)	104,719 1,250
		(2,764)	105,969
		2021	2020
Earnings per share Basic (HK cents per share)	11(a)	1	12
Diluted (HK cents per share)	11(b)	1	12

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2021 <i>HK\$</i> '000 (unaudited)	31 December 2020 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment		5,954	3,997
Goodwill		-	-
Intangible assets		350	400
Investment in equity instrument designated at fair valu			
through other comprehensive income	12	59,458	69,749
Other financial assets	13	5,302	6,480
Other non-current assets		3,000	3,000
Prepayment for film rights		8,627	3,883
Film rights		3,898	8,166
		86,589	95,675
Current assets Accounts receivable Margin loans receivable Other receivables, deposits and prepayments Loans receivable Held-for-trading investments Convertible notes receivable Derivative financial instruments Bank balances – trust accounts Bank balances and cash	14 15 16 17 18 20	2,256 580,353 1,060 134,240 107,112 11,104 1,661 10,220 98,939	5,099 536,160 1,117 107,403 131,961 10,821 - 154,906 41,149
		946,945	988,616
Current liabilities Accounts payable Lease liabilities	19	10,216 1,288	165,983 1,199
Other payables and accruals		2,003	3,172
Liability component of the convertible bonds	20	101,063	_
Tax payable		5,280	3,080
		119,850	173,434

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	30 June	31 December
	2021	2020
Notes	HK\$'000	HK\$'000
	(unaudited)	(audited)
Net current assets	827,095	815,182
Total assets less current liabilities	913,684	910,857
Non-current liabilities		
Lease liabilities	2,374	
	2,374	
Net assets	911,310	910,857
Capital and reserves		
Share capital	33,197	33,197
Reserves	785,400	786,237
Total equity attributable to owners of the Company	818,597	819,434
Non-controlling interests	92,713	91,423
Total equity	911,310	910,857

NOTES:

1. BASIS OF PREPARATION

This interim financial statements has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard 34 "Interim financial reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 17 August 2021.

The interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 3.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the interim financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020, except for the accounting policy changes that are expected to be reflected in the 2021 annual consolidated financial statements with details of any changes in accounting policies set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA to this interim financial statements for the current accounting period:

- Amendment to HKFRS 16, COVID-19-related rent concessions beyond 30 June 2021
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform phase 2

Amendment to HKFRS 16, COVID-19-related rent concessions beyond 30 June 2021 (2021 amendment)

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022. The Group has early adopted the 2021 amendment in this financial period. There is no impact on the opening balance of equity at 1 January 2021.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform – phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("IBOR reform"). The amendments do not have an impact on this interim financial statements as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

Other than the Amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

None of these impact on the accounting polices of the Group.

4. REVENUE

	Six months ended 30 June		
	2021	2020	
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Brokerage related commission income and clearing fee income			
(notes (i) and (ii))	14,438	525	
Asset management fee income (notes (i) and (ii))	4,098	_	
Interest income on margin clients (notes (ii) and (vi))	32,099	15,442	
Interest income on loans receivable (notes (iii) and (vi))	6,933	11,450	
Net realised gains from sales of investments classified as			
held-for-trading (notes (iv) and (v))	_	6,049	
Income from film rights investment (note (vii))	4,484	_	
Royalty income (notes (i) and (vii))		13	
	62,052	33,479	

Notes:

- (i) The commission income and clearing fee income, asset management fee income and royalty income are the revenue arising under the scope of HKFRS 15, while interest 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, during the six months ended 30 June 2021, revenue from brokerage related commission income and clearing fee income recognised at a point in time were HK\$14,438,000 (2020: HK\$525,000), and revenue from asset management fee income and royalty income recognised over time were HK\$4,098,000 (2020: HK\$13,000).
- (ii) Amount are reported under securities brokerage and asset management segment as set out in note 5.

- (iii) Amount are reported under provision of finance segment as set out in note 5.
- (iv) Amount are reported under trading of securities segment as set out in note 5.
- (v) During the six months ended 30 June 2021, the Group disposed of held-for-trading securities at cost of HK\$Nil (2020: HK\$92,253,000) at gross proceeds of HK\$Nil (2020: HK\$98,335,000), incurring trading fee of HK\$Nil (2020: HK\$33,000).
- (vi) For the six months ended 30 June 2021, the total amount of interest income on financial assets measured at amortised cost, including bank interest income (note 6), was HK\$39,032,000 (2020: HK\$29,278,000).
- (vii) Amounts are reported under entertainment segment as set out in note 5.

5. 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 who are also directors of all operating subsidiaries) (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 and asset management 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 computer graphic imaging ("CGI") business, entertainment business and in film rights investment.

During the year ended 31 December 2020, as a result of the commencement of asset management business of the Group in the second half of the year, the CODM has reassessed the Group's business and splits the trading of securities and securities brokerage segment into segments of securities brokerage and asset management segment and trading of securities segment, for segment reporting. The comparative information of the aforementioned segments has been restated to conform with the current period's presentation.

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 before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank and other interest income (excluding interest income from the provision of finance), other income, other net gain/(loss), finance costs, depreciation, 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 is set out below.

Segment results, assets and liabilities

For the six months ended 30 June 2021 (unaudited)

	Securities brokerage and asset management HK\$'000	Provision of finance <i>HK\$</i> '000	Trading of securities <i>HK</i> \$'000	Entertainment HK\$'000	Elimination <i>HK\$</i> '000	Total <i>HK\$</i> '000
Segment revenue	50,635	6,933	-	4,484	-	62,052
Inter-segment revenue						
Segment revenue from external customers	50,635	6,933		4,484		62,052
Segment results	43,090	6,786	(24,877)	(208)		24,791
Reconciliation: Other income and other net gain Depreciation Finance costs Unallocated head office and corporate expenses						917 (1,797) (1,285) (11,931)
Consolidated profit before tax						10,695
At 30 June 2021 (unaudited)						
Segment assets	599,439	134,240	183,151	12,552		929,382
Unallocated head office and corporate assets						104,152
Consolidated total assets						1,033,534
Segment liabilities	(115,427)	(1,380)	(123)	(9)		(116,939)
Unallocated head office and corporate liabilities						(5,285)
Consolidated total liabilities						(122,224)

For the six months ended 30 June 2020 (unaudited)

	Securities brokerage and asset management <i>HK\$</i> '000	Provision of finance <i>HK</i> \$'000	Trading of securities HK\$'000	Entertainment HK\$'000	Elimination HK\$'000	Total <i>HK\$</i> '000
Segment revenue Inter-segment revenue	15,967	11,450	6,049	13	-	33,479
Segment revenue from external customers	15,967	11,450	6,049	13		33,479
Segment results	14,235	13,452	29,896	(461)	_	57,122
Reconciliation: Break fee income in relation to termination of acquisition of target companies Other income and other net loss Depreciation Finance costs Unallocated head office and corporate expenses Consolidated profit before tax						119,578 (29,061) (1,685) (37,936) (23,430) 84,588
At 31 December 2020 (audited) Segment assets	702,126	107,403	219,185	12,110		1,040,824
Unallocated head office and corporate assets						43,467
Consolidated total assets						1,084,291
Segment liabilities	(168,631)	(1,424)	(123)	(186)		(170,364)
Unallocated head office and corporate liabilities						(3,070)
Consolidated total liabilities						(173,434)

Other segment information

For the six months ended 30 June 2021 (unaudited)

	Securities brokerage and asset management HK\$'000	Provision of finance HK\$'000	Trading of securities <i>HK\$</i> ′000	Entertainment HK\$'000	Unallocated <i>HK\$</i> '000	Total <i>HK\$</i> '000
Interest income	32,099	6,933	758	-	-	39,790
Depreciation	(942)	-	-	-	(855)	(1,797)
Amortisation of intangible assets	(50)	-	_	-	-	(50)
Amortisation of film rights	-	-	-	(4,268)	-	(4,268)
Fair value gain on convertible notes receivable	-	-	283	-	-	283
Fair value loss on derivative financial instruments	(1,435)	-	-	-	-	(1,435)
Finance costs	(1,216)	-	-	-	(69)	(1,285)
Losses from changes in fair value of financial assets classified as held-for-trading	s –	-	(24,849)	-	-	(24,849)
Impairment allowances on margin loans receivable, net	(176)	-	-	-	-	(176)
Impairment allowances on loans receivable, net	-	(134)	-	-	-	(134)
Additions to non-current assets during the period	4	_	_	4,744	3,750	8,498

For the six months ended 30 June 2020 (unaudited)

	Securities brokerage and asset management HK\$'000	Provision of finance <i>HK</i> \$'000	Trading of securities <i>HK</i> \$'000	Entertainment HK\$'000	Unallocated <i>HK</i> \$'000	Total <i>HK\$</i> '000
Interest income	15,442	11,450	2,684	-	2,386	31,962
Depreciation	(763)	-	-	-	(922)	(1,685)
Fair value loss on convertible notes receivable	-	_	(173)	-	-	(173)
Finance costs	(50)	-	-	-	(37,886)	(37,936)
Gains from changes in fair value of financial assets classified as held-for-trading	-	-	29,935	-	-	29,935
Gain on initial recognition of equity instrument designated at FVTOCI	-	-	-	-	10,764	10,764
Loss on repurchase of notes payable	-	-	-	-	(37,835)	(37,835)
Impairment allowances on margin loans receivable, net	(248)	-	-	-	-	(248)
Reversal of impairment allowances on loans receivable, net	-	2,020	-	-	-	2,020
Additions to non-current assets during the period	255	-	-	_	33	288

6. OTHER INCOME

Six months ended 30 June		
2021	2020	
HK\$'000	HK\$'000	
(unaudited)	(unaudited)	
417	868	
_	1,474	
341	342	
_	2,386	
104		
862	5,070	
	2021 HK\$'000 (unaudited) 417 - 341 - 104	

7. OTHER NET GAIN/(LOSS)

	Six months ended 30 June		
	2021	2020	
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Fair value gain/(loss) on convertible notes receivable	283	(173)	
Loss on repurchase of notes payable	_	(37,835)	
Gain on initial recognition of equity instrument designated			
at FVTOCI	_	10,764	
Net foreign exchange loss	(228)	(7,279)	
Others		392	
	55	(34,131)	

8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting) the following:

		Six months ended 30 June	
		2021	2020
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
(a)	Finance costs		
	Interest on notes payable	_	37,842
	Interest on convertible bonds	1,184	_
	Interest on lease liabilities	101	94
	Total interest expense on financial liabilities that are not		
	at FVTPL	1,285	37,936
(b)	Other items		
	Directors' emoluments		
	- Fees	480	600
	- Salaries and other benefits	1,350	1,525
	- Contribution to retirement benefit scheme	27	27
		1,857	2,152
	Other staff costs		
	- Salaries and allowance	4,632	6,029
	- Contribution to retirement benefit scheme	136	169
		4,768	6,198
	Total staff costs	6,625	8,350

	Six months ended 30 June		
	2021	2020	
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Depreciation charge:			
- owned property, plant and equipment	573	461	
- right-of-use assets	1,224	1,224	
Amortisation of film rights	4,268	_	
Amortisation of intangible assets	50	_	
Changes in fair value of financial assets classified as held-for-trading:			
 Net realised gains from sales of listed equity investments 	_	(1,009)	
 Net realised gains from sales of debt investments 	_	(5,040)	
- Unrealised losses/(gains) from changes in fair value of			
listed equity investments	24,849	(23,886)	
	24,849	(29,935)	

9. INCOME TAX EXPENSES

Income tax expense recognised in profit or loss:

	Six months en	ded 30 June	
	2021 2		
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Hong Kong Profits Tax			
Current tax	2,200	_	

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.

For the six months ended 30 June 2021, the provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the period, 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 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. For the six months ended 30 June 2020, no provision for Hong Kong Profits Tax had been made in the financial statements as the Group had accumulated tax losses brought forward which exceed the estimated assessable profits arising in Hong Kong during the periods.

Pursuant to rules and regulations of Bermuda, the British Virgin Islands, Cayman Islands, Marshall Islands, England and Wales and Netherlands, the Group has no assessable profits in the above-mentioned jurisdictions.

10. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2021, nor has any dividend been proposed since the end of the reporting period (2020: HK\$Nil).

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to owners of the Company of HK\$6,380,000 (2020: HK\$83,338,000) and the weighted average number of ordinary shares in issue during the period, calculated as follows:

	Six months ended 30 June		
	2021		
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Profit			
Profit for the purposes of basic earnings per share	6,380	83,338	
	Six months en	nded 30 June	
	2021	2020	
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Number of shares			
Issued ordinary share at 1 January	829,921,572	691,921,572	
Effect of shares issued		30,329,670	
Weighted average number of ordinary shares in issue			
during the period	829,921,572	722,251,242	

(b) Diluted earnings per share

For the six months ended 30 June 2021, the calculation of diluted earnings per share amount has not included the potential effects of the deemed conversion of the convertible bonds issued by an indirect non-wholly-owned subsidiary (see note 20) into ordinary shares during the period, as they had anti-dilutive effect on the basic earnings per share amount for the period.

For the six months ended 30 June 2020, the diluted earnings per share was the same as the basic earnings per share as there was no dilutive potential ordinary share in issue during the period.

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

The investment represents 114,342,857 ordinary shares (31 December 2020: 114,342,857 ordinary shares) of Oshidori International Holdings Limited, a company listed on the Stock Exchange, held by the Group for long-term strategic purposes, which is stated at fair value at the end of the reporting period.

The investment is pledged to financial institution to secure margin financing facilities obtained, which are not utilised by the Group as at 30 June 2021.

No dividends were received on this investment during the six months ended (six months ended 30 June 2020: HK\$Nil).

13. OTHER FINANCIAL ASSETS

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Financial assets measured at FVTOCI (recycling)		
Debt securities listed in Singapore	5,302	6,480

The other financial assets represent the Group's investment in debt securities issued by China Evergrande Group, a company listed in the Stock Exchange, with the principal amount of USD1,000,000 (equivalent to HK\$7,800,000) which is carrying interest at 8.75% per annum and with maturity on 28 June 2025.

14. ACCOUNTS RECEIVABLE

	30 June 2021 <i>HK\$</i> '000 (unaudited)	31 December 2020 <i>HK\$'000</i> (audited)
Accounts receivable arising from securities brokerage and asset	(unauditeu)	(audited)
management business: - Securities brokerage cash clients	2,256	128
- Asset management clients		4,950
	2,256	5,078
Accounts receivable arising from CGI business		21
	2,256	5,099

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:

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Within 90 days	2,256	5,099

The normal settlement terms of accounts receivable from securities brokerage cash clients are two days after the trade date.

The credit term of accounts receivable for asset management clients is repayable on demand.

The credit period for customers of CGI business is generally 30 days.

The Group did not hold any collateral or other credit enhancements over these balances. Accounts receivable as at 30 June 2021 and 31 December 2020 relate to clients that have a good track record with the Group for whom there was no recent history of default.

15. MARGIN LOANS RECEIVABLE

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Margin loans receivable arising from securities		
brokerage business	580,979	536,610
Less: Impairment allowances	(626)	(450)
	580,353	536,160

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

	Stage 1 HK\$'000	Stage 2 <i>HK\$</i> '000	Stage 3 HK\$'000	Total <i>HK\$</i> '000
At 1 January 2021 (audited) Impairment allowances for the period	450 176			450 176
At 30 June 2021 (unaudited)	626			626
Expected credit losses ("ECL") rate	0.11%	Not applicable	Not applicable	0.11%

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$</i> '000
At 1 January 2020 (audited)	719	_	_	719
Reversal of impairment allowances for the year	(269)			(269)
At 31 December 2020 (audited)	450			450
ECL rate	0.08%	Not applicable	Not applicable	0.08%

Changes in impairment allowances for margin loans receivable are mainly due to:

	30 June 2021			
	Increase/(decrease)			
	in lifetii	ne ECL		
Increase/				
(decrease)	Not			
in 12-month	credit-	Credit-		
ECL	impaired	impaired		
HK\$'000	HK\$'000	HK\$'000		
(unaudited)	(unaudited)	(unaudited)		

	(unauditeu)	(unadurted)	(unauditeu)
Advance of margin loans receivable	269	_	_
Settlement of margin loans receivable	(93)		

Changes in impairment allowances for margin loans receivable are mainly due to:

31	Increase/(d	ecrease)
Increase/	111 1110 1111	. 202
(decrease)	Not	
in 12-month	credit-	Credit-
ECL	impaired	impaired
HK\$'000	HK\$'000	HK\$'000
(audited)	(audited)	(audited)
447	_	_
(716)		_
	Increase/ (decrease) in 12-month ECL HK\$'000 (audited)	in lifetim Increase/ (decrease) Not in 12-month

The table below shows the credit quality and the maximum exposure to credit risk of margin loans receivable based on the Group's credit policy and period/year-end staging classification as at 30 June 2021 and 31 December 2020. The amounts presented are gross carrying amounts for margin loans receivable.

	Stage 1 HK\$'000 (unaudited)	Stage 2 HK\$'000 (unaudited)	Stage 3 HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
At 30 June 2021	# 00.0 # 0			5 00.0 5 0
Loan-to-collateral ("LTV") less than 60%	580,979		_	580,979
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(audited)
At 31 December 2020				
LTV less than 60%	536,610	_	_	536,610

(b) At 30 June 2021, margin loans receivable of HK\$580,979,000 (31 December 2020: HK\$536,610,000) were secured by underlying equity securities amounted to approximately HK\$2,328,855,000 (31 December 2020: HK\$2,203,624,000).

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.

16. LOANS RECEIVABLE

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Loans receivable	135,256	108,285
Less: Impairment allowances	(1,016)	(882)
	134,240	107,403

(a) Loans receivable represented receivables arising from the provision of finance business of the Group, and bears interest at rates ranging from 4% to 48% (31 December 2020: 6% to 48%) per annum. Except that a loan receivable of HK\$25,082,000 (31 December 2020: HK\$25,086,000) which is secured with (i) share charge executed by the borrower and its immediate holding company; (ii) a charge over the borrower's securities accounts; and (iii) a floating charge over all assets of the borrower and its immediate holding company, the Group did not hold any collateral or other credit enhancements over these balances.

(b) Maturity profile

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

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Due within 1 month	785	253
Due after 1 month but within 3 months	30,469	37,497
Due after 3 months but within 6 months	63,140	25,000
Due after 6 months but within 12 months	40,862	45,535
	135,256	108,285

(c) ECL of loans receivable

The table below provides a reconciliation of the Group's gross carrying amount and allowances for loans receivable for the six months ended 30 June 2021 and year ended 31 December 2020.

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 six months ended 30 June 2021 (unaudited)

		Non credit-impaired		Credit-impaired		Total		
	Stag	e 1	Stag	ge 2	Stag	ge 3		
		Allowance		Allowance		Allowance		Allowance
	Gross	for	Gross	for	Gross	for	Gross	for
	exposure	ECL	exposure	ECL	exposure	ECL	exposure	ECL
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2021	108,285	(882)	-	-	-	-	108,285	(882)
New loans/ financing originated Loans/financing	67,794	(568)	-	-	-	-	67,794	(568)
derecognised or repaid during the period	(40,823)	434					(40,823)	434
At 30 June 2021	135,256	(1,016)					135,256	(1,016)

For the year ended 31 December 2020 (audited)

		Non credit-impaired			Credit-i	mpaired	To	tal
	Stag	e 1	Stag	e 2	Stag	ge 3		
		Allowance		Allowance		Allowance		Allowance
	Gross	for	Gross	for	Gross	for	Gross	for
	exposure	ECL	exposure	ECL	exposure	ECL	exposure	ECL
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2020 New Joans/	304,415	(2,307)	10,037	(220)	-	-	314,452	(2,527)
financing originated Loans/financing	361,378	(3,390)	561	(16)	-	-	361,939	(3,406)
derecognised or repaid during the year	(557,508)	4,815	(10,598)	236			(568,106)	5,051
At 31 December 2020	108,285	(882)		_			108,285	(882)

17. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments represent the listed equity securities in Hong Kong. All listed equity securities in Hong Kong are pledged to financial institutions to secure margin financing facilities obtained, which are not utilised by the Group as at 30 June 2021 and 31 December 2020.

18. CONVERTIBLE NOTES RECEIVABLE

30 June 31 December 2021 2020 HK\$'000 (unaudited) (audited) 11,104 10,821

30 June

31 December

Convertible notes receivable - designated at FVTPL

The carrying amount represented the fair value of an investment in convertible notes issued by China Agri-Products Exchange Limited, a company listed on the Stock Exchange.

For the six months ended 30 June 2021, the fair value gain of the convertible notes receivable amounting to approximately HK\$283,000 (six months ended 30 June 2020: the fair value loss of HK\$173,000) is recognised in "Other Net Gain/(Loss)" in note 7, with reference to the valuation carried out by an independent qualified professional valuer.

19. ACCOUNTS PAYABLE

2020
'000
ited)
,983
5

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.

Accounts payable amounting to HK\$10,220,000 as at 30 June 2021 (31 December 2020: HK\$154,906,000) 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.

20. DERIVATIVE FINANCIAL INSTRUMENTS AND CONVERTIBLE BONDS

On 14 April 2021, Imagi Brokerage Limited ("Imagi Brokerage"), an indirect non-wholly owned subsidiary of the Company, issued an aggregate principal amount of HK\$100 million convertible bonds (the "Convertible Bonds") to an independent third party, which are due on 14 April 2022, to raise additional fund to further grow and upscale the integrated financial services business engaged by Imagi Brokerage and its subsidiaries (collectively "Imagi Brokerage Group"). The Convertible Bonds are convertible into a total of 55,555,555 ordinary shares of Imagi Brokerage at an initial conversion price of HK\$1.80 per share subject to adjustments. Interest shall be payable on the principal amount of the Convertible Bonds at the rate of 5.5% per annum on quarterly basis on the last day of every 3 months commencing from the date of the issue of the Convertible Bonds.

Imagi Brokerage may by 7 days' notice in writing at any time before the maturity date redeem all or part of the Convertible Bonds in the face value of the principal amount together with any accrued but unpaid interest. Any amount of the Convertible Bonds which remains outstanding on the maturity date will be redeemed at their then outstanding principal amount together with any accrued but unpaid interest. Imagi Brokerage has not early redeemed any portion of the Convertible Bonds during the six months ended 30 June 2021.

The Convertible Bonds may be transferred to any person unless such transfer may result in breach of the Listing Rules on the part of Imagi Brokerage or the Company.

The Convertible Bonds holder have the right, which is exercisable during the period from the date of issue of the Convertible Bonds up to the maturity date on 14 April 2022, to convert the whole or any part (in minimum amount of HK\$1,000,000 and in multiples of HK\$1,000,000) of the outstanding principal amount of the Convertible Bonds into ordinary shares of Imagi Brokerage. Upon full conversion of the Convertible Bonds, the Company's equity interest in Imagi Brokerage Group will be reduced from approximately 90.01% to approximately 81.83% and Imagi Brokerage Group will remain as a non-wholly-owned subsidiaries of the Company. During the six months ended 30 June 2021, none of the Convertible Bonds was converted into ordinary shares of Imagi Brokerage.

Accounting treatment

Imagi Brokerage's early redemption right attaching to the Convertible Bonds are considered not closely related to the liability component of the Convertible Bonds; and therefore, these embedded features have been accounted for separately and classified as derivative financial instruments according to HKFRS 9 *Financial Instruments*. After initial recognition, the early redemption right features classified as derivative financial instruments are remeasured to their fair value at each period end using the Crank-Nicolson finite-difference method.

The component parts of the convertible bonds are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the bond issuer's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component. The liability component of the Convertible Bonds are subsequently carried at amortised cost.

A conversion option classified as equity is determined by deducting the amount of the liability component and embedded derivatives from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Early redemption right features of the Convertible Bonds

The movements in Imagi Brokerage's early redemption right features classified as derivative financial instruments measured at fair value are as follows:

	30 June 2021 <i>HK\$</i> '000 (unaudited)
At 1 January	_
Additions upon issue	3,096
Fair value change	(1,435)
At 30 June	1,661

Liability component of the Convertible Bonds

The movements of the liability component of the Convertible Bonds in the consolidated statement of financial position are as follows:

30 June 2021

	HK\$'000 (unaudited)
At 1 January	_
Additions upon issue	99,879
Accrued effective interest	1,184
At 30 June	101,063

The imputed finance cost on the liability component of the Convertible Bonds is calculated using the effective interest method by applying effective interest rates per annum. The effective interest rate of the Convertible Bonds is 5.6%.

Equity component of the Convertible Bonds

The movements of the equity component of the Convertible Bonds in the consolidated statement of financial position are as follows:

30 June 2021	
HK\$'000)
(unaudited))

At 1 January	_
Additions upon issue	3,217

At 30 June 3,217

21. COMMITMENTS

(a) Capital commitments

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Commitments in respect of the investment for film rights		
contracted for but not provided for in the financial		
report	7,500	11,100

(b) 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.

	30 June	31 December	
	2021	2020	
	HK\$'000	HK\$'000	
	(unaudited)	(audited)	
Unutilized loop commitments			
Unutilised loan commitments			
- Original contractual maturity within one year	21,610	5,675	
- Original contractual maturity within one year	21,610	5,675	

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.

22. EVENT AFTER THE REPORTING PERIOD

No significant events have occurred since 30 June 2021 to this report date.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONAL REVIEW

(a) Integrated Financial Service Businesses

(i) Brokerage and related services

The Company conducted its brokerage business and related services through its indirect 90.01%-owned subsidiary, Imagi Brokerage Limited ("Imagi Brokerage"). Imagi Brokerage is a registered licensed corporation under Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") since 2004 to trade in securities through the trading facilities of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and is, among other things, an Exchange Participant of the Stock Exchange and a Clearing Participant of Hong Kong Securities Clearing Company Limited. Currently Imagi Brokerage has licenses in Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts), Type 4 (Advising on Securities), Type 5 (Advising on Futures Contracts) and Type 9 (Asset Management) regulated activities under the SFO. Besides providing securities brokerage services and margin financing services to clients, Imagi Brokerage will also provide other securities related businesses including but not limited to fund management, placement and underwriting services, investment advisory and asset management services.

Imagi Brokerage began its asset management services in late December 2020. Currently it has entered into three asset management contracts with separate clients and the total assets under management as at 30 June 2021 was approximately HK\$793 million. Total asset management fee income generated for the Period under Review was approximately HK\$4.1 million.

For the Period under Review, Imagi Brokerage had devoted substantial resources and management attention to the continual development of its margin financing business. The total margin financing outstanding as at 30 June 2021 was approximately HK\$581 million and the related revenue generated from margin financing business for the Period under Review was approximately HK\$32.1 million. The corresponding figures for the same period in 2020 was approximately HK\$308 million and approximately HK\$15.4 million respectively.

For the Period under Review, Imagi Brokerage had continued its expansion in providing placements/underwriting services to its clients that generated a total revenue for the Period under Review of approximately HK\$12.5 million as compared to approximately HK\$0.3 million for the corresponding period in 2020.

In an effort to generate additional revenue and profit capabilities and to further the diversify the business of Imagi Brokerage, Imagi Brokerage had undertaken and to proceed on the following activities: (i) to expand into the mass market with its initial promotion and marketing effort through advertising on the television media commencing in mid-May 2021; (ii) to promote the trading in futures services as well as its online platform to its existing clients since the beginning of 2021; (iii) to follow-up the application for an additional license on Type 6 (Advising on Corporate Finance) regulated activity under the SFO, Imagi Brokerage envisioned that such licence would generate additional revenue; and (iv) to commence a new service in IPO financing and, in preparation, Imagi Brokerage had secured banking facilities dedicated to this business. While the above activities had already commenced, however, they are still in their initial phases and as such did not contribute significantly to revenue of Imagi Brokerage or its profit for the Period under Review.

To cater for its business expansion, on 14 April 2021, Imagi Brokerage had issued a convertible bonds with an aggregate principal amount of HK\$100 million to an independent subscriber and the proceed from such corporate exercise was used for further development of brokerage and margin financing businesses of Imagi Brokerage.

The revenue and segment results of Imagi Brokerage or the Period under Review were approximately HK\$50.6 million and HK\$43.1 million respectively as compared to approximately HK\$16 million and approximately HK\$14.2 million for the same interim period last year, representing a substantial improvement on a year over year basis. The aforementioned improvement was achieved despite difficult operational environment due to the continual restrictions imposed as a result of the COVID-19 pandemic and the resulting constrictions in the local and international economic activities; and the fluctuation of the Hong Kong equity market with various composite indices showing negative returns. This demonstrates that the Company's efforts to develop this business are beginning to bear fruits and the Company is confident this will remain as an important and profitable core business for the Company. However, in view of the above-mentioned current unstable and depressed market conditions, Imagi Brokerage is taking a cautious approach towards commencing new businesses and other expansion plans. However, the Company is of the view that the longer term prospects of the Hong Kong equity market remain promising and will constantly review the status and the health of the market and will adjust our strategy accordingly.

(ii) Money lending business

The Company conducted the money lending business through its indirect 90.91%-owned subsidiary, Imagi Lenders Limited ("Imagi Lenders"), a company with a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) which is the principal statute governing the money lending business in Hong Kong. Since the first granting of money lenders licence to Imagi Lenders, we have never received any objection from and have never been investigated by the Registrar of Money Lenders nor the Commissioner of Police regarding the renewal of the money lenders licence. The money lenders licence of Imagi Lenders was last successfully renewed on 6 August 2020.

Money lending business during the Period under Review contributed a revenue of approximately HK\$6.9 million to the Group. The management of the Company is confident that the long term prospects for the business is bright. The Company is of the view that the longer term prospects of the Hong Kong economy remain promising and will constantly review the status and the health of the money lending market and will adjust our strategy accordingly. However, given the current uncertain and poor economic environment, the Company has adopted a conservative approach towards growing this business.

(iii) Securities investments and proprietary trading

As at 30 June 2021 the aggregate market value of listed securities classified as investment in equity instrument designated at fair value through other comprehensive income, debt securities classified as other financial assets and held-for-trading investments was approximately HK\$172 million. The unrealised losses from listed equity investments was approximately HK\$24.8 million for the Period under Review. In view of the current uncertainty in the local equity market, resulting from both the sluggish Hong Kong and worldwide economy due to the COVID-19 pandemic, the Company is taking a cautious stance in its proprietary trading business. However, the Company is of the view that the longer term prospects of the Hong Kong equity market remain promising and will constantly review the status and the health of the market and will adjust our strategy accordingly.

Details of the Group's listed securities investments as at 30 June 2021 were as follows:

Stock code	Stock name	Number of shares held as at 30 June 2021	Investment cost HK\$'000	Market price as at 30 June 2021 HK\$	Market value as at 30 June 2021 HK\$'000	Realised gain/(loss) for the Period under Review HK\$'000	gain/(loss) for the Period under	at FVTOCI (non-recycling)	Approximate% shareholding in investee as at 30 June 2021	to the Group's total assets as at	of investee as at	Dividend income recognised during the Period under Review HK\$`000
235	China Strategic Holdings Limited	160,000,000	9,280	0.114	18,240	-	(21,760)	-	0.78%	1.76%	20,385,253,835	-
613	Planetree International Development Limited	118,200	113	0.620	73	-	(45)	-	0.01%	0.01%	942,527,675	-
622	Oshidori International Holdings Limited	114,342,857	88,044	0.520	59,458	-	-	(10,291)	1.87%	5.75%	6,113,609,139	-
708	China Evergrande New Energy Vehicle Group Limited	3,000,000	27,243	28.900	86,700	-	(3,900)	-	0.03%	8.39%	9,768,963,000	-
1051	G-Resources Group Limited	254,401	2,275	3.140	799	-	66	-	0.06%	0.08%	450,814,079	-
1827	Miricor Enterprises Holdings Limited	1,000,000	1,500	1.300	1,300	-	790	-	0.25%	0.13%	400,000,000	-

Further details of the Group's significant listed securities investments as at 30 June 2021 were as follows:

China Evergrande New Energy Vehicle Group Limited ("Evergrande Vehicle")

Evergrande Vehicle was incorporated in Hong Kong. The principal activities of Evergrande Vehicle and its subsidiaries include technology research and development and manufacturing of, and sales services in respect of new energy vehicles (collectively, the "New Energy Vehicle Segment"), as well as health management business including "Internet+" community health management, international hospitals, elderly care and rehabilitation (collectively, the "Health Management Segment"). Evergrande Vehicle operates through two segments: (i) Health Management Segment – "Internet+" community health management, international hospitals, elderly care and rehabilitation, medical cosmetology, anti-aging and sales of health and living projects in the People Republic of China ("PRC"); and (ii) New Energy Vehicle Segment – technology research and development, production and sales of new energy vehicles, development and sales of vehicle living projects in the PRC and other countries. According to the latest published audited financial statements, Evergrande Vehicle had total deficit and liabilities of approximately RMB150,065 million as at 31 December 2020.

Oshidori was incorporated in Bermuda. Oshidori and its subsidiaries principally engages engage in investment holdings, tactical and/or strategical investments, and provisions of financial services including the Securities and Futures Commission (the "SFC") regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management); and the provision of credit and lending services regulated under the Money Lenders Ordinance. Oshidori operates through three segments: (i) Financial Services Segment – provision of securities brokerage, margin financing, placing and underwriting, investment advisory, assets management and corporate finance advisory service; (ii) Tactical and/or Strategical Investments Segment – investment in financial instruments; and (iii) Credit and Lending Services Segment – provision of credit and money lending services. According to the latest published audited financial statements, Oshidori had net assets attributable to owners of Oshidori of approximately HK\$9,935 million as at 31 December 2020.

(b) Computer Graphic Imaging ("CGI") Business and Entertainment Businesses

The Company sees no improvement in the prospects of the CGI business and will continue to suspend its efforts on the production side but will retain efforts on the distribution side of the CGI business. During the Period under Review, the CGI business made no profit contribution to the Group.

The Company remains confident in the future movie business, however, in view of the COVID-19 pandemic, the Company will slow down its investment in this sector. Up to the date of this interim report, pursuant to agreement entered into with an independent third party for six films with total expected investments of about HK\$20.4 million in 2018, the Group had invested approximately HK\$16.9 million in four movies. Two of the films was screened before Period under Review in October 2019 and in February 2021 respectively. For the Period under Review, the entertainment business had generated a revenue of approximately HK\$4.5 million but had yet to make profit contribution to the Group.

FINANCIAL REVIEW

Review of Results

The consolidated net profit before tax of the Company for the Period under Review was approximately HK\$10.7 million as compared to the consolidated net profit before tax of HK\$84.6 million for the corresponding period in 2020 (the "Previous Period"). Such significant decline in profit was mainly due to (i) absence of a non-recurring break fee income of approximately HK\$120 million in relation to termination of acquisition of target companies in the Previous Period; (ii) turnaround of changes in fair value of listed equity investments from unrealised gain of approximately HK\$23.9 million for the Previous Period to unrealised losses of approximately HK\$24.8 million for the Period under Review; and (iii) absence of an one-off gain on initial recognition of equity instrument designated at fair value through other comprehensive income of approximately HK\$10.8 million recorded in the Previous Period. The aforementioned factors were partially offset by (i) increase in revenue from brokerage and related service business by 217% for the Period under Review to approximately HK\$50.6 million; and (ii) absence of interest payment of approximately HK\$37.8 million on HK\$1 billion notes payable (the "Notes") and an one-off loss on repurchase of the Notes of approximately HK\$37.8 million upon completion of repurchase and cancellation of the Notes during the Previous Period.

As previously stated, the break fee income of HK\$120 million and the gain on initial recognition of equity instrument designated at fair value through other comprehensive income of approximately HK\$10.8 million recorded in the Previous Period are both one-off and non-recurring in nature and changes in fair value of listed equity investments are fluctuating from period to period in accordance with the market. If such non-recurring and unstable factors are discounted, the overall underlying recurring and sustainable business and operating performance of the Group for the Period under Review had significantly improved as compared to the Previous Period.

Liquidity and Financial Resources

During the Period under Review, the Group primarily financed by its operation with internally generated cash flows. The liquidity and financial position of the Group as at 30 June 2021 remain healthy, with bank balances amounting to approximately HK\$99 million (31 December 2020: approximately HK\$41 million) and a current ratio (the total amount of current assets over the total amount of current liabilities) of approximately 7.9 times (31 December 2020: approximately 5.7 times).

As at 30 June 2021, the Group had nominal value of HK\$100 million convertible bonds issued by Imagi Brokerage carry interest at a coupon rate of 5.5% per annum payable on quarterly basis from the date of the issue of the convertible bonds. Save as disclosed, the Group had no bank or other borrowing (31 December 2020: HK\$Nil) and a gearing ratio (expressed as a percentage of total borrowings over total shareholders' equity) was 11% (31 December 2020: Zero).

The unaudited consolidated net asset value per share of the Company (the "Share(s)") as at 30 June 2021 was approximately HK\$1.098 (as at 31 December 2020: audited approximately HK\$1.098).

Capital Structure

The Company has not conducted any equity fund raising activities during the Period under Review. As at 30 June 2021, the total number of issued Shares was 829,921,572 with a par value of HK\$0.04 each. Based on the closing price of HK\$1.16 per Share as at 30 June 2021, the Company's market value as at 30 June 2021 was approximately HK\$963 million (31 December 2020: approximately HK\$664 million).

Pledge of Assets

As at 30 June 2021, investment in equity instrument designated at fair value through other comprehensive income and held-for-trading investments of approximately HK\$59 million and approximately HK\$107 million respectively (31 December 2020: approximately HK\$70 million and approximately HK\$132 million respectively) were pledged to financial institutions to secure margin financing facilities provided to the Group.

Exposure to Exchange Rates

Presently, most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollar 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 Group's exposure to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

Contingent Liabilities and Capital Commitments

Save as disclosed in note 21 to interim financial statements, the Group did not have any other significant contingent liabilities and capital commitments as at 30 June 2021.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period under Review (six-month period ended 30 June 2020: Nil).

FUTURE PLANS AND PROSPECTS

Integrated Financial Services Businesses

The Company intends to continue its expansion into full and integrated financial services businesses comprising of securities brokerage services, margin financing, placing and underwriting services, futures trading and advisory services, investment advisory and asset management services, corporate finance and advisory services, securities investments and proprietary trading and money lending business.

Currently the Company's activities are still primarily in the brokerage, margin financing, securities investments/proprietary trading and money lending businesses while the asset management services and the placement/underwriting businesses had making great strides in their respective developments. The Company has assembled the human resources and infrastructure needed for the expansion of its current businesses and for the launch of additional services to maintain the momentum for its existing businesses as well as create new business opportunities. The Company is also pushing into the mass market as a means to create diversity in its business generation. However, in view of the current challenging economic climate, the Company will do so at a cautious and conservative pace. Nevertheless, the Company is of the view that the longer term prospects of the Hong Kong financial and equity markets remain promising and will constantly review the status and the health of the market and will adjust our strategy accordingly.

Even while we have a controlled approach to our new business expansion, the Company has already experienced the benefits of its new business activities as well as progress on its traditional businesses.

CGI Business and Entertainment Businesses

As aforementioned, the management of the Company does not see immediate improving prospects for the CGI business and will devote minimal resources to maintain the business until there are substantial change in potential and prospects for the business. The Company will continue to review investment opportunities in movies presented to the Company and will invest when there are suitable opportunities.

HUMAN RESOURCES

As at 30 June 2021, the Group employed 23 employees excluding 7 Directors (2020: 24 employees excluding 8 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 labour 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 Period under Review amounted to approximately HK\$6.6 million (2020: approximately HK\$8.4 million).

DISCLOSURE OF OTHER INFORMATION

Other Information for the Period under Review and up to the date of this announcement

Save as disclosed elsewhere in this interim report, the Group have the following event for the Period under Review and up to the date of this interim report:

Issuance of HK\$100,000,000 5.5% convertible bonds due 2022

On 14 April 2021, Imagi Brokerage issued a 5.5% one-year convertible bonds in a principal amount of HK\$100,000,000 due in 2022 (the "Convertible Bonds") pursuant to a subscription agreement dated 13 April 2021 entered into with Blue River International Limited, an indirectwholly-owned subsidiary of Blue River Holdings Limited (stock code: 498) and being an independent subscriber. The Convertible Bonds entitle the holder to convert into share(s) of Imagi Brokerage ("IBL Share(s)") at a conversion price of HK\$1.8 per IBL Share (the "Conversion Price"). Upon full conversion of the Convertible Bonds at the Conversion Price, a total of 55,555,555 IBL Shares ("Conversion Shares") will be issued, representing approximately 9.09% of the issued share capital of Imagi Brokerage as enlarged by the issuance of the Conversion Shares. During the Period under Review, no Convertible Bonds were converted into IBL Shares by the holder of the Convertible Bonds. Upon full conversion of the Convertible Bonds, the Company's equity interest in Imagi Brokerage and its subsidiaries (the "Imagi Brokerage Group") will be reduced from approximately 90.01% to approximately 81.83% and Imagi Brokerage Group will remain as an non-wholly-owned subsidiaries of the Company. As at 30 June 2021, the Convertible Bonds with the outstanding principal amount of HK\$100,000,000 was in issued. Details information regarding the issue of the Convertible Bonds was disclosed in the Company's announcement dated 13 April 2021.

Corporate Governance Practices

The Company is committed to maintain high standard corporate governance practices as the Board considers that good and effective corporate governance is essential for enhancing accountability and transparency of a company to the investing public and other stakeholders.

During the Period under Review, the Company has complied with the code provision set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange.

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 10 to the Listing Rules as the code of conduct regarding directors' securities transactions. In response to the specific enquiry made by the Company, all Directors confirmed that they fully complied with the required standard as set out in the Model Code throughout the Period under Review.

Purchase, Sale or Redemption of Listed Securities of the Company

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

REVIEW OF THE INTERIM RESULTS

As at the date of this announcement, the Board is comprised of three executive Directors, namely Mr. Kitchell Osman Bin (Acting Chairman), Mr. Shimazaki Koji and Ms. Choi Ka Wing; and four independent non-executive Directors, namely Dr. Santos Antonio Maria, Mr. Miu Frank H., Ms. Liu Jianyi and Mr. Chan Hak Kan. The Audit Committee of the Company has reviewed, with the management and the independent auditor of the Company, the interim results and the unaudited interim financial statements of the Company for the Period under Review.

The Board has approved and authorised to issue the unaudited interim financial statements of the Company for the Period under Review on 17 August 2021.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT

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

By order of the Board

Imagi International Holdings Limited

Kitchell Osman Bin

Acting Chairman

Hong Kong, 17 August 2021

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

Executive Directors:

Mr. Kitchell Osman Bin (Acting Chairman)

Mr. Shimazaki Koji

Ms. Choi Ka Wing

Independent non-executive Directors:

Dr. Santos Antonio Maria

Mr. Miu Frank H.

Ms. Liu Jianyi

Mr. Chan Hak Kan