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

Environmental, Social and Governance Report for the year ended 31 December 2018

Imagi International Holdings Limited (the "Company" or "We", together with its subsidiaries as the "Group") presents this Environmental, Social and Governance ("ESG") Report (the "ESG Report") for the year ended 31 December 2018 (the "Reporting Period"), in accordance with Appendix 27 – Environmental, Social and Governance Reporting Guide (the "ESG Guide") of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the "Listing Rules").

Reporting Scope

This ESG Report covers the Group's principal businesses in integrated financial services which comprises of securities investments and proprietary trading, securities brokerage services, margin financing and money lending business, and also in entertainment business and investment in film rights. This report was prepared in accordance with the ESG Guide, and only includes material ESG issues identified by the Company's working group and stakeholder engagement which are directly controlled by the Company.

ESG Working Group

The board of directors (the "Board") of the Company has the overall responsibility for the Group's ESG strategy and reporting. The Board actively manages the Group's ESG performance through the establishment of an ESG management and monitoring framework, in which a working group is assigned to managing ESG matters such as environmental protection, occupational safety and compliance. The Company's working group is composed of executive director, general manager, company secretary, head of finance team, and responsible officers from administrative team (collectively known as the "ESG working group"), and has the following responsibilities:

- managing resource consumption and overuse;
- promoting green work and awareness;
- * For identification purpose only

- providing employees with sufficient training and development;
- providing a safe working environment; and
- ensuring compliance with labour laws and regulations to protect employees' rights and interests.

The ESG working group monitors issues that are material to the Group's operations, and schedules semi-annual meetings in confirming and/or updating new policies and mechanisms in improving the management of the Group's strategic goals in sustainable development. In addition, the ESG working group evaluates the impact, efficiency and effectiveness of policies that are already in place, and take remedial actions if the ESG policies are not properly implemented. ESG as part of the Group's internal control systems, a professional consultant has been engaged for annual assessment so as to identify any deficiencies and provide recommendations for improvement accordingly.

The Board regularly monitors the ESG working group in regards to the Group's ESG performance and provides direction for ESG development.

Stakeholder Engagement

In order to achieve long-term success and sustainable development, it is crucial to understand the expectations, interests and information needs from our stakeholders and to maintain this engagement on an on-going basis.

Hence, the identification of such expectations and the related material ESG issues are conducted through our stakeholder engagement process. Our internal and external stakeholders include employees, clients, investors and shareholders, suppliers and business partners, government and supervising authorities, social groups and public, and media. We have been actively engaging and providing them with updates on our recent business developments through various engagement methods as follows:

Stakeholder Groups

Employees

Engagement Channels

- Internal Emails and Notices
- Meetings and Briefings
- Trainings
- Employee Activities
- Corporate Website

Engagement Channels Stakeholder Groups Clients Corporate Website Emails, Facsimile and Telephone Contacts Conferences Investors and Shareholders Corporate Website Annual General Meeting Annual and Interim Reports Press Releases and Announcements Emails, Facsimile and Telephone Contacts Suppliers and Business Partners Corporate Website Emails, Facsimile and Telephone Contacts Conferences • Field Visits Government and Supervising Authorities Corporate Website Press Releases and Announcements Emails, Facsimile and Telephone Contacts Cooperate with Government and Regulatory Authorities on Compliance Inspections

Social Groups and Public

- Corporate Website
- Press Releases and Announcements
- Emails, Facsimile and Telephone Contacts

Media

- Corporate Website
- Press Releases and Announcements
- Emails, Facsimile and Telephone Contacts

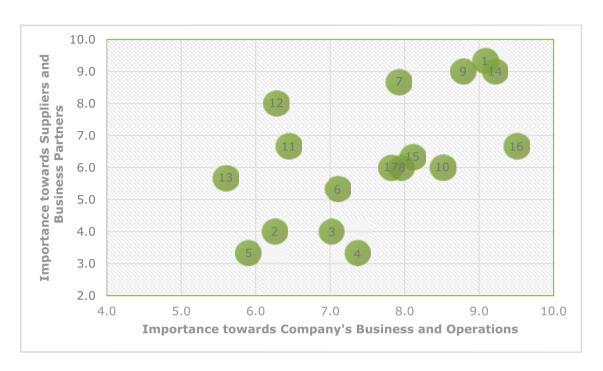
Materiality Assessment

According to the results from the stakeholder engagement exercise, we have performed a materiality assessment in order to identify a list of material ESG issues to be included in this report. The materiality assessment process is set out as follows:

- (1) Identification of potential issues: Screening of initial reference issues with reference to the ESG Guide, and peer benchmarking ideas against suitable peer companies to pinpoint material ESG issues are performed.
- (2) Stakeholder evaluation: Internal and external stakeholders are invited to rank the importance of each ESG issue via questionnaires and interviews.
- (3) Prioritisation: The results from issues identification and stakeholder evaluation are combined to generate ESG materiality ranking.

(4) Validation: The ESG working group of the Company validates and confirms the key material ESG issues, and how they link to the respective aspects and KPIs of the ESG Guide.

In accordance with the results from this stakeholder engagement exercise, we have structured the following list of material ESG issues identified by each stakeholder group:



Item	Aspect in the ESG Guide	ESG Material Issue
1	General	Compliance
2	A1: Emissions	Non-hazardous Waste and Greenhouse Gas Emissions
3	A1: Emissions	Waste Management and Disposal
4	A2: Use of Resources	Energy Usage
5	A2: Use of Resources	Water Usage and Other Matters
6	A3: The Environment and Natural Resources	Environmental Management and Green Operations
7	B1: Employment	Recruitment, Remuneration, Promotion, Dismissal and Employee Benefits
8	B1: Employment	Diversity and Equal Opportunity

Item	Aspect in the ESG Guide	ESG Material Issue
9	B2: Health and Safety	Workplace Health and Safety
10	B3: Development and Training	Staff Development and Training
11	B4: Labour Standards	Anti-child and Forced Labour
12	B5: Supply Chain Management	Supply Chain Management
13	B5: Supply Chain Management	Evaluation of Suppliers' Performance
14	B6: Product Responsibility	Data Privacy and Protection
15	B6: Product Responsibility	Service Quality
16	B7: Anti-Corruption	Anti-corruption and Anti-Money Laundering
17	B8: Community Investment	Social Responsibility

ENVIRONMENT

Although our principal businesses have insignificant direct impact on the environment, we take the responsibility of environmental protection by executing various measures to minimise other indirect environmental impact arising from our business activities. These measures strictly follow the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) and Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) ("Waste Disposal Ordinance"), as well as in parallel with other relevant environmental laws and regulations that require the company to minimise their impact through prevention and control of emissions and waste disposals.

A1: Emissions

Non-hazardous Waste and Greenhouse Gas Emissions

The Group emits greenhouse gas ("GHG") mainly from the consumption of electricity and petrol. During the Reporting Period, the Company emitted 31,679 kg CO₂ equivalent of GHG¹ (2017: 38,636 kg). Regarding the initiatives of reduction of GHG, please refer to the section "Energy Usage" below under A2: Use of Resources.

There were no non-compliance cases noted in relation to environmental laws and regulations for the Reporting Period.

Waste Management and Disposal

With respect to our business nature, no substantial air emissions and hazardous waste are produced from our operations. General wastes such as paper and office consumables are disposed from our office administrative work. We have incorporated the principles of the "3R" (Reduce, Reuse, and Recycle) into our business activities, and developed a waste classification mechanism in sorting out different materials to ease the recycling process. Such a classification mechanism is effective in reducing the amount of waste generated as our staff have reacted proactively in office recycling efforts. We also encourage our staff to reduce waste by avoiding excessive procurement of office stationery, controlling paper consumption, so as to drive behavioural changes. All the papers sourced for business operations come from FSC-certified suppliers.

During the Reporting Period, the major waste produced was paper, of which 1,060 kg were purchased (2017: 728 kg). Consumption of paper has slightly increased from the previous year due to higher amount of business activity with the acquisition of John & Wong Securities Company Limited in March 2017. Used ink cartridges and toners were returned to and recycled by our service providers and the quantity was minimal. All of our waste management practices comply with relevant law and regulations, namely the Waste Disposal Ordinance.

Data of greenhouse gas emissions was calculated with reference to the Greenhouse Gas Protocol issued by the World Business Council for Sustainable Development and World Resources Institute.

A2: Use of Resources

Energy Usage

The Group seeks to ensure all business activities are conducted in an energy-conservative manner. We have put much effort in enhancing our management system to achieve green operations. We keep abreast of new technologies, such as energy efficient computer systems and electrical appliances, which can help reduce electricity consumption. Staffs are required to switch off lights, air conditioners and the electric equipments when not in use. The Group has also replaced all the office lighting equipment with LED lights and energy efficient Grade 1 appliances to further minimise unnecessary energy consumption. Regular monitoring of energy consumption is assigned to responsible administrative personnel, and required to report to management if any anomaly is identified.

During the Reporting Period, the Group mainly consumed two sources of energy, which were electricity and petrol. Electricity was consumed in our offices to provide lighting, air-conditioning and operations of office equipment. Petrol was consumed on a company-owned vehicle for transportation purpose. The amount of consumption was:

		2018		2017	
		Consumption	Consumption		
Energy Type	Unit	Quantity	Intensity	Quantity	Intensity
Electricity	kWh	30,014	4.21	47,494	5.70
Petrol	Litre	615	N/A^2	412	N/A ²

Total electricity consumption across the Group during the Reporting Period was 30,014 kWh, which has shown a general decrease in energy usage and its resulting intensity. The decrease in electricity consumption was due to the effective implementation of various energy-saving initiatives, which has benefitted the Group in cost saving and at the same time promoting environmental-friendly practices in the workplace.

Other than paper consumption and energy usage from administrative work, the Group's business activities have no other significant impacts on the environment and natural resources.

Intensity of petrol consumption is considered non-applicable for reporting owing to its irrelevance to the Group's principal business activities

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During the Reporting period, we attended the carbon audit seminar for listed companies, which was jointly organised by the Environmental Protection Department and Hong Kong Exchanges and Clearing Limited. Such awareness of sustainability and advocate of energy efficient work practices highlighted through the seminar is emphasised throughout the Group.

Water Usage and Other Matters

Owing to our business nature, the Group does not consume significant amount of water. As the Group operates in office premises where the water supply and discharge are solely controlled by the property management agent, the Group has limited access to water consumption data. Hence, water usage is considered as immaterial for such reporting purposes. However, the Group also recognises the importance of water conservation by adopting water saving practices within the work place. Rectifications would be implementated whenever a water leakage was found.

Furthermore, no packaging material was used during the Reporting period.

A3: The Environment and Natural Resources

Environmental Management and Green Operations

As a responsible corporation, the Group monitors potential environmental risks on an ongoing basis. Control measures are in place to detect and mitigate environmental issues throughout our business operations.

The idea of green operations is incorporated into our daily business activities which can help further protect the environment. Following the popularity of integrating technology in our daily lives, paperless initiatives have been extended to all phases of the business. This includes minimisation of common office consumables, such as opting a "dual-purpose paper" policy, where waste paper could be reused, reduced, and recycled. We have also developed energy-saving principles in our workplace, which includes switching off office equipment, lighting and air-conditioning when not in use.

Furthermore, we proactively refresh employees' understanding of the latest environmental requirements, and update our internal policies regularly to ensure our compliance with relevant laws and regulations and enhance our environmental performance.

To complement our efforts in adhering to our green operation management policy, we had participated in a seminar hosted by Ricoh (Hong Kong) Limited in the effective enhancement of productivity through minimising manual work and storage space in our day to day business operations.

SOCIAL

B1: Employment

The Group truly believes that our employees are our most valuable assets in driving the continuous success of our business. We endeavour to provide a compassionate and inclusive environment that empowers our employees in pursuing high performance and continuous improvement.

Recruitment, Remuneration, Promotion, Dismissal and Employee Benefits

Having a stable and effective workforce sets the core foundation to the success of the Group. The Group treasures its loyal and industrious staff members. We aim to attract and retain talents through the establishment and implementation of appropriate remuneration policy, which is to awards its employees with reference to their qualifications, experience and work performance, and are frequently compared to market benchmarks. In addition to their basic salaries, incentives in the form of bonus and share options may be offered to eligible employees on the basis of individual performance and the Group's business results.

The Group's human resources policies strictly abide to the requirements as stipulated in relevant employment laws and regulations such as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). Working hours, leaves, remuneration, dismissals, terminations and other employment practices are reviewed regularly to ensure the compliance with latest labour laws and regulations and the norms of the market where the Group operates.

The Group also recognises the importance of promoting work-life balance in enhancing the well-being of employees. Hence, the Group encourages social bonding between employees through holding numerous social activities throughout the year, such as annual dinner and Chinese New Year gatherings.

Diversity and Equal Opportunity

We adopt non-discriminatory hiring and employment practices, and strictly prohibits discrimination of any kind. The Group promotes a diversified workforce and career development opportunities are provided on merits.

The Group strives for elimination of discrimination on the grounds of sex, marital status, pregnancy, disability, family status and race. The Group's policies in diversity and equal opportunity were established with reference to the following laws and regulations: Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), and Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong).

During the Reporting Period, we have not identified any material non-compliance of labour laws and regulations.

B2: Health and Safety

Workplace Health and Safety

The Group maintains a high standard of occupational safety and health, devotes to providing a safe and healthy workplace for all staff members, and ensures compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

Although the Group's operations do not involve high risk activities, we keep abreast of the latest occupational safety and health practices at office, including indoor air quality, lighting, office equipment and fire safety. In the event of any health and safety incidents, it would be reported to management and be promptly dealt with.

At our office premises, we take steps to monitor indoor air quality through encouraging the placement of leafy plants, which at the same time meets purification and beautification purposes in offices. Furthermore, we offer medical insurance benefits to all staff to ensure they have insurance coverage in case of health issues. All these measures can assist the Company in retaining valuable human resources.

During the Reporting Period, we have not identified any material non-compliance of occupational safety and health-related laws and regulations.

B3: Development and Training

Staff Development and Training

Recognising the vitality of employees to the success of our business, the Group emphasises on staff's capabilities and competitiveness for the mutual development of both the organisation and themselves. As such, we emphasise the importance of sufficient and adequate training to our staffs in furthering their personal holistic development and fulfilment of their job duties.

We also encourage our staff to pursue external training at accredited professional institutions so as to obtain up-to-date market information, knowledge and techniques. Subsidies are offered to staff for such pursuit, if necessary. In addition, regular on-job training is provided to our staff to maintain and improve their work quality.

B4: Labour Standards

Anti-Child and Forced Labour

The Group does not engage in or tolerate any use of child or forced labour in our operations. All employees are recruited in strict compliance with local labour laws and regulations and their positions are bounded by legal contracts with detailed terms and conditions of employment to protect both the interests of the employees and the Company. In addition, control measures on human resources process are in place to prevent the employment of child or forced labour.

During the Reporting Period, we have not identified any material non-compliance of child and forced labour-related laws and regulations.

B5: Supply Chain Management

Supply Chain Management

The Group encourages its suppliers, service providers and business partners to maintain a high standard of business ethics and conduct and manage the environmental and social issues arising from their business operations. In view of our business nature, we do not have any major suppliers that have significant influences on our operations. However, we strive to maintain a fair and cooperative relationship with our suppliers. During the supplier selection process, we assess the suppliers' performance in handling environmental and social matters and priority is given to those with satisfactory performance.

Evaluation of Suppliers' Performance

We also periodically monitor the environment and labour performance of our selected suppliers through periodically evaluating their performance and informing them to take remedial measures if sub-standard performance is noted.

B6: Product Responsibility

The Company is currently developing the integrated financial services as its principal businesses, including money lending, securities brokerage, placing and underwriting, corporate finance advisory, investment advisory, asset management and margin financing, with the securities investment and proprietary trading business currently in operation. The Group strictly complies with Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Procedures and tools for the identification, assessment and monitoring of various risks such as environmental and social risks, anti-money laundering and anti-corruption are applied and integrated into standard risk, compliance and operations processes because for example, in the client onboarding processes, potential clients may be at risk of illegal intentions for engagement in business relationships. The potential clients are assessed for various risks associated with their business activities as part of the Group's know-your-client compliance processes.

The Group upholds the principle of maximising shareholders value and therefore its investment and trading strategies are set to achieve this purpose. We strive to obtain satisfactory returns for our investors and run our businesses ethically, meanwhile maintaining openness and integrity in our dealings. Adoption of investment products and services are reviewed and monitored in order to assess their compatibility and consistency with the Company's standards.

Data Privacy and Protection

The Group respects data privacy of its employees, suppliers, business partners and customers. We strictly adhere to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("PDPO") in Hong Kong, and builds our data privacy policy on such basis to the handling of personal privacy and of clients' personal data and confidential information alike. Actions in safeguarding the privacy of such personal data include:

- collection of personal information for said purposes only under explicit and implicit consent of clients;
- prohibition of use of personal information of clients for direct marketing purposes;
- storage of data files in locations with restricted access to authorised users only;
- conduct of regular reviews on authorised users; and
- shredding of confidential documents before disposal.

During the Reporting Period, we have not identified any material non-compliance of service responsibility as required by the PDPO.

Service Quality

The Group believes in the importance of providing customers with quality services in achieving customers' satisfaction and high reputation in the market. The management personnel through daily management of the operations of the Group monitors the quality of services provided to customers. Any quality issues identified will be escalated to the senior management and discussed in management meetings.

B7: Anti-corruption

Anti-corruption and Anti-Money Laundering

Business ethics and integrity are the core values of the Group in conducting its business. The Company does not tolerate any corruption, bribery, extortion, money-laundering and other fraudulent activities. Whistleblowing mechanism as a control measure has been established and is used as a private and confidential communication channel for employees and external parties shall they suspect any actual or potential fraudulent activities or irregularities in our business operations. Any reported cases would be flagged to senior management and investigated. The Group's anti-corruption policies are in compliance with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) enforced by the Hong Kong Independent Commission Against Corruption. Such policies are stipulated in our employee handbook, and all of our employees are required to comply with these policies under any circumstances.

During the Reporting Period, we have not identified any material non-compliance of anticorruption-related laws and regulations.

B8: Community Investment

Social Responsibility

The success of our business is attributable to the prosperity of society. As a responsible company, we care for the development of the community in which we operate and aim to promote a harmonious relationship between the Group and the society.

We encourage our employees to participate in charitable activities and to make contributions by both financial and non-financial means such as volunteering, donating money or used items. We will support the employees to organise and participate in charitable initiatives as long as they are in alignment of our core values. Regarding our upcoming agenda, we have planned to collaborate with non-profit organisations and take part in charitable activities.