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IMAGI INTERNATIONAL HOLDINGS LIMITED
意馬國際控股有限公司*

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

PROFIT WARNING

This announcement is made by Imagi International Holdings Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the Board’s preliminary review on the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2021 (the “FY2021”) and the information currently available, the Group would expect to record a consolidated net loss before tax of approximately HK\$30 million for FY2021 as compared to a consolidated net profit before tax of approximately HK\$274 million for the corresponding financial year in 2020 (the “FY2020”).

Despite the encouraging increase in revenue from securities brokerage and asset management segment, the Group still expected to record a net loss for FY2021 which was primarily attributable to, among other factors, (i) net realised losses from sales of investments classified as held-for-trading of approximately HK\$81.2 million for FY2021 as compared to net realised gain of approximately HK\$102.3 million for FY2020, of which approximately HK\$79.1 million realised losses for FY2021 arising from disposal of listed securities with details of disposal and the related financial impact disclosed in the Company’s announcements dated 4 October 2021 and 6 October 2021 respectively; (ii) net realised losses from disposal of debt securities of approximately HK\$4.7 million during FY2021; (iii) turnaround of changes in fair value of listed equity investments from unrealised gain of approximately HK\$101 million for FY2020

* *For identification only*

to unrealised losses of approximately HK\$28.7 million for FY2021; (iv) absence of a non-recurring break fee income of approximately HK\$120 million in relation to termination of acquisition of target companies in FY2020; and (v) 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 FY2020.

The aforementioned factors were partially offset by (i) increase in revenue from brokerage and asset management service business by over 2.3 times for FY2021 as compared to approximately HK\$44 million for FY2020; 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 FY2020.

The Company is still in the process of finalising the annual results of the Group for FY2021. The information contained in this announcement is only based on a preliminary review by the Board with reference to the unaudited consolidated management accounts of the Group for FY2021 and the information currently available, which have not been audited or reviewed by the Company’s auditor. As such, the actual results of the Group for FY2021 may be subject to further adjustment(s). Shareholders and potential investors are advised to read carefully the results announcement of the Company for the annual results of the Group for FY2021 that is expected to be published in March 2022 and the subsequent publication of the 2021 annual report of the Company in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 January 2022

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

Executive Directors:

Mr. Kitchell Osman Bin (*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