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*This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or other securities in the Company.*

  
**IMAGI INTERNATIONAL HOLDINGS LIMITED**  
**意馬國際控股有限公司\***  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 585)**

**DISCLOSEABLE TRANSACTION**  
**A SHARE SWAP BETWEEN THE COMPANY AND MUR TSA EFFECTED**  
**THROUGH**  
**(1) ISSUE OF SUBSCRIPTION SHARES TO MUR TSA UNDER THE**  
**GENERAL MANDATE; AND**  
**(2) ACQUISITION OF CONSIDERATION SHARES FROM MUR TSA**

On 29 February 2016 (after trading hours), the Company and Murtsa entered into the Shares Swap Agreement pursuant to which, subject to the fulfillment of the Conditions, the parties have agreed amongst other things that the Company agreed to issue and allot the 1,900,000,000 Subscription Shares, representing approximately 19.06% of the entire issued share capital of the Company as at the date of this announcement, under the General Mandate, to Murtsa or its nominee(s) in exchange of the Consideration Shares from Murtsa on the terms and conditions of the Shares Swap Agreement.

Immediately after completion of the Shares Swap Agreement, assuming no other changes in the issued share capital in the Company or HengTen, respectively, from the date of this announcement:—

- (i) after taking into account the 100,644,000 shares of HengTen currently held by the Group, representing approximately 0.14% of the existing issued share capital of HengTen, the Company will hold in aggregate approximately 0.76% interest in HengTen after the acquisition of the 455,500,000 Consideration Shares pursuant to the Shares Swap Agreement; and
- (ii) after the completion of the Shares Swap Agreement, Murtsa will hold 1,900,000,000 Shares in the Company, representing approximately 19.06% of the existing issued share capital of the Company, and approximately 16.01% interest in the Company as enlarged by the Subscription Shares that fall to be issued pursuant to the Shares Swap Agreement.

\* for identification purpose only

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Shares Swap Agreement exceed 5% but are below 25%, the Shares Swap Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements thereunder.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

**As completion of the Shares Swap Agreement is subject to the satisfaction of the conditions precedent under the Share Swap Agreement, the Share Swap Agreement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SHARES SWAP AGREEMENT**

On 29 February 2016 (after trading hours), the Company and Murtsa entered into the Shares Swap Agreement pursuant to which, subject to the fulfillment of the Conditions, the parties have agreed amongst other things that the Company agreed to issue and allot 1,900,000,000 Subscription Shares, representing approximately 19.06% of the entire issued share capital of the Company as at the date of this announcement, under the General Mandate, to Murtsa or its nominee(s) in exchange of the Consideration Shares from Murtsa on the terms and conditions of the Shares Swap Agreement.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed herein, Murtsa is an Independent Third Party.

### **The Shares Swap**

Subject to satisfaction of the Conditions, Murtsa or its nominee shall subscribe for, and the Company shall issue and allot, the Subscription Shares credited as fully paid at the subscription price of HK\$0.09 per Subscription Share to Murtsa or its nominee, free from all encumbrances and in return, Murtsa shall assign and transfer the Consideration Shares at the price of HK\$0.3754 per Consideration Share to the Company or its nominee free from all encumbrances and with all rights now and hereinafter attached.

## **The Subscription Shares**

The Subscription Shares, when issued, shall rank pari passu in all respects among themselves and with all other Shares in issue as at completion of the Proposed Issue.

The Subscription Shares will be issued under the General Mandate. The Subscription Shares represents approximately 19.06% of the entire issued share capital of the Company as at the date of this announcement, or approximately 16.01% of the entire share capital of the Company as enlarged by the Subscription Shares that fall to be issued by the Company pursuant to the Shares Swap Agreement.

The aggregate nominal value of the 1,900,000,000 Subscription Shares of HK\$0.001 per Share is HK\$1,900,000.

### **The subscription price for the Subscription Shares**

The subscription price of HK\$0.09 per Subscription Share represents:

- (i) a discount of approximately 5.26% to the closing price of HK\$0.095 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 6.44% over the average closing price of approximately HK\$0.0962 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The aggregate subscription price of the Subscription Shares in sum of HK\$171 million will be settled by Murtsa by the assignment of the Consideration Shares.

The subscription price for the Subscription Shares was determined after arm's length negotiation between the Company and Murtsa. The subscription price for the Subscription Shares was also determined by reference to the recent trading performance of the Shares. The Directors consider that the terms of the Proposed Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **The Consideration Shares**

The Considerations Shares consist of 455,500,000 issued shares of HengTen representing a percentage of 0.62% in the currently issued share capital of HengTen. Murtsa shall assign the Consideration Shares to the Company at the consideration price of HK\$0.3754 per share of HengTen and the total value for the acquisition of the Consideration Shares are therefore HK\$171 million (which will be settled by the Company by the issuance of the Subscription Shares). The consideration price per share of HengTen represents a discount of approximately 4.96% as compared to the closing price of HengTen on the Last Trading Day and a discount of approximately 8.88% over the average of the closing price of approximately HK\$0.412 per share of HengTen for the five consecutive trading days of the shares immediately preceding the date of the Shares Swap Agreement.

## **Conditions**

The obligations of the parties to effect completion of the Shares Swap Agreement is conditional upon the following conditions precedent:—

- (i) upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares; and
- (ii) if applicable the obtaining of all consents from government or regulatory authorities or third parties which are necessary in connection with the execution and performance of the Shares Swap Agreement and any of the transaction contemplated thereunder.

If the Conditions have not been fulfilled on or before 5:00 p.m on 15 March 2016 (or such other date as the Company and Murtsa may agree in writing), the Shares Swap Agreement shall lapse and become null and void and the parties hereto shall be released from all obligations hereunder, save for any liability arising out of any antecedent breaches hereof.

## **Completion**

Completion of the Shares Swap shall take place on or before the 3rd Business Day after all of the Conditions have been satisfied in accordance with the Shares Swap Agreement.

## **General Mandate**

The Subscription Shares will be issued under the General Mandate pursuant to which the Directors are allowed to issue up to 1,993,762,544 Shares (representing 20% of the issued share capital in the Company as at the date of the annual general meeting on 16 June 2015). Up to the date of this announcement, no Share has been issued under the General Mandate.

## **Application for listing**

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares to be issued pursuant to the Shares Swap Agreement.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of Proposed Issue (assuming no other changes in the issued share capital and shareholding in the Company from the date of this announcement up to immediately before the issue of all the Subscription Shares) are set out as below:

	<b>As at the date of this announcement</b>		<b>Immediate upon completion of the Proposed Issue</b>	
	<i>Number of Shares</i>	<i>Percentage (Approx..)</i>	<i>Number of Shares</i>	<i>Percentage (Approx..)</i>
<b>Substantial Shareholders</b>				
Advanced Beauty Holdings Limited (Note)	2,367,008,000	23.74	2,367,008,000	19.94
Proposed Issue	–	–	1,900,000,000	16.01
<b>Other Shareholders</b>	7,601,804,720	76.26	7,601,804,720	64.05
<b>Total</b>	9,968,812,720	100	11,868,812,720	100

Note: Advance Beauty Holdings Limited is a company legally and beneficially owned as to 50% by Mr. Shan Jiuliang and 50% by Ms. Zhang Peng.

## REASONS FOR AND BENEFITS OF THE PROPOSED ISSUE AND THE PROPOSED ACQUISITION

In the announcement made by the Company on 28 January 2016, the Company has advised Shareholders and potential investors that the Group intends to develop an integrated financial services business including provision of securities brokerage services, placing and underwriting services, corporate finance advisory services, investment advisory and management services, margin financing and money lending business, securities investment and proprietary trading so that they will become the principal businesses of the Group.

The Company believes that the Proposed Acquisition is in line with the aforesaid new strategy of the Company and helps the Company in its pursuit of profitable securities trading and investment. Furthermore the Proposed Issue would bring in Murtsa as a substantial shareholder of the Company. Murtsa is a wholly-owned subsidiary of HEC. HEC and its subsidiaries are principally engaged in the business of property investment, investment advisory and financial services, investment in securities trading and money lending and, in view of the expertise and resources of Murtsa and HEC in the financial sector, the introduction of such a substantial shareholder is conducive to the development of the financial services business of the Company and may bring more business opportunities to the Company and add value to the Shareholders.

The Shares Swap Agreement will also enhance the capital base of the Company and provide the Company with a firm base for its expansion into the financial sector. The Directors further believe that the Proposed Acquisition of the Consideration Shares at a discount will provide the Company an attractive investment.

The Directors consider that the terms of the Shares Swap Agreement are fair and reasonable, are based on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Shares Swap Agreement exceeds 5% but below 25%, the Shares Swap constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements thereunder.

**As completion of the Shares Swap Agreement is subject to the satisfaction of the Conditions under the Shares Swap Agreement, the Shares Swap Agreement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong
“Company”	Imagi International Holdings Limited (Stock Code: 585)
“Conditions”	the conditions precedents as set out in the Shares Swap Agreement
“Consideration Shares”	means the aggregate of 455,500,000 issued ordinary shares of HK\$0.002 each of HengTen to be assigned and transferred by Murtsa to the Company or its nominee(s) as full payment of the consideration of the Subscription Shares

“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders of the Company at the annual general meeting on 16 June 2015 to allot and issue and deal with up to 20% of the then issued share capital of the Company as the date of the annual general meeting
“Group”	the Company and its subsidiaries
“HEC”	HEC Capital Limited, a company incorporated in the Cayman Islands with limited liability
“HengTen”	HengTen Networks Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (Stock Code:136)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party and, if applicable, the ultimate beneficial owner of the party who is not fallen into the definition of connected persons of the Company under Chapter 14A of the Listing Rules and independent of the connected persons of the Company and their associates (as defined in the Listing Rules)
“Last Trading Day”	29 February 2016
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Murtsa”	Murtsa Capital Management Limited, a company incorporated in Samoa with limited liability
“Proposed Acquisition”	the acquisition of the Consideration Shares by the Company or its nominee pursuant to the Shares Swap Agreement
“Proposed Issue”	the issue of the 1,900,000,000 Subscription Shares by the Company to Murtsa or its nominee(s) pursuant to the Shares Swap Agreement

“SFO”	the Securities and Futures Ordinance (CAP. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holders of Shares
“Share(s)”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Shares Swap”	The swap of the Subscription Shares in exchange of the Consideration Shares between the Company and Murtsa in accordance with the terms and conditions of the Shares Swap Agreement
“Shares Swap Agreement”	A conditional agreement dated 29 February 2016 entered into between the Company and Murtsa in relation to the Shares Swap
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	the 1,900,000,000 Shares to be allotted and issued by the Company under the General Mandate to Murtsa or its nominee in accordance with the Shares Swap Agreement
“%”	per cent.

By order of the Board  
**Imagi International Holdings Limited**  
**Suen Yick Lun Philip**  
*Executive Director*

Hong Kong, 29 February 2016

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors:*

Mr. Suen Yick Lun Philip  
Mr. Wong Yat Fai  
Mr. Shan Jiuliang\*\*  
Ms. Zhang Peng\*\*

*Non-executive Director:*

Mr. Wen Di\*\*

*Independent Non-executive Directors:*

Mr. Chow Chi Wah Vincent  
Dr. Kwong Kai Sing Benny  
Mr. Miu Frank H.  
Dr. Santos Antonio Maria

\*\* Mr. Shan Jiuliang, Ms. Zhang Peng and Mr. Wen Di are now under administrative leave with effect as from 23 February 2016.