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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)

**INSIDE INFORMATION AND BUSINESS UPDATE –
JOINT VENTURE ARRANGEMENT**

The Board announces that on 8 June 2016 after trading hours, DGCL (a wholly-owned subsidiary of the Company) entered into the Subscription Agreement with Unitas Capital and the JV Company, pursuant to which DGCL and Unitas Capital agreed to invest in the JV Company by respectively subscribing approximately 76.7% and 23.3% of shareholding of the JV Company at the subscription price of HK\$575,000,000 and HK\$175,000,000. The JV Company is formed for the single purpose of carrying out the business of trading of Hong Kong listed securities in compliance of Rule 14.04(1)(f) of the Listing Rules.

LISTING RULES IMPLICATIONS

As the Subscription Agreement falls within the exemption criteria specified under Rule 14.04(1)(f) of the Listing Rules, the Joint Venture Arrangement is not a notifiable transaction under Chapter 14 of the Listing Rules. The Board decided to publish this announcement in order to inform the Shareholders about the Group's business development in terms of the Joint Venture Arrangement, which is considered as inside information of the Company discloseable under Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

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* *For identification purpose only*

THE SUBSCRIPTION AGREEMENT

Date

8 June 2016 (after trading hours)

Parties

- (1) DGCL as a JV Partner
- (2) Unitas Capital as the other JV Partner
- (3) the JV Company

Nature of transaction

Upon completion of the Subscription Agreement, DGCL and Unitas Capital shall subscribe 575 and 175 JV Shares of the JV Company at the subscription price of HK\$575,000,000 and HK\$175,000,000. Accordingly, at Completion, the Company and Unitas Capital will respectively hold approximately 76.7% and 23.3% of the JV Company's issued share capital.

Subscription prices

The subscription price payable by the Company for the 575 JV Shares is HK\$575,000,000. The subscription price shall be settled by the Company upon the completion of the Subscription Agreement by issuance of the Company's PN 1 and the Company's PN2. The principal terms of the Company's PN 1 and the Company's PN 2 are set out below:–

Company's PN 1

Issuer: the Company

Principal amount: HK\$350,000,000

Issue date: the date of completion of the Subscription Agreement

Maturity date: one (1) week from the issuance date

Interest: interest-free

Company's PN 2

Issuer: the Company

Principal amount: HK\$225,000,000

Issue date: the date of completion of the Subscription Agreement

Maturity date: one (1) month from the issuance date

Interest: interest-free

The Company shall fund the repayment of the promissory notes by the Group's internal resources as well as the net proceeds from the Placing.

The subscription price payable by Uritas Capital for the 175 JV Shares is HK\$175,000,000. The subscription price shall be settled by Uritas Capital upon the completion of the Subscription Agreement by issuance of the Uritas Capital's PN. The principal terms of the Uritas Capital's PN are set out below:–

Uritas Capital's PN

Issuer: Uritas Capital

Principal amount: HK\$175,000,000

Issue date: the date of completion of the Subscription Agreement

Maturity date: one (1) week from the issuance date

Interest: interest-free

Ranking of JV Shares

The JV Shares, when issued as fully-paid shares, will rank pari passu with all other shares of the JV Company in issue on the date of allotment and issue of the JV Shares.

Completion of the Subscription Agreement

Completion of the Subscription Agreement is unconditional and has taken place on the date of signing of the Subscription Agreement (after trading hours) whereupon the JV Company has issued and allotted the JV Shares to DGCL and Uritas Capital. DGCL and Uritas Capital has settled the subscription price of the respective JV Shares by way of the Promissory Notes.

JOINT VENTURE PARTNERS' AGREEMENT

Pursuant to the Subscription Agreement, the JV Partners executed the Joint Venture Partners' Agreement on the date of the completion of the Subscription Agreement in order to govern the relationship of the JV Partners in the JV Company and the material terms are set out below.

Parties

- (1) DGCL as a JV Partner as well as a shareholder of the JV Company
- (2) Uritas Capital as the other JV Partner as well as a shareholder of the JV Company
- (3) the JV Company as the joint venture vehicle

Business scope

The JV Company shall solely engage in the business of trading of Hong Kong listed securities and such activities that are wholly incidental thereto.

Term

The Joint Venture Partners' Agreement shall become effective from the date of the execution thereof and shall remain in full force and effect as long as the JV Company continues to exist, unless earlier terminated pursuant to any other provisions of the Joint Venture Partners' Agreement.

Board composition

DGCL shall be entitled to nominate three directors to the board of directors of the JV Company and Unitas Capital shall be entitled to nominate two directors.

Profit sharing

The profit of the JV Company shall be shared by way of dividends between DGCL and Unitas Capital in proportion to their respective shareholdings in the JV Company.

Matters requiring JV Partners' unanimous consent

The following matters of the JV Company require consent in writing of all the JV Partners holding in aggregate 100% of voting rights of the JV Company:

- (a) any change of nature or scope of the business of the JV Company;
- (b) any change of the nomination procedures of a director of the JV Company;
- (c) any change of voting rights of the JV Partners of the JV Company;
- (d) any change of capital or other contributions made by the JV Partners of the JV Company;
- (e) any change of sharing of assets, liabilities, revenues, expenses or profit or loss of the JV Company; and
- (f) any entering into transactions by the JV Company which are not on an arm's length basis.

INFORMATION ON THE JOINT VENTURE PARTNER

Unitas Capital is a company incorporated in Cayman Islands and principally engaged in investment business. It is wholly owned by Mr. Andrew Liu (“Mr. Liu”), who is a very experienced and renowned investor. Mr. Liu is the chairman and founder of Unitas Capital Pte. Limited, a private equity firm with over US\$4 billion capital under management.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Unitas Capital and its ultimate beneficial owner are independent third parties and not connected to the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE JOINT VENTURE ARRANGEMENT

In the announcement made by the Company on 28 January 2016, the Company has advised the 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 become the principal business of the Company. To implement the Group’s plan, the Group has since then made an investment of HK\$150 million in a joint venture money lending business as announced on 26 February 2016 and used approximately HK\$484 million in investment of listed securities.

In order to continue to expand and develop the Group’s financial business, the Company agreed to cooperate with Unitas Capital to co-invest in the JV Company to carry out the business of trading of Hong Kong listed securities.

Mr. Liu is a very experienced investor and possesses extensive business networks in financial services industry. The Board believes that the introduction of Mr. Liu as a business partner to the Group would boost the image and foundation of the Company’s emerging financial business. Further, the Group can also be benefited from the joint venture with Unitas Capital as the capital injection from the JV Partner can strengthen the financial resources of the JV Company and enable it to capture more business opportunities.

The Board considers that the terms of the Subscription Agreement and the Joint Venture Arrangement are negotiated at arm’s length basis and on normal commercial terms and are fair and reasonable and that it is in the interest of the Company and the Shareholders as a whole to enter into the Subscription Agreement to undertake a joint venture business with Unitas Capital.

LISTING RULES IMPLICATIONS

As the Subscription Agreement falls within the exemption criteria specified under Rule 14.04(1)(f) of the Listing Rules, the Joint Venture Arrangement is not a notifiable transaction under Chapter 14 of the Listing Rules. The Board decided to publish this announcement in order to inform the Shareholders about the Group's business development in terms of the Joint Venture Arrangement, which is considered as inside information of the Company discloseable under Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	a day (other than Saturdays and Sundays) on which banks are open for business in Hong Kong
“Company”	Imagi International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 585)
“Company’s PN 1”	the one-week interest-free promissory note to be issued by the Company with principal amount of HK\$350 million in favour of the JV Company in partial settlement of the subscription price payable by DGCL under the Subscription Agreement;
“Company’s PN 2”	the one-month interest-free promissory note to be issued by the Company with principal amount of HK\$225 million in favour of the JV Company in settlement of the balance of the subscription price payable by DGCL under the Subscription Agreement;
“Completion”	completion of the transactions (including but not limited to the subscription of the JV Shares by the JV Partners) pursuant to and in accordance with the terms of the Subscription Agreement
“connected person”	has the meaning ascribed thereto under the Listing Rules

“DGCL”	Dai Gor Capital Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“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
“JV Partners”	DGCL and Unitas Capital, being the joint venture partners under the Subscription Agreement, and each a “JV Partner”
“JV Company”	Unimagi Investment Limited, a company incorporated in the British Virgin Islands with limited liability to serve as the joint venture company pursuant to the Subscription Agreement
“Joint Venture Arrangement”	the arrangement of setting up a joint venture between DGCL and Unitas Capital pursuant to the Subscription Agreement and the Joint Venture Partners’ Agreement in relation to the JV Company
“Joint Venture Partners’ Agreement”	the joint venture partners’ agreement entered into among DGCL, Unitas Capital and the JV Company on 8 June 2016 pursuant to the Subscription Agreement to, amongst other things, regulate their relationship with each other
“JV Share(s)”	the new 750 share(s) in respect of the JV Company to be allotted and issued by the JV Company to the JV Partners pursuant to the terms of the Subscription Agreement, of which 575 shares to the DGCL and 175 shares to Unitas Capital
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of 505,352,508 Shares of the Company as announced on 8 June 2016
“Promissory Notes”	the Company’s PN1, the Company’s PN 2 and the Unitas Capital’s PN

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.005 each in the issued share capital of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement entered into on 8 June 2016 between DGCL and Unitas Capital in relation to, amongst other things, the subscription of JV Shares of the JV Company
“US\$”	United States dollars
“Unitas Capital”	Unitas Capital Strategic Partners I Limited, a company incorporated in Cayman Islands
“Unitas Capital’s PN”	the one-week interest-free promissory note to be issued by Unitas Capital with principal amount of HK\$175 million in favour of the JV Company in full settlement of the subscription price payable by Unitas Capital under the Subscription Agreement;
“%”	percent

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

Hong Kong, 8 June 2016

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

Executive Directors:

Mr. Suen Yick Lun Philip
Mr. Wong Yat Fai
Mr. Chung Yuk Lun
Mr. Kitchell Osman Bin
Mr. Shimazaki Koji
Ms. Choi Ka Wing

Independent Non-executive Directors:

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