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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Imagi International Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**MAJOR TRANSACTION-  
DISPOSAL OF SALE SHARES OF THE TARGET COMPANY  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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A notice convening a special general meeting of Imagi International Holdings Limited (the “Company”) to be held at Unit 2401-2, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 19 April 2018 at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjourned meetings if you so wish.

Hong Kong, 29 March 2018

\* For identification purpose only

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## CONTENTS

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	<i>Pages</i>
<b>Definition</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Appendix I – Financial Information of the Group</b> .....	I-1
<b>Appendix II – General Information</b> .....	II-1
<b>Notice of SGM</b> .....	SGM-1

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## DEFINITION

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*In this circular, unless the context otherwise requires, the expressions below shall have the following meanings:*

“Agreement”	the sale and purchase agreement entered into between the Company as the vendor and the Purchaser as purchaser on 2 February 2018 in respect of the Disposal
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which bank generally are open for business in Hong Kong
“Company”	Imagi International Holdings Limited (Stock Code: 585), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares under the Agreement
“Completion Date”	the date on or before the fifth Business Day following the satisfaction of the Conditions or such other date as the parties may agree
“Conditions”	the conditions precedent of the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$150,000,000 payable by the Purchaser to the Vendor for the Disposal pursuant to the terms of the Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms of the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITION

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“Independent Third Party(ies)”	the third party(ies) independent of and not connected with the Company or any of its connected persons
“JV”	Joint Venture
“JV Agreement”	the Joint Venture Agreement dated 26 February 2016 executed between the Company and the Purchaser
“JV Partners Agreement”	the Joint Venture Partners’ Agreement dated 26 February 2016 executed among the Company, the Purchaser and the Target Company
“Latest Practicable Date”	26 March 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“Long Stop Date”	4 months from the date of Agreement or such other date as may be agreed by the parties in writing
“Purchaser”	Bob May Incorporated, a company incorporated in the British Virgin Islands with limited liability
“Sale Shares”	1,500,000 shares of the of the Target Company, representing 50% of the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) with par value of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rules

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## DEFINITION

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“Target Company”	Imagination Holding Limited, a company incorporated in the Republic of the Marshall Islands with limited liability
“Vendor”	the Company
“%”	per cent.

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LETTER FROM THE BOARD

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

*Executive Directors:*

Mr. Kitchell Osman Bin (*Acting Chairman*)  
Mr. Shimazaki Koji  
Ms. Choi Ka Wing

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

Dr. Santos Antonio Maria  
Mr. Miu Frank H.  
Ms. Liu Jianyi

*Head office and principal place  
of business in Hong Kong:*  
Suites 1107-1108, 11th Floor  
Champion Tower  
3 Garden Road, Central  
Hong Kong

29 March 2018

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION-  
DISPOSAL OF SALE SHARES OF THE TARGET COMPANY  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

On 2 February 2018 (after trading hours), the Company as a vendor and the Purchaser entered into the Agreement pursuant to which the Company has agreed to sell and the Purchaser has agreed to acquire the Sale Shares at a consideration of HK\$150,000,000.

As at the date of the Agreement, the Company holds the Sale Shares representing 50% interest in the Target Company. The Sale Shares are currently accounted for as an interest in a JV in the accounts of the Company. Upon Completion, the Company will cease to hold any beneficial interest in the Target Company.

\* *for identification purpose only*

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information in relation to, among other things, (i) further details of the Agreement and the Disposal; (ii) the financial information of the Group; and (iii) a notice convening the SGM at which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder.

### **THE AGREEMENT**

The principal terms of the Agreement are set out as below:

#### **Date**

2 February 2018

#### **Parties**

Vendor: the Company

Purchaser: Bob May Incorporated

As at the date of the Agreement, the Purchaser is a JV partner with the Company in the Target Company. The Company and the Purchaser each holds 50% in the Target Company. Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable enquiries and so far as the Directors are aware, the Purchaser is an Independent Third Party.

#### **Assets to be disposed**

Pursuant to the Agreement, amongst others, the Company has conditionally agreed to sell the Sale Shares, representing 50% of the total issued shares of the Target Company, to the Purchaser.

#### **Conditions precedent**

The sale and purchase of the Sale Shares shall be subject to and conditional upon the fulfilment and satisfaction of the Conditions as follows:

- (a) the approval by the Shareholder(s) in respect of the Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules; and
- (b) 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 Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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None of the Conditions can be waived. As at the Latest Practicable Date, the Company is not aware any approval is required from any government or regulatory authorities or third parties. Thus, only condition (a) has not been fulfilled as at the Latest Practicable Date and the Completion is expected to take place on or before the fifth Business Day after the Shareholders' approval at the SGM (i.e. 26 April 2018).

If the Conditions have not been fulfilled on or before the Long Stop Date for whatever reason, the Agreement shall cease and determine, and in such event, the Company shall fully refund the HK\$50,000,000 deposit to the Purchaser without interest within 5 Business Days of termination and thereafter neither party shall have any rights, obligations and liability towards each other thereunder save for any antecedent breaches of the terms thereof.

### **Completion of the Disposal**

Completion under the Agreement will take place on the Completion Date.

Upon Completion, the Purchaser will own 100% interest in the Target Company and the Company will cease to hold any beneficial interest in the Target Company.

### **Termination of the JV Agreement**

Pursuant to the Agreement, the JV Agreement and the JV Partners Agreement will be terminated upon Completion with all parties being released from their respective obligations thereunder.

### **Consideration**

The Consideration was agreed between the parties based on arm's length negotiation after taking into account and with reference to unaudited consolidated net asset value per share of the Target Company as at 31 January 2018, being the latest available unaudited consolidated management accounts of the Target Company. The Company has not conducted and does not intend to conduct valuation on the Target Company. The Company took into consideration that the assets of the Target Company comprise cash and bank balances and loan receivables (including loan principal and accrued interest receivables) in coming to the above decision. The Consideration is at a premium of approximately HK\$9,685,000 to the latest available unaudited consolidated net assets value of the Target Company as at 31 January 2018. The Consideration is also equivalent to the initial investment cost made by the Company in the Target Company upon set up of the JV. The Target Company made losses of approximately HK\$14,623,000 and approximately HK\$6,615,000 for its last two financial years ended 31 December 2016 and 2017 respectively. The Disposal allows the Company to free up its resources from the Target Company and to commence its own money lending business. In view of the above, the Directors (including the independent non-executive Directors) are of the opinion that the Consideration and the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



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## LETTER FROM THE BOARD

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The Consideration will be settled by the Purchaser by cashier orders to the Company in the following manner:

- (i) a deposit of HK\$50,000,000 has been paid by the Purchaser to the Company; and
- (ii) the remaining balance of HK\$100,000,000 shall be payable upon Completion.

### INFORMATION ON THE GROUP

The Group's principal business is to engage in investment business and integrated financial services business, computer graphic imaging ("CGI"), cultural and entertainment business. Currently, the Group's integrated financial services are comprised of securities investment and proprietary trading, brokerage services and money lending business. The Group conducted its short term proprietary trading business through Unimagi Investment Limited ("Unimagi"). To enhance the brokerage services business, on 28 February 2017, the Group acquired John & Wong Securities Company Limited ("John & Wong"). Besides providing securities brokerage services and margin financing services to clients, it is the intention of the management to use John & Wong as the flagship of the Company into other securities related businesses such as fund management, placement and underwriting services, corporate finance advisory services, investment advisory and asset management services etc.. In preparation of this, the Company had injected additional capital of HK\$100 million into John & Wong. Currently John & Wong had applied for Type 2, 4, 5 and 9 licences from the Securities and Futures Commission. For money lending business, in anticipation of the completion of the Disposal, the Group targets to establish such business fully under its management and control, details of which are further elaborated in section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL".

### INFORMATION ON THE TARGET COMPANY

The Target Company was formed on or about 26 February 2016 between the Company and the Purchaser, which together executed the JV Agreement on the aforementioned date. The terms of the JV Agreement, inter alia, stipulated that: (1) each partner would contribute HK\$150,000,000 to the JV and would each own a 50% shareholding in the Target Company; (2) the Target Company primarily engages in the business of provision of financings to clients, through its indirect wholly-owned subsidiary Simagi Finance Company Limited, a licensed money lender; and (3) the JV partners would jointly be responsible for the management of the JV and each would nominate one director to the Target Company. The equity contribution had been paid in full by both partners upon formation.

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## LETTER FROM THE BOARD

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Set out below is the unaudited consolidated financial information of the Target Company for the two financial years ended 31 December 2016 and 31 December 2017 prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2016 <i>HK\$'000</i> (unaudited)	For the year ended 31 December 2017 <i>HK\$'000</i> (unaudited)
Loss before tax	(14,623)	<b>(6,615)</b>
Loss after tax	(14,623)	<b>(6,615)</b>

The loss of the Target Company for 2016 was solely derived from an impairment of a single loan while the loss for 2017 was resulted from an impairment loss on an investment of the Target Company. For impairment on loan receivable in 2016, on 16 March 2016, Simagi Finance Company Limited (“Simagi Finance”), an indirect wholly-owned subsidiary of the Target Company, entered into a deed of assignment with an independent third party whereby Simagi Finance acquired a loan receivable of principal amount of HK\$30 million (the “Loan”) together with accrued interest of HK\$1,197,000 for a consideration of HK\$27,000,000. The debtor of the Loan was a subsidiary of Up Energy Development Group Limited (the “Listco”) (a company listed on the Stock Exchange, stock code 307) and the Loan was guaranteed by the Listco. Subsequently the trading of the shares of the Listco on the Stock Exchange was suspended and a winding petition had been filed against it in Bermuda. In view of the uncertainty with respect to the recoverability of the Loan, Simagi Finance decided to make impairment of approximately HK\$32,010,000 on the Loan. Such impairment was recognised in the consolidated financial statements of the Target Company for the year ended 31 December 2016. For impairment on investment in 2017, on 5 December 2016, the Target Company entered into a subscription agreement to subscribe certain shares in Genius Spring Limited (“Genius Spring”) which, prior to the said subscription, was an indirect wholly-owned subsidiary of China Touyun Tech Group Limited (a company listed on the Stock Exchange, stock code 1332). Genius Spring is an investment company whose assets are securities listed on the Stock Exchange. Subsequently Genius Spring suffered a loss of approximately HK\$73 million and the Target Company decided to write-down the investment and took an impairment of approximately HK\$20 million which was recognised in the consolidated financial statements of the Target Company for the six-month period ended 30 June 2017. Though it was not anticipated that the Target Company would have made consecutive loss in 2016 and 2017, risks of bad debts and loss in investment are something that cannot be completely eliminated in ordinary course of business and can be regarded as a cost in conducting business.

As at 31 January 2018, the unaudited consolidated net asset value of the Target Company was approximately HK\$280,630,000.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE PURCHASER

As at the Latest Practicable Date, the Purchaser is an investment holding company and is a joint venture partner with the Company in the Target Company and owns as to 50% in the Target Company. Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries and so far as the Directors are aware, Ms. Long Wei Betty (“Ms. Long”) is the ultimate beneficial owner of the Purchaser who is a Hong Kong businesswoman active in the area of investment. Ms. Long is holding the entire interest of the Purchaser. Ms. Long and the Purchaser are Independent Third Parties and not connected to the Company and its connected persons.

### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company has disclosed that one of its principal businesses going forward will be in the provision of an integrated financial services business. The Company believes that money lending will form an essential part of the said strategy and that it will be necessary for the Company to establish such business fully under its management and control. The Company has initiated the preparation in this. Although the JV Agreement does not have any non-competition clause, the money lending business to be established solely by the Company has the same business nature as the Target Company and they may have the same target group of potential customers and may compete business with each other. As such the Company may possibly be in direct competition with the JV under the Target Company and will pose potential problems on conflict of interest. The Company therefore believes that it will be advantageous to exit from the JV. Furthermore the JV had accumulated cumulative losses for the last two years of approximately HK\$21,238,000. The Disposal will allow the Company to disengage from the JV at a premium to the latest net asset value of the Target Company. The Company thus believes that the Disposal initiated by the Purchaser represents a good opportunity for the Company to realise and recover its investment in the JV and free up resources so as to concentrate on the Company’s own business and strategy. The participation in the JV has enabled the Company to accumulate the necessary experience to start its own money lending business.

The Directors, including the independent non-executive Directors, consider that the terms of the Agreement were entered into under normal commercial terms following arm’s length negotiations between the Company and the Purchaser and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### FINANCIAL IMPACT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Company originally subscribed the Sale Shares through the JV Agreement at a total cost of HK\$150,000,000 which was settled by cash. The investment was originally booked by the Company as HK\$150,000,000. Subsequently, HK\$9,684,984 losses were booked against the investment and as at 31 January 2018, the Sale Shares are on the books of the Company as to the amount of HK\$140,315,016.

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## LETTER FROM THE BOARD

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It is estimated that, upon Completion, the Company will not record an economic gain or loss on disposal as compared to the original acquisition cost on the JV Agreement but will recognise a profit of approximately HK\$9,685,000 as compared to its book value as at 31 January 2018. Such profit is estimated based on the difference between the Consideration for the Sale Shares of HK\$150,000,000 and 50% share of the book value of the Target Company as at 31 January 2018 of approximately HK\$280,630,000. Based on the above, it is expected that the Disposal would not have material impact on the consolidated statement of financial position of the Company.

The Company intends to use the whole of the proceeds from the Disposal to finance the money lending business which is fully under the control of the management of the Company. The full amount of the proceeds will be applied as the funding source of the newly acquired money lender company for granting loans or credit facilities to its clients from time.

At present, the Company does not have any intention to further dispose or downsize its existing business or conduct any further acquisition(s) other than on 21 March 2018 the Company acquired a dormant company with a money lenders licence, Longtop Enterprises Limited (“Longtop”), from an Independent Third Party at a consideration of HK\$50,000 and the acquisition has been completed on 22 March 2018. Longtop is a licensed money lender corporation with net assets of approximately HK\$28,000 as at 28 February 2018 and no active business. For the set-up of the operation arm of the new money lending business, the Company prefers the acquisition of an existing licensed money lender corporation than making a new money lender licence application because it is more cost and time effective as the consideration is only HK\$50,000 and it saves management time and efforts and also allows the new money lending business to commence immediately upon the Completion. All applicable percentage ratios in respect of the acquisition of Longtop are de minimis and fall below 5% and such acquisition did not include any securities consideration. Therefore, the acquisition of Longtop does not fall within any one of the classified transactions under 14.08 of Chapter 14 of the Listing Rules.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) in respect of the Disposal exceed(s) 25% but all are less than 75%, the transactions contemplated under the Agreement constitute a major transaction for the Company under Chapter 14 of the Listing Rules, which is subject to reporting, announcement and shareholders’ approval requirement.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Disposal at the SGM.

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## LETTER FROM THE BOARD

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### THE SGM

The SGM will be held by the Company for the Shareholders to consider, and if thought fit, pass resolution(s) by poll to approve the Agreement and the transactions contemplated thereunder. No Shareholders would be required to abstain from voting in favour of the resolution approving the Disposal at the SGM.

A notice of the SGM is set out on pages SGM-1 to SMG-2 of this circular and the SGM will be held at Unit 2401-2, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 19 April 2018 at 10:00 a.m. A proxy form for use at the SGM is enclosed herein. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire.

According to the Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the resolution put to the vote at the SGM will be taken by way of poll.

### RECOMMENDATION

The Board considers that the Agreement has been entered into on normal commercial terms after arm's length negotiation and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed ordinary resolution to approve the Agreement and the transactions contemplated thereunder at the SGM.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

**1. FINANCIAL INFORMATION**

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2014, 2015 and 2016 and the unaudited consolidated financial statement of the Group for the six months period ended 30 June 2017, together with the relevant notes thereto are disclosed in the following documents:

- interim report of Group for the six months period ended 30 June 2017 published on 15 September 2017 (pages 26 to 80):  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0915/LTN20170915914.pdf>
- annual report of the Group for the year ended 31 December 2016 published on 21 April 2017 (pages 83 to 203):  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0421/LTN201704211125.pdf>
- annual report of the Group for the year ended 31 December 2015 published on 28 April 2016 (pages 38 to 95):  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN20160428863.pdf>
- annual report of the Group for the year ended 31 December 2014 published on 14 April 2015 (pages 27 to 83):  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0414/LTN20150414596.pdf>

**2. INDEBTEDNESS**

At the close of business on 28 February 2018, save as otherwise disclosed herein, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors of the Company are of the opinion that after taking into account the financial resources available to the Group including our internally generated funds, the Group has sufficient working capital to satisfy its requirement for at least the next twelve months following the date of this circular.

The Company is not aware of any extraordinary or exceptional item which may materially affect the working capital sufficiency of the Group.

**4. MATERIAL ADVERSE CHANGE**

As announced by the Company on 23 March 2018, based on preliminary announcement of results for the year ended 31 December 2017 (the “Year”), the net loss before tax for the Year was approximately HK\$452 million compared to the net loss before tax of approximately HK\$418 million for the last year. The net loss for the Year was mainly due to losses from changes in fair value of financial assets classified as held-for-trading investments of approximately HK\$324 million (2016: approximately HK\$91 million); impairment loss on available-for-sale investments of approximately HK\$65 million (2016: approximately HK\$79 million); impairment loss on goodwill of approximately HK\$6 million (2016: Nil); impairment loss on intangible assets of approximately HK\$2 million (2016: Nil) and net fair value loss on convertible notes receivable (net of gain on derecognition of day one gain on convertible notes) of approximately HK\$22 million (2016: net fair value gain on convertible notes receivable of approximately HK\$18 million).

As at the Latest Practicable Date, save as aforesaid, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, the date to which the latest published audited accounts of the Company were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

After going through a thorough review of the Company’s business and operations, the Company had begun and completed an overhaul and rationalization of its assets and operations. The Company had decided to focus on one of its core business being that of the integrated financial services. The major segments of the Company’s business as the Company looks to the future as follows:

**CGI Business**

The management of the Company does not see immediate improving prospects for the CGI business. After considering costs and benefits, the Company will devote minimal resources to maintain the business until there are substantial changes in potential and prospects for the business. Accordingly, the Company had terminated its efforts on the production side but will retain efforts on the distribution side of the CGI business until there is significant improvement in sentiment for the business.

**Integrated Financial Services Businesses**

As aforementioned, the Company intended to focus and engage into full and integrated financial services businesses comprising of securities brokerage services, placing and underwriting services, corporate finance advisory services, investment advisory and asset management services, margin financing and money lending business, securities investments and proprietary trading.

The Company had decided to look for future expansions in the money lending business by conducting money lending of its own. Preparation for a new company with the requisite license had been completed. The Company believes the outlook and prospects for the financial services business, including that for the money lending business, for Hong Kong are good. As we believe that money lending will likely track and mirror that of the total loan growth and expansion in the banking industry. According to data from the Hong Kong Monetary Authority loan growth surged to 21.7% year-on-year (“y-o-y”) in November 2017 from 15.9% y-o-y in the previous month. In a BMI Research Report dated 10 January 2018, it is predicted Bank Loan growth will be 18% in 2018. In a KPMG Report on 2018 Hong Kong Banking Outlook, yields and return on bank loans is expected to rise as a result of escalating rates in US interest rate. This view in rates and yields is also echoed by a Hang Seng Bank research for the first quarter of 2018. Furthermore the money lending business in an integral part of the financial service sector and thus the money lending business will likely expand in tandem with the overall financial market including, inter alia, the Hong Kong stock market. In many research reports, such as that from Hang Seng and GF Securities (Hong Kong) Brokerage the outlook for the Hong Kong equities market appears bright. With the positive outlook of the general financial market and banking industry, the market of money lending business is also expected to rise.

The Company had been entrusted with the management of the Target Company from its establishment till now. Through the management of the Target Company for the last two years, the Company has gained the necessary expertise and experience to run its own money lending business. Although since commencement of business under JV in late February 2016 to the Latest Practicable Date, the Target Company incurred losses consecutively in two financial years 2016 and 2017, such losses were as a result of (i) written-off of loan receivable for only one case in 2016 (whereas throughout the period there was a total of 24 loans granted by Simagi Finance with aggregate principals of HK\$1,575 million since its establishment in February 2016) and (ii) impairment on investment in 2017. The new money lender will undertake solely money lending and such the circumstances of the 2017 impairment will not recur. The General Manager of the Company had over 15 years’ working experience in banks including Bank of America, Standard Chartered Bank, Bankers trust (now Part of Deutsche Bank), NMB Bank (now ING Barings). The Company will also recruit further senior management to run the new money lender as and when the circumstances warrant such addition of manpower. Furthermore with the acquisition and expansion of John and Wong, there are symbiotic effects such as cross referring of potential clients etc. which will assist in the Company to build up the money lending business. In view of the above, the Company is confident that the money lending business will in future provide consistent and significant returns to the Group.



The Company anticipates that the initial funding for the new money lender will be in the range of HK\$150 – 200 million. The funding will principally be derived from the proceeds from the Disposal with the remaining, if any, from internal resources. The total investment cost and/or capital commitment has yet to be determined by the Company. The Company aim that the money lender will be able to source sufficient targeted clients and fully utilise its initial funding sources to form a loan portfolio of about HK\$150,000,000 within the first year. After that, the money lender will fund its further business by a combination of repayments from borrowers and debt financing and/or further capital injection from the Company. The new money lender will target substantial corporations (including listed companies) as well as wealthy individuals as its main clients. The potential customers will be sourced from the Company’s business partners and previous customers, from its brokerage operations as well as referrals from the Company’s business partners and connections. The expected rate of return is between 8 to 15 percent per annum. The new money lender is intended to be located within the Company’s office.

In preparation for further expansion in brokerage and other related corporate finance services, on 12 May 2017, the Company had made HK\$100 million further capital injection into John & Wong Securities Company Limited (“John & Wong”), an indirect wholly-owned subsidiary of the Company, and also has recruited and planned to recruit additional personnel to undertake additional services and businesses. As at the Latest Practicable Date, the Company does not have any intention to make further capital injection into John & Wong. John & Wong is in the process of applying for additional licences including Type 2, 4, 5 and 9 from the Securities and Futures Commission of Hong Kong. The management of the Company is confident the stride to full-fledged financial services will begin in the foreseeable future and also confident John & Wong will become significant contributor to the Group’s operations and profits once the Company begins to move available in-house proprietary trading business to John & Wong as well as the expansion of John & Wong connections through the Company’s assistance and introduction.

The management of the Company has been disappointed with the performance to date of the short term proprietary trading business and is continually looking for ways and means to enhance the business future performance including the addition of management expertise. The Company remains confident the business will turn around with new positive macro factors such as the “One Belt One Road”, the “Shanghai Connect” and the “Shenzhen Connect” just to name a few.

The Company is in a healthy financial position especially after the Disposal. However there may be the need for capital to further develop its integrated financial services businesses but no firm plans, other than developing its own money lending business, have been made as at this time. As at the Latest Practicable Date, the Company does not have any plan to conduct equity fundraising. However the Company will review the funding needs of its various business segments regularly and the means to provide the needed funding.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange, are as follows:

### Directors' interests or short positions in Shares and in options to subscribe for Shares

#### *Long positions in Shares and underlying Shares of the Company*

Name of Directors	Interest in Shares			Total interest in Shares	Interest in underlying Shares pursuant to share options	Aggregate interest	Approximate percentage of issued share capital of the Company as at the Latest Practicable Date
	Personal interest	Family interest	Corporate interest				
Kitchell Osman Bin	975,000	Nil	Nil	975,000	Nil	975,000	0.14%
Choi Ka Wing	600,000	Nil	Nil	600,000	Nil	600,000	0.09%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were taken or deemed to have under such provisions of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules.

### Substantial Shareholders

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Board, no persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or, had any options in respect of such capital:

#### *Long positions in Shares of the Company*

<b>Name of substantial Shareholder</b>	<b>Capacity/Nature of interest</b>	<b>Aggregate interest</b>	<b>Approximate Percentage of the issued share capital as at the Latest Practicable Date</b>
Enerchina Holdings Limited	Interest of controlled corporation	136,354,200	19.78%

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

**4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2017, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of, by or leased to any member of the Company or are proposed to be acquired or disposed of, by or leased to any member of the Company.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Company.

**5. MATERIAL CONTRACTS**

As at the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

- (a) the Agreement;
- (b) the JV Agreement;
- (c) the JV Partners Agreement;
- (d) a share swap agreement dated 16 March 2017 entered into between the Company and Enerchina Holdings Limited (“Enerchina”) (Stock Code: 622), in relation to the issue of the 113,400,000 new shares by the Company to Enerchina or its nominee in exchange for the 378,000,000 new shares of Enerchina;
- (e) a memorandum of agreement entered into between High Gear Holdings Limited (“High Gear”), an indirect wholly-owned subsidiary of the Company as the vendor, Mr. Waldron as the purchaser and Asia Yachting Limited as the broker on 21 February 2017 in respect of a disposal of a motor yacht held by High Gear at a consideration of US\$4,200,000;

- (f) a sale and purchase agreement entered into between Mr. Wong Kwong Ho, Mr. Wong Wai Kiu and Ms. Wong Yuen Li (collectively as the “Vendors”) and the Company on 30 August 2016 in respect of the acquisition of the entire issued share capital of John & Wong Securities Company Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity, by the Company (or its nominee) from the Vendors at a consideration in sum of HK\$18.4 million, which was partly settled by cash for the amount of HK\$6.4 million and the remaining consideration was settled by the Company by issuance of 60,000,000 consideration shares of the Company at the issue price of HK\$0.20;
- (g) a sale and purchase agreement entered into between Sky Field Holdings Limited, a direct wholly-owned subsidiary of the Company (as the vendor) and Trillion Grand Corporate Company Limited (as the purchaser), a company listed on the Growth Enterprise Market of the Stock Exchange stock code: 8103, on 8 August 2016 in respect of the disposal of the entire issued share capital of the Cicero Capital Ltd., an indirect wholly-owned subsidiary of the Company at a consideration of HK\$128 million;
- (h) an underwriting agreement dated 4 July 2016 entered into between the Company and Win Wind Securities Limited as the underwriter in relation to the underwriting arrangement in respect of the open offer of the Company on the basis of one offer share for every two shares in issue and held on the record date (i.e. 28 July 2016);
- (i) a shares buy-back agreement dated 30 June 2016 entered into between Dai Gor Capital Ltd. (“Dai Gor”), a wholly-owned subsidiary of the Company (as purchaser) and Satinu Capital Limited (as vendor) in respect of 175 shares, representing approximately 23.3% of the issued share capital of Unimagi Investment Limited (“Unimagi”) at the consideration of HK\$175 million;
- (j) a subscription agreement entered into on 8 June 2016 between Dai Gor, Satinu Capital Limited and Unimagi in relation to, amongst other things, the subscription of shares in Unimagi; and
- (k) a placing agreement dated 8 June 2016 entered into between the Company and Enhanced Securities Limited in respect placing of 505,352,508 new shares on fully underwritten basis at a price of HK\$0.23 per placing share.

**6. LITIGATION AND POSSIBLE LEGAL ACTION**

As at the Latest Practicable Date, so far as is known to the Board, no member of the Group is engaged in any litigation or claim of material importance and no litigation or claim of material importance is pending or threatened by or against any member of the Group.

**7. COMPETING BUSINESS INTEREST**

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest in any business which competes or likely to compete, either directly or indirectly, with the business of the Group.

**8. MISCELLANEOUS**

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is at Suites 1107-1108, 11th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong.
- (c) The secretary of the Company is Ms. Liu Tsui Fong, who is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, an association member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.
- (d) The Company's branch share registrar in Hong Kong is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Suites 1107-1108, 11th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and Bye-laws of the Company;
- (b) each of the material contracts as set out under the paragraph headed “Material contracts” in this appendix;
- (c) the annual reports of the Company for the three years ended 31 December 2014, 2015 and 2016 and the interim report of the Company for the six-month period ended 30 June 2017; and
- (d) a copy of this circular.

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## NOTICE OF SGM

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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)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the special general meeting of Imagi International Holdings Limited (the “Company”) will be held at Unit 2401-2, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 19 April 2018 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the Agreement (defined in the circular of the Company dated 29 March 2018) (a copy of which marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification), and all transactions contemplated thereunder and in connection therewith and any other ancillary documents and all transactions contemplated thereunder, be and are hereby approved, confirmed and/or ratified; and
- (b) the directors of the Company be and are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, deeds, agreements and instruments and do all such acts, matters and things and take all such steps as they may in their discretion consider necessary, expedient or desirable to implement and/or to give effect to the Agreement (and the transactions contemplated thereunder) as they may in their discretion consider to be desirable and in the interests of the Company.”

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

Hong Kong, 29 March 2018

\* *for identification purpose only*



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## NOTICE OF SGM

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head office and principal place*

*of business in Hong Kong:*  
Suites 1107-1108, 11<sup>th</sup> Floor  
Champion Tower, 3 Garden Road  
Central, Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the special general meeting may appoint one or more than one proxy to attend and vote on his behalf. The proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares in respect of which each such proxy is appointed.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited to Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
4. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the form of proxy. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish, but the form of proxy will in which case be deemed to be revoked.

As at the date of this notice, 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