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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO DEEMED DISPOSAL OF  
THE TARGET COMPANY**

**THE DEEMED DISPOSAL**

The Board announces that on 12 November 2020 (after trading hours), the Target Company (an indirect 97.56%-owned subsidiary of the Company) and the Subscriber entered into the Subscription Agreement pursuant to which, subject to the fulfillment of the Conditions, the Subscriber has agreed to subscribe for and the Target Company has agreed to allot and issue the Subscription Shares at the subscription price of HK\$1.38 per Subscription Share. The Consideration for the Deemed Disposal of HK\$59,340,000 will be settled by the Subscriber in cash upon Completion. Upon Completion, when aggregated with 12,500,000 subscription shares issued and allotted under the Previous Deemed Disposal, the Subscriber will hold a total of 55,500,000 shares of the Target Company, representing approximately 9.99% of the enlarged share capital of the Target Company while the Company will hold approximately 90.01% of the enlarged share capital of the Target Company. The Target Company remain an indirect non-wholly owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As certain applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal, when aggregated with the Previous Deemed Disposal which were conducted within 12 months of the Deemed Disposal, exceed 5% but all are less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

## **THE DEEMED DISPOSAL**

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## **THE SUBSCRIPTION AGREEMENT**

### **Date**

12 November 2020 (after trading hours)

### **Parties**

- (1) the Subscriber; and
- (2) the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **The Deemed Disposal**

Pursuant to the Subscription Agreement, the Target Company conditionally agrees to issue and the Subscriber conditionally agrees to subscribe 43,000,000 subscription shares of the Target Company (which, together with the subscription shares issued and allotted pursuant to the Previous Deemed Disposal, representing approximately 9.99% of the enlarged share capital of the Target Company) at the subscription price of HK\$1.38 per Subscription Share, for the Consideration of HK\$59,340,000.

## **Consideration**

The Consideration will be HK\$59,340,000. The subscription price per Subscription Share of HK\$1.38 and the Consideration were determined and agreed between the parties to the Subscription Agreement after arm's length negotiations and taking into account the net asset value of the Target Group and the financial performance and position of the Target Company.

Upon fulfillment of the Conditions, the Subscriber shall pay the Consideration, being HK\$59,340,000 in cash to the Target Company upon Completion.

## **Conditions**

The Completion is conditional upon:

- (a) the Subscriber having conducted and completed due diligence on all business, assets and liabilities, legal and financial matter in respect of the Target Company and all such other matters as deemed necessary to its reasonable satisfaction;
- (b) the directors of the Target Company having been duly authorised by its shareholders to issue and allotment of the Subscription Shares in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
- (c) all necessary approvals from the relevant governmental or regulatory authorities of either the Target Company or the Subscriber for the consummation of the transactions contemplated under the Subscription Agreement having been obtained; and
- (d) all the warranties given by the Target Company remaining true and accurate in all respects at all times up to Completion.

If the Conditions have not been fulfilled within one month from the date of the Subscription Agreement (or such later date as may be agreed in writing between the Target Company and the Subscriber) ("**Long Stop Date**"), the Subscription Agreement shall lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof.

## **Completion**

Completion shall take place at or before 5:00 p.m. (Hong Kong time) on or before the second Business Day after the satisfaction of all the Conditions (or such other date as the Subscriber and the Target Company may agree in writing).

## INFORMATION OF THE PARTIES

### The Company and the Target Group

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group are principally engaged in investment holdings, integrated financial services, computer graphic imaging and entertainment business. The integrated financial services were comprised of securities investments and proprietary trading, the provision of securities brokerage services, margin financing services and money lending services.

The Target Company is a company incorporated in Hong Kong with limited liability and is an indirect non-wholly-owned subsidiary of the Company. The Target Group principally engages in the business of securities brokerage services and securities investment. The Target Company is a registered institution with SFC licences to carry on business activities in Dealing in Securities (Type 1 licence), Dealing in Futures Contracts (Type 2 licence), Advising on Securities (Type 4 licence), Advising on Futures Contracts (Type 5 licence) and Asset Management (Type 9 licence) in Hong Kong.

As at the date of this announcement, the Company and the Subscriber owns 97.56% and 2.44% shareholding of the Target Company respectively. The existing 2.44% shareholding held by the Subscriber in the Target Company were acquired under the Previous Deemed Disposal.

Set out below is the extract of the unaudited financial information of the Target Group for the 9 months period ended 30 September 2020 and the corresponding unaudited comparative financial information for the two financial years ended 31 December 2018 and 31 December 2019 for illustrative purpose:

	<b>For 9 months period ended 30 September 2020</b>	<b>For the year ended 31 December</b>	
	(unaudited)	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(Loss) before tax	159,017	(93,490)	(107,049)
Profit/(Loss) after tax	159,017	(93,490)	(107,049)

As at 30 September 2020, the unaudited consolidated net asset value of the Target Group was approximately HK\$782 million and the net asset value per share of the Target Company was approximately HK\$1.53.

Upon Completion, the Company will hold approximately 90.01% of the enlarged share capital of the Target Company and the Target Company will remain a non-wholly owned subsidiary of the Company.

### **The Subscriber**

The Subscriber is a direct wholly-owned subsidiary of China Ever Grand Financial Leasing Group Co., Ltd. (“China Ever Grand”) the shares of China Ever Grand are listed on the Main Board of the Stock Exchange (stock code: 379). The group of China Ever Grand is principally engaged in the provision of finance lease and related consulting services in the PRC, the trading of equity securities, investment in property, food additives business, investment holding, money lending business, production and/or trading of daily necessities, medical and healthcare products.

### **REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL**

As the integrated financial services business is one of the principal core business of the Company, the Company has been providing extensive resources for the Target Group to develop its businesses including but not limited to providing new capital and recruiting human resources. It has been the stated intention of the Company to look for strategic partners to further grow the business and this subscription is fully in line with the aforementioned strategy.

The Deemed Disposal will generate HK\$59,340,000 in new capital for the Target Company to further strengthen its capital base and financial resources.

The Board considers that the terms of the Subscription Agreement 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 for the Target Company to issue the Subscription Shares to the Subscriber pursuant to the Subscription Agreement.

### **FINANCIAL IMPACTS OF THE DEEMED DISPOSAL AND INTENDED USE OF THE PROCEEDS**

Upon Completion, the Target Company shall remain an indirect non-wholly owned subsidiary of the Company and the financial results, assets and liabilities of the Target Group remain to be consolidated into the financial statements of the Group.

The Board intends to apply the proceeds from the Deemed Disposal towards development of the Target Company’s integrated financial services business.

## LISTING RULES IMPLICATIONS

As certain applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal, when aggregated with the Previous Deemed Disposal which were conducted within 12 months of the Deemed Disposal, exceed 5% but all are less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any other public holiday) on which banks in Hong Kong are generally open for settlement business
“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)
“Completion”	completion of the Deemed Disposal pursuant to the Subscription Agreement
“Conditions”	the conditions precedent as set out in the Subscription Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Deemed Disposal, being HK\$59,340,000
“Deemed Disposal”	the deemed disposal of the shareholding in the Target Company through the issuance of the Subscription Shares to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Deemed Disposal”	the deemed disposal of 12,500,000 shares of the Target Company (representing 2.44% shareholding in the Target Company) issued and allotted to the Subscriber pursuant to a subscription agreement dated 26 August 2020 made between the Subscriber and the Target Company
“SFC”	Securities and Futures Commission
“Shareholder(s)”	the holder of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Elegant Basic Investments Limited, a company incorporated in the British Virgin Islands with limited liability with Company Number 1765702 and registered office situate at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
“Subscription Agreement”	the subscription agreement dated 12 November 2020 entered into between the Subscriber and the Target Company in relation to the Deemed Disposal
“Subscription Share(s)”	the 43,000,000 ordinary share(s) of the Target Company, representing approximately 7.74% of the enlarged share capital of the Target Company, to be allotted and issued by the Target Company to the Subscriber pursuant to the Subscription Agreement
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Target Company”	Imagi Brokerage Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company

“Target Group”	the Target Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 12 November 2020

*At the date of this announcement, 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  
Mr. Chan Hak Kan