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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF LISTED SECURITIES

DISCLOSABLE TRANSACTION – THE DISPOSAL

The Board announces that on 4 October 2021, the Vendor, an indirect 90.01%-owned subsidiary of the Company, disposed of 3,000,000 Everg Vehicle Shares (representing approximately 0.03% of the issued shares of Everg Vehicle as at the date of this announcement) on the open market at an average price of approximately HK\$3.84 per Everg Vehicle Share for an aggregate consideration of approximately HK\$11.52 million (exclusive of transaction costs). Upon completion of the Disposal, the Company did not hold any Everg Vehicle Share.

LISTING RULES IMPLICATIONS

When aggregated with the Previous Disposals which were conducted in October 2020 (within 12 months of the Disposal), as certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but all of them are less than 25%, the Disposal, aggregated with the Previous Disposals, constitute a discloseable transaction of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

* *for identification purpose only*

THE DISPOSAL

The Board announces that on 4 October 2021, the Vendor, an indirect 90.01%-owned subsidiary of the Company, disposed of 3,000,000 Everg Vehicle Shares (representing approximately 0.03% of the issued shares of Everg Vehicle as at the date of this announcement) on the open market at an average price of approximately HK\$3.84 per Everg Vehicle Share for an aggregate consideration of approximately HK\$11.52 million (exclusive of transaction costs). Upon completion of the Disposal, the Group did not hold any Everg Vehicle Share.

Reference is also made to the announcements of the Company dated 28 October 2020 and 29 October 2020 in relation to the Previous Disposals, when aggregated with the Previous Disposals which were conducted in October 2020 (within 12 months of the Disposal) the Group has disposed 10,000,000 Everg Vehicle Shares in total within 12 months up to the date of this announcement and the total net proceeds from the Previous Disposals and the Disposal amounted to approximately HK\$162.14 million as compared to the related investments cost of approximately HK\$90.8 million.

As the Disposal were conducted on the open market through the Stock Exchange, the Company is not aware of the identities of the purchasers of the Everg Vehicle Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the purchasers of the Everg Vehicle Shares and their beneficial owner(s) are independent third parties.

CONSIDERATION

The aggregate gross sale proceeds from the Disposal are approximately HK\$11.52 million (exclusive of transaction costs), which are receivable in cash on settlement on 6 October 2021. The consideration for the Disposal represented the prevailing market price of the Everg Vehicle Shares at the time of the Disposal.

USE OF THE PROCEEDS

The Board intends to apply the net proceeds from the Disposal amounted to approximately HK\$11.47 million to finance the business development of the integrated financial services of the Group.

INFORMATION OF EVERG VEHICLE

Everg Vehicle is a company incorporated in Hong Kong with limited liability. The principal activities of Everg Vehicle and its subsidiaries include technology research and development and manufacturing of, and sales services in respect of new energy vehicles, as well as health management businesses including "Internet+" community health management, international hospitals, elderly care and rehabilitation.

Set out below are the key figures of Everg Vehicle for the two financial years ended 31 December 2019 and 2020 extracted from its 2020 annual report:

	For the year ended	
	31 December	
	2020	2019
	(audited)	(audited)
	RMB'000	RMB'000
Revenue	15,486,625	5,635,559
Loss before income tax	7,395,263	4,526,336
Loss after income tax attributable to owners	7,394,075	4,426,307

Based on Everg Vehicle's 2021 interim report, the unaudited consolidated net asset value of Everg Vehicle was RMB12,076 million as at 30 June 2021.

INFORMATION OF THE GROUP AND THE COMPANY

The Company is an investment holding company and its subsidiaries are principally engaged in integrated financial services, investment holding, computer graphic imaging and entertainment business. The integrated financial services comprised of securities investments and proprietary trading, the provision of securities brokerage services, margin financing service and money lending services.

REASONS FOR AND FINANCIAL IMPACT OF THE DISPOSAL

The Directors are cautious about the recent volatile trading price and volume fluctuations of the Everg Vehicle Shares and are concerned about the recent development of Everg Vehicle. In late September 2021, Everg Vehicle terminated its proposal to issue RMB shares shortly after Everg Vehicle announced, among other material adverse updates, "*the Group is encountering serious shortage of funds*". The Board considered that Everg Vehicle has not yet made complete disclosure of further misfeasance, misconducts, or indeed inappropriate corporate behaviours by Everg Vehicle.

In view of above, the Directors consider that the Disposal enable the Group to cut losses and to solidify the financial and cash position of the Group to re-allocate its resources in line with the Group's business development. Therefore, the Directors consider that the Disposal are fair, proportionate and reasonable and in the interest of the Company and its Shareholders as a whole.

As a result of the Disposal, the total revenue is expected to reduce by approximately HK\$79.1 million for the year ending 31 December 2021 and the Group is likely to experience a loss for the year ending 31 December 2021. Such financial effects of the Disposal are subject to audit adjustments (if any).

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of Directors
“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)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Vendor of 3,000,000 Everg Vehicle Shares on the open market through the Stock Exchange at an average unit price of approximately HK\$3.84 for an aggregate consideration of approximately HK\$11.5 million (exclusive of transaction costs) on 4 October 2021
“Everg Vehicle”	China Evergrande New Energy Vehicle Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 708)
“Everg Vehicle Share(s)”	the ordinary share(s) of Everg Vehicle
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	the third party(ies) independent from the Company and its connected person(s) (has the meaning as ascribed thereto under the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People Republic of China
“Previous Disposals”	the disposal of an aggregate of 7,000,000 Everg Vehicle Shares on the open market through the Stock Exchange for the aggregate consideration of approximately HK\$151.23 million (exclusive of transaction costs) on 28 October 2020 and 29 October 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Vendor”	Imagi Investments (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect 90.01%-owned subsidiary of the Company
“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, 4 October 2021

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