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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  
IN RELATION TO DEEMED DISPOSAL OF  
EQUITY INTEREST IN IMAGI FIN GROUP LIMITED**

**THE DEEMED DISPOSAL**

The Board announces that on 20 June 2022 (after trading hours), IFGL (a direct wholly-owned subsidiary of the Company) and the Subscriber entered into the Subscription Agreement pursuant to which, subject to the fulfillment of the Condition, the Subscriber has agreed to subscribe for and IFGL has agreed to allot and issue the Subscription Shares at the subscription price of approximately HK\$82,090 per Subscription Share. The Consideration for the Subscription of HK\$55,000,000 will be settled by the Subscriber in cash upon Completion. Upon Completion, the Subscriber will hold 670 shares of IFGL, representing approximately 6.28% of the enlarged share capital of IFGL while the Company will hold approximately 93.72% of the enlarged share capital of IFGL.

**LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal exceeds 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.

\* *For identification only*

## **THE DEEMED DISPOSAL**

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## **THE SUBSCRIPTION AGREEMENT**

### **Date**

20 June 2022

### **Parties**

- (1) the Subscriber; and
- (2) IFGL.

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

### **The Deemed Disposal**

Pursuant to the Subscription Agreement, IFGL conditionally agrees to issue and the Subscriber conditionally agrees to subscribe 670 subscription shares of IFGL (representing approximately 6.28% of the enlarged share capital of IFGL) at the subscription price of approximately HK\$82,090 per Subscription Share, for the Consideration of HK\$55,000,000.

## **Consideration**

The Consideration of HK\$55,000,000 was determined and agreed between the parties to the Subscription Agreement after arm's length negotiations and taking into account the financial performance and positions of the IFGL, particularly its net asset value as at 31 May 2022.

Upon Completion, the Subscriber will pay the Consideration in cash to IFGL.

## **Condition precedent**

The Completion is conditional upon the Subscriber having conducted and completed due diligence on all business, assets and liabilities, legal and financial matter in respect of IFGL Group and all such other matters as deemed necessary to its reasonable satisfaction.

If the Condition has not been fulfilled within one months from the date of the Subscription Agreement (or such later date as may be agreed in writing between IFGL and the Subscriber), 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**

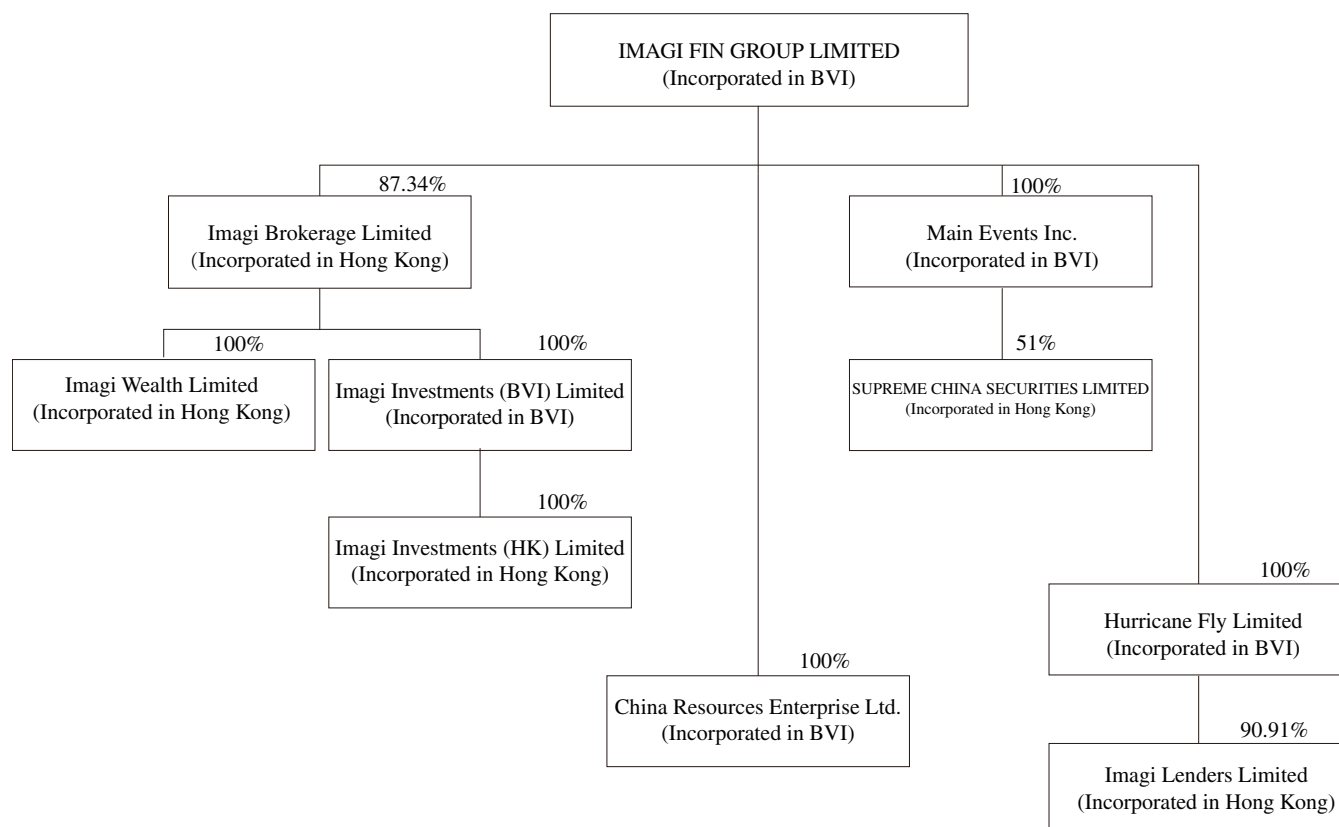
Completion shall take place within three (3) Business Day after the satisfaction of the Condition (or such other date as IFGL and the Subscriber may agree in writing).

## **INFORMATION OF THE IFGL GROUP**

### **Background information**

IFGL is an investment holding company incorporated in BVI with limited liability. IFGL, through its subsidiaries, is principally engaged in the provision of integrated financial services, including but not limited to (i) securities brokerage and related services; (ii) margin financing; (iii) asset management; (iv) money lending; and (v) securities investments and proprietary trading (collectively, the “**Integrated Financial Services**”).

The group chart of the IFGL Group as at the date of this announcement is set out below:



**(i) Imagi Brokerage Group**

Imagi Brokerage is a company incorporated in Hong Kong with limited liability and is owned as to approximately 87.34% by IFGL. The Imagi Brokerage Group is principally engaged in the provision of a wide variety of financial services (including but not limited to securities brokerage, margin financing, asset management services) and securities investment.

Imagi Brokerage is a registered institution with SFC licences to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Imagi Wealth Limited and Imagi Investments (BVI) Limited, being the direct wholly-owned subsidiaries of Imagi Brokerage, are principally engaged in securities investment while Imagi Investments (HK) Limited, being an indirect wholly-owned subsidiary of Imagi Brokerage, is an inactive company.

**(ii) *Main Events Group***

Main Events Inc. is an investment holding company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of IFGL. The principal asset of Main Events Inc. is the investment of 51% equity interest in Supreme China acquired on 27 May 2022.

Supreme China is licensed with SFC to carry out Type 1 (dealing in securities) regulated activity under the SFO. It is principally engaged in the provision of securities brokerage, margin financing, underwriting and placing services in Hong Kong.

**(iii) *Hurricane Fly Group***

Hurricane Fly Limited is an investment holding company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of IFGL.

Imagi Lenders Limited is owned as to approximately 90.91% by Hurricane Fly Limited and is a licensed money lender being governed under the Money Lenders Ordinance (Chapter 163 of Laws of Hong Kong) to conduct money lending business in Hong Kong.

**(iv) *China Resources Enterprise Ltd.***

China Resources Enterprise Ltd. is an investment holding company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of IFGL. Its principal asset is the equity investment of approximately 23.08% shareholding in Hope Capital Limited, which holds 100% shareholding of Hope Securities Limited. Each of Hope Capital Limited and Hope Securities Limited is an associate of the Company.

Hope Securities Limited is licensed with SFC to carry out regulated activities in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) under SFO.

## Financial Information

The extract of the unaudited financial information of the IFGL Group for the two financial years ended 31 December 2020 and 2021 is set out below:

	For the year ended 31 December	
	2021 (unaudited) <i>HK\$'000</i>	2020 (unaudited) <i>HK\$'000</i>
Profit/(Loss) before tax	(25,161)	251,835
Profit/(Loss) after tax	(27,472)	248,836

The loss recorded by the IFGL Group for the year ended 31 December 2021 was mainly due to the net realised loss on sale of securities of approximately HK\$86 million.

Supreme China was acquired by the IFGL Group subsequent to 31 December 2021 and therefore its financial results are not reflected in the financial information of the IFGL Group disclosed above. In this respect, the financial information of Supreme China for the two financial years ended 31 March 2021 and 2022 is set out separately below:

	For the year ended 31 March	
	2022 (unaudited) <i>HK\$'000</i>	2021 (audited) <i>HK\$'000</i>
(Loss) before tax	(6,302)	(2,640)
(Loss) after tax	(6,302)	(2,804)

As at 31 May 2022, the unaudited consolidated net asset value of the IFGL Group (including Supreme China) was approximately HK\$815 million. Based on 10,000 issued shares of IFGL, the net asset value per share of IFGL was approximately HK\$81,500.

As at the date of this announcement, the Company owns the entire equity interest of IFGL. Upon Completion, the Company and the Subscriber will hold approximately 93.72% and 6.28% of the enlarged share capital of IFGL respectively. Each member of the IFGL Group will become or remain a non-wholly owned subsidiary of the Company.

## **INFORMATION OF THE SUBSCRIBER**

The Subscriber is an indirect wholly-owned subsidiary of CST Group Limited (“CST”), the shares of CST are listed on the Main Board of the Stock Exchange (stock code: 985). CST and its subsidiaries are principally engaged in (i) exploration, development and mining of mineral resources; (ii) investment in financial instruments; (iii) property investment; and (iv) money lending.

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

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in the Integrated Financial Services, investment holdings, computer graphic imaging business and entertainment business.

As the Integrated Financial Services is one of the core businesses of the Company, the Company has been contributing extensive resources, including but not limited to new capital and human resources, to the IFGL Group for the development of its businesses.

Despite the weakening economic and depressed financial market conditions, the Group’s continual efforts in realigning the Integrated Financial Services has started to pay off with substantial improvements in performance. As disclosed in the Company’s annual report for the year ended 31 December 2021, the segment of securities brokerage and assets management of the Group registered an aggregate revenue of approximately HK\$102 million, representing a more than two-fold increase from approximately HK\$44 million in the previous financial year. Such growth was mainly attributable to the outstanding performance of the margin financing service, which generated interest income of approximately HK\$61 million.

The Board considers that the Subscription will bring in new capital to the IFGL Group to further strengthen its capital base, which will be favorable to the growth momentum of the Integrated Financial Services.

The Board is of the view that the terms of the Subscription Agreement, which have been negotiated on an arm’s length basis and on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL IMPACTS OF THE SUBSCRIPTION AND INTENDED USE OF THE PROCEEDS**

Upon Completion, the Company's shareholding in IFGL will be diluted from 100% to approximately 93.72%. Each member of the IFGL Group will become or remain a non-wholly owned subsidiary of the Company and its results, assets and liabilities will continue to be consolidated into the consolidated financial statements of the Company. It is expected that no gain or loss will be recorded by the Group as a result of the Subscription.

The Board intends to apply the proceeds from the Subscription towards development of the integrated financial services of the IFGL Group.

## **LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal exceeds 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
“BVI”	The British Virgin Islands
“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 Subscription pursuant to the Subscription Agreement



“Condition”	the condition 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 Subscription, being HK\$55,000,000
“Deemed Disposal”	the deemed disposal of the equity interest in IFGL 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
“Hurricane Fly Group”	Hurricane Fly Limited and its subsidiary (i.e. Imagi Lenders Limited)
“IFGL”	IMAGI FIN GROUP LIMITED, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company
“IFGL Group”	IFGL and its subsidiaries
“Imagi Brokerage”	Imagi Brokerage Limited, a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of IFGL
“Imagi Brokerage Group”	Imagi Brokerage and its subsidiaries (i.e. Imagi Wealth Limited, Imagi Investments (BVI) Limited and Imagi Investments (HK) Limited)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Events Group”	Main Events Inc. and its subsidiary (i.e. Supreme China)
“PRC”	the People’s Republic of China
“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”	JOLLY WIN GLOBAL LIMITED, the subscriber under the Subscription Agreement
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 20 June 2022 entered into between the Subscriber and IFGL in relation to the Subscription
“Subscription Share(s)”	the 670 ordinary shares of IFGL, representing approximately 6.28% of the enlarged share capital of IFGL, to be allotted and issued by IFGL to the Subscriber or its nominee 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)
“Supreme China”	SUPREME CHINA SECURITIES LIMITED, a company incorporated in Hong Kong with limited liability and a direct non-wholly owned subsidiary of Main Events Inc.
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 20 June 2022

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

*Executive Directors:*

Mr. Kitchell Osman Bin (*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