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**If you have sold or transferred** all your shares in Imagi International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**SHARE PREMIUM CANCELLATION  
AND  
NOTICE OF SGM**

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All capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular. A letter from the Board is set out on pages 2 to 5 of this circular.

A notice convening the SGM to be held at Salon 5, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 29 August 2011, Monday, at 3:30 p.m. is set out on pages 6 to 7 of this circular. Whether or not you intend to attend and vote at the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. 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.

3 August 2011

\* for identification purpose only

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## DEFINITIONS

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

“Board”	board of Directors
“Bye-Laws”	the bye-laws of the Company from time to time
“Companies Act”	The Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time
“Company”	Imagi International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	1 August 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Law or Laws”	all laws, rules, regulations, guidelines, directives, judgments, decrees, order, notices, rulings or decisions of any governmental or regulatory authority or stock exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“SGM”	special general meeting of the Company to be held on 29 August 2011, Monday, at 3:30 p.m. for the purpose of considering and, if thought fit, approving the Share Premium Cancellation
“Share Premium Cancellation”	cancellation of the entire amount standing to the credit of the share premium account and the deemed contribution reserve account of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shares”	ordinary shares of HK\$0.001 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



**IMAGI INTERNATIONAL HOLDINGS LIMITED**

**意馬國際控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(stock code: 585)**

*Chairman and Non-executive Director:*

Mr. Leung Pak To

*Executive Director:*

Mr. Soh Szu Wei

*Non-executive Directors:*

Mr. Chong Meng Tak, Christopher

Ms. Ma Wai Man, Catherine

Mr. Yang Fei

*Independent Non-executive Directors:*

Mr. Chan Yuk Sang

Mr. Cheng Yuk Wo

Dr. Lam Lee G.

*Registered Office:*

Rosebank Centre

11 Bermudiana Road

Pembroke

Bermuda

*Head office and principal place of  
business in Hong Kong:*

22nd Floor

Eight Commercial Tower

8 Sun Yip Street

Chai Wan

Hong Kong

3 August 2011

*To the Shareholders*

Dear Sir or Madam,

**SHARE PREMIUM CANCELLATION  
AND  
NOTICE OF SGM**

**INTRODUCTION**

Reference is made to the announcement made by the Company on 17 February 2010 and the circular issued by the Company dated 24 March 2010 in relation to, amongst other things, the capital reorganisation.

On 27 July 2011, the Board announced that it proposes to put forward to the Shareholders the Share Premium Cancellation proposal.

\* for identification purpose only

## **LETTER FROM THE BOARD**

The purpose of this circular is to provide you with (i) details about the Share Premium Cancellation; and (ii) the notice convening the SGM.

### **PROPOSED SHARE PREMIUM CANCELLATION**

The proposed Share Premium Cancellation comprises:

- (a) the cancellation of the entire amount standing to the credit of the share premium account and the deemed contribution reserve account of the Company;
- (b) the transfer of the credits arising from the Share Premium Cancellation to the contributed surplus account of the Company; and
- (c) the application of the contributed surplus account of the Company to set off the accumulated losses of the Company as permitted by the Laws of Bermuda and the Bye-Laws.

### **EFFECTS OF THE SHARE PREMIUM CANCELLATION**

As at the Latest Practicable Date, there is a credit of HK\$2,854,522,000 in the share premium account and HK\$22,650,000 in the deemed contribution reserve account of the Company. The credits arising from the Share Premium Cancellation will be transferred to the contributed surplus account of the Company and applied to set off against the accumulated losses of the Company as permitted by the Laws of Bermuda and the Bye-Laws, and the balance after such set off will remain in the contributed surplus account of the Company.

Part of the accounting effect in the sum of HK\$1,001,833,000 arising from the Share Premium Cancellation has been reflected in the financial statements of the Group for the year ended 31 March 2011. Other than the relevant expenses incurred, the implementation of the Share Premium Cancellation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Company and the Shareholders as a whole.

The Share Premium Cancellation will not affect the authorised or issued share capital of the Company, and will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

### **REASONS FOR THE SHARE PREMIUM CANCELLATION**

The Board considers that the elimination of the Company's accumulated losses will allow greater flexibility for the Company to pay dividends in the future. As such, the Board is of the view that the Share Premium Cancellation is in the interest of the Company and the Shareholders as a whole.

## **LETTER FROM THE BOARD**

### **CONDITIONS OF THE SHARE PREMIUM CANCELLATION**

The Share Premium Cancellation (which will be effected in accordance with the Bye-Laws and the Companies Act) is conditional upon the passing of the necessary resolution(s) on a vote taken by way of poll at the SGM to approve the Share Premium Cancellation by the Shareholders.

Subject to the fulfillment of the above condition, the effective date of the Share Premium Cancellation is expected to be 30 August 2011.

### **IMPLICATIONS UNDER THE LISTING RULES**

The Share Premium Cancellation is subject to the approval of the Shareholders at the SGM. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll and therefore the special resolutions to be put to vote at the SGM will be taken by way of poll as required by the Listing Rules.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, no Shareholder has a material interest in the Share Premium Cancellation, and accordingly, no Shareholder is required to abstain from voting on the resolution approving the Share Premium Cancellation at the SGM.

### **SGM**

A notice convening the SGM to be held at Salon 5, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 29 August 2011, Monday, at 3:30 p.m. is set out on pages 6 to 7 of this circular for the purposes of considering and, if thought fit, approving the Share Premium Cancellation. Whether or not you intend to attend and vote at the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. 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.

### **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 Group. The Directors, having made all reasonable enquiries, 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 facts the omission of which would make any statement herein or this circular misleading.

## LETTER FROM THE BOARD

### RECOMMENDATIONS

For the reasons as set out in the section headed “Reasons for the Share Premium Cancellation” of this letter from the Board, the Board considers that the Share Premium Cancellation is fair and reasonable and that the proposal is in the interest of the Company and Shareholders as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the Share Premium Cancellation at the SGM.

Yours faithfully,

By order of the Board

**Imagi International Holdings Limited**

**Soh Szu Wei**

*Executive Director & Chief Executive Officer*

NOTICE OF SGM

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

**NOTICE IS HEREBY GIVEN THAT** a special general meeting (the “**SGM**”) of Imagi International Holdings Limited (the “**Company**”) will be held at Salon 5, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 29 August 2011, Monday, at 3:30 p.m. or any adjournment thereof (as the case may be) for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution of the Company:

**SPECIAL RESOLUTION**

“**THAT:**

- (a) conditional upon the satisfaction of the requirements as set out in section 46(2) of the Companies Act 1981 of Bermuda and with effect from the business day (not being a Saturday) immediately after the passing of this resolution (the “**Effective Date**”), the entire amounts standing to the credit of the share premium account and the deemed contribution reserve account of the Company, representing the entire amount outstanding to the credit of the Company’s share premium accounts as at the Effective Date be cancelled (the “**Share Premium Cancellation**”);
- (b) upon the Share Premium Cancellation becoming effective, the directors of the Company (the “**Directors**”) be and are hereby authorised to transfer the credit arising therefrom to the contributed surplus account of the Company and the Directors be and are hereby authorised to apply the amount in the contributed surplus account of the Company to set off the accumulated losses of the Company in the manner permitted by the laws of Bermuda and the bye-laws of the Company without further authorisation from the shareholders of the Company and all such actions in relation thereto be approved, ratified and confirmed; and
- (c) any one Director be and is hereby authorised generally to sign and execute such documents and do all such acts and things and to take all such steps as it consider necessary, expedient or desirable in connection with and to give effect to the Share Premium Cancellation.”

By order of the Board  
**Imagi International Holdings Limited**  
**Soh Szu Wei**  
*Executive Director & Chief Executive Officer*

Hong Kong, 3 August 2011

\* for identification purpose only

## NOTICE OF SGM

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more than one proxy to attend and to vote on his behalf. A 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 the power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be delivered to Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 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 propose to attend the meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending the meeting and voting in person if you so wish. In the event that you attend the meeting after having lodged the form of proxy, it will be deemed to have been revoked.
5. The resolutions to be proposed at the meeting will be decided by way of poll.