



# IMAGI INTERNATIONAL HOLDINGS LIMITED

意馬國際控股有限公司\*

(incorporated in Bermuda with limited liability)

(Stock Code: 585)

## ANNOUNCEMENT APPOINTMENT OF DIRECTORS

The board (the **"Board"**) of directors (the **"Directors"**) of Imagi International Holdings Limited (the **"Company"**, which together with its subsidiaries, the **"Group"**) is pleased to announce that (i) Mr. Douglas Esse Glen, the existing co-chief executive officer of the Company; and (ii) Mr. Thomas Knox Gray, a senior management member of the Group, have been promoted and have been appointed as executive Directors with effect from today.

**Mr. Douglas Esse Glen ("Mr. Glen")**, aged 59, joined the Group in September 2006 and has been appointed as the executive Director with effect from today. Save for being an executive Director and co-chief executive officer of the Company, Mr. Glen does not hold any other positions with any member of the Group. Mr. Glen will be in charge of the Group's business development and investor relations and will also be responsible for investigating business opportunities for the Group. Mr. Glen will also jointly lead the Group's strategic planning with Kao Wai Ho, Francis, deputy chairman, executive Director and co-chief executive officer of the Group.

Mr. Glen has many years of experience in the media entertainment industry in the United States of America (**"US"**), including executive positions with companies including LucasArts Entertainment, Mattel Toys and Sega of America. In these positions, he has been responsible for strategic planning, product development, marketing, finance and business development. Mr. Glen received his undergraduate education at Massachusetts Institute of Technology, US. Other than his newly appointed directorship with the Company, Mr. Glen had not held any directorship in any other listed public companies in the three years immediately preceding the date of this announcement.

Mr. Glen has entered into a service agreement with the Company pursuant to which he has been appointed for a term of 24 months, subject to provisions of the bye-laws of the Company. Save for being an executive Director and co-chief executive officer of the Company, Mr. Glen does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Glen does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the **"SFO"**).

Mr. Glen has entered into a service agreement with the Company pursuant to which he is entitled to (i) a base salary of US\$350,000 per annum; (ii) a discretionary bonus of an amount to be determined by the Board based on, among other matters, his performance; (iii) a sign-up bonus of US\$100,000; (iv) certain benefits including healthcare insurance, housing allowance and car allowance; and (v) the grant of options to subscribe for 12,000,000 shares in the capital of the Company under the share option scheme adopted by the Company on 16 August 2002. The emoluments were mutually agreed upon between the Board and Mr. Glen with reference to the prevailing market conditions and the potentials which the Board believe Mr. Glen would bring to the Group.

Lion Digital Pictures Management, LLC, a company in which Mr. Glen was an investor and chief executive officer, filed a bankruptcy petition in the States of New York, US, on 25 January 2005. The total creditor claims was US\$417,000 as of the claims cutoff date of 21 August 2006. The trustee is expected to wrap up the proceedings in the next several months. The aforesaid company was formed to raise funds for animation production. Save as disclosed herein, there is no information in relation to Mr. Glen which is required to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**). Save as disclosed in this announcement, there is no other matters in relation to the appointment of Mr. Glen that need to be brought to the attention of holders of securities of the Company.

**Mr. Thomas Knox Gray ("Mr. Gray")**, aged 61, joined the Group in 2004 and has been appointed as the executive Director with effect from today. Save for being an executive Director as well as (i) the president and chief executive officer of Imagi Services (USA) Limited and Imagi Global Distribution Inc., both wholly-owned subsidiaries of the Company; and (ii) the assistant secretary of Highland Fling, Inc. and Kings Quest, Inc., both being wholly-owned subsidiaries of the Company, Mr. Gray does not hold any other positions with any member of the Group.

Mr. Gray is responsible for developing the Group's worldwide business and the Group's operations in the US. Mr. Gray has over 30 years of experience in the film industry around the world in areas including production, screenplay writing, marketing, distribution and consultation. Mr. Gray has worked with renowned companies including Golden Harvest, United Artists, Warner Bros., Paramount and Universal Studios. The record breaking *"Teenage Mutant Ninja Turtles"* series and *"The Protector"* starring Jackie Chan were among the numerous popular movies of which Mr. Gray was in charge of production. Mr. Gray has a bachelor of arts degree in history from the University of Arizona, US and has undertaken postgraduate studies at Thunderbird-American Graduate School of International Management in Glendale, Arizona, US.

Other than his newly appointed directorship with the Company, Mr. Gray had not held any directorship in any other listed public companies in the three years immediately preceding this announcement. Mr. Gray has not been appointed for a fixed term in relation to his directorship with the Company. However, he entered into service agreement with Imagi Services (USA) Limited for a fixed term of three years commencing from 1 March 2006. Save for being an executive Director as well as (i) the president and chief executive officer of Imagi Services (USA) Limited and Imagi Global Distribution Inc., both wholly-owned subsidiaries of the Company; and (ii) the assistant secretary of Highland Fling, Inc. and Kings Quest, Inc., both being wholly-owned subsidiaries of the Company, Mr. Gray does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Gray was interested in options to subscribe for 5,000,000 shares in the capital of the Company under the share option scheme adopted by the Company on 16 August 2002. Save as the aforesaid options, Mr. Gray does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Pursuant to the service agreement entered into between Mr. Gray and Imagi Services (USA) Limited, he is entitled to (i) a base salary of US\$300,000 per annum; (ii) a sign-up bonus of HK\$500,000; (iii) certain benefits including healthcare insurance and car allowance; and (iv) sales-related commission and revenue-related bonus calculated in accordance with the terms of the service agreement. The emoluments were mutually agreed upon between the Group and Mr. Gray with reference to the then prevailing market conditions and the contributions which Mr. Gray has made to the Group. Save as disclosed in this announcement, there is no information in relation to Mr. Gray which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters in relation to the appointment of Mr. Gray that need to be brought to the attention of holders of securities of the Company.

For and on behalf of the Board of  
**IMAGI INTERNATIONAL HOLDINGS LIMITED**  
**Kao Wai Ho, Francis**  
*Deputy Chairman and Co-Chief Executive Officer*

As at the date of this announcement, the Board comprises:

<i>Executive Directors:</i>	Mr. Kao Cheung Chong, Michael ( <i>Chairman</i> )	Mr. Kao Wai Ho, Francis ( <i>Deputy chairman and co-chief executive officer</i> )
	Mr. Douglas Esse Glen ( <i>co-chief executive officer</i> )	Mr. Yip Kar Hang, Raymond
	Mr. Tse Chi Man, Terry	
	Mr. Thomas Knox Gray	
<i>Non-executive Director:</i>	Mr. Lam Pak Kin, Philip	
<i>Independent non-executive Directors:</i>	Mr. Lai Chi Kin, Lawrence	Mr. Ng See Yuen
	Mr. Oh Kok Chi	

Hong Kong, 9 October 2006

\* for identification purpose only