



IMI GLOBAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

PROPOSED RIGHTS ISSUE AT HK\$1.08 PER RIGHTS SHARE, PAYABLE IN FULL ON ACCEPTANCE (IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD)

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES PROPOSED ISSUE OF SHARES TO CERTAIN EMPLOYEES PROPOSED CHANGE OF COMPANY NAME

AND RESUMPTION OF TRADING

Financial adviser and Underwriter



中信資本

CITIC Capital Markets Limited

The Company proposes to, inter alia, effect the Increase in Authorised Share Capital, the Rights Issue and the Change of Company Name.

PROPOSED RIGHTS ISSUE

The Company aims to raise approximately HK\$74,429,820 before expenses (assuming no exercise of outstanding Share Options on or before the Record Date) or approximately HK\$78,049,980 before expenses (assuming all outstanding Share Options are exercised on or before the Record Date).

The Company shall issue not less than 68,916,500 Rights Shares, representing 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.3% of the Company's issued share capital as enlarged by the issue of the Rights Shares, and not more than 72,268,500 Rights Shares (assuming all of the Share Options are exercised prior to the Record Date but without taking into account the 1,500,000 Shares proposed to be issued to certain members of the Group's senior management), at the Subscription Price of HK\$1.08 per Rights Share.

The Company will provisionally allot one Rights Share for every two Existing Shares held by Qualifying Shareholders. The Rights Issue will not be available to Non-qualifying Shareholders.

The net proceeds of the Rights Issue are expected to amount to approximately HK\$71 million (assuming no exercise of outstanding Share Options on or before the Record Date) or approximately HK\$74.5 million (assuming all outstanding Share Options are exercised on or before the Record Date) and are presently intended to be used as to approximately HK\$8 million for establishing its international marketing team for the Group's computer animation products and services in the United States of America, as to approximately HK\$30 million for the initial-stage expansion of the Group's production capability in relation to computer graphics animated feature films, (including: i) approximately HK\$3 million for expanding production studio facilities; ii) approximately HK\$17 million for purchasing new machinery and equipment; and iii) approximately HK\$10 million for the salaries of additional staff during the initial year of expansion) and as to the balance, for general working capital. As announced in the Company's interim report for the six months ended 30 September 2003, the Group continues to explore further business development opportunities in computer graphics animation (including, production co-operation with reputable studios, development of its own production and investment in other computer graphics animation ventures which, the Directors believe, will contribute to the growth of the Group). If such business development opportunities arise, the Rights Issue proceeds may be used for such purposes. The Company will make further announcements on any significant changes in the use of proceeds of the Rights Issue as and when appropriate and as required by the Listing Rules.

The last day of dealing in the Existing Shares on a cum-rights basis is 2 April 2004. The Existing Shares will be dealt with on an ex-rights basis from 6 April 2004.

To qualify for the Rights Issue, a Shareholder must:

- be registered as a member of the Company at the close of business on the Record Date; and
- have an address in Hong Kong which appears on the register of members of the Company at the close of business on the Record Date, or if the Shareholder has an address which is not in Hong Kong, the Shareholder must not be a Non-qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, a transferee of Shares must lodge the transfer (with relevant Share certificate(s)) for registration with the Company's branch share registrar in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by 4:00 p.m. on 7 April 2004.

It is intended that the Company's register of members will be closed from 8 April 2004 to 16 April 2004 (both days inclusive) for the purpose of (amongst other things) establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms).

All of the Rights Shares to be issued pursuant to the Rights Issue (except the Excluded Rights Shares) will be fully underwritten by CITIC Capital in accordance with the Underwriting Agreement.

The Rights Issue is subject to the conditions set out under the section headed "Proposed Rights Issue – Conditions of the Rights Issue" below. In particular, the Rights Issue is conditional upon, amongst other things: (i) the passing by the Shareholders at the SGM of an ordinary resolution to approve the Increase in Authorised Share Capital; (ii) the registration of the prospectus of the Company in relation to the Rights Issue together with copies of the provisional letters of allotment and the forms of application for excess Rights Shares with the Registrar of Companies in Hong Kong and with the Bermuda Companies Registry; (iii) the obligations of CITIC Capital under the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement, including the provisions regarding force majeure referred to in the section headed "Underwriting arrangements for the Rights Issue – Termination of the Underwriting Agreement" below; and (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not revoking the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms).

WARNING OF THE RISKS IN DEALING IN EXISTING SHARES AND NIL-PAID RIGHTS SHARES

It should be noted that the Existing Shares will be dealt with on an ex-rights basis from 6 April 2004. Dealings in the Rights Shares in nil-paid form will take place from 20 April 2004 to 29 April 2004 (both days inclusive). If by 4:00 p.m. on the day which is two Business Days after the Latest Acceptance Date (which is expected to be 6 May 2004), the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by CITIC Capital, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating buying or selling Existing Shares during the period of 6 April 2004 to 6 May 2004 before all such conditions are fulfilled (which is expected to be 6 May 2004) or Rights Shares in their nil-paid form from 20 April 2004 to 29 April 2004 (both days inclusive), bear the risk that the Rights Issue may not become unconditional and may or may not proceed.

As the Rights Issue may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Existing Shares and Rights Shares in their nil-paid form.

Any Shareholders or other persons contemplating buying or selling Existing Shares or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the Company has an authorised share capital of HK\$100,000,000 divided into 200,000,000 Shares of which 137,833,000 Shares have been issued and are fully-paid.

In order to facilitate the Rights Issue, the proposed issue of Shares to certain employees of the Group (as described in the section headed "Proposed issue of Shares to certain employees" below) and to accommodate further expansion and growth of the Company, the Company proposes to increase its authorised share capital from HK\$100,000,000 to HK\$250,000,000 by the creation of an additional 300,000,000 Shares.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

The Directors will seek the approval of the Shareholders for the grant of a general mandate to allot, issue, dispose of or otherwise deal with additional Shares representing not more than 20% of the aggregate nominal amount of the share capital of the Company in issue immediately after and subject to completion of the Rights Issue.

The Directors will also seek the approval of the Shareholders for the grant of a general mandate to exercise all of the powers of the Company to purchase its own securities on the Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue immediately after and subject to completion of the Rights Issue.

PROPOSED ISSUE OF SHARES TO CERTAIN EMPLOYEES

Pursuant to the terms of the service contracts which the Group entered into with certain members of its senior management, it was agreed that such persons will, in addition to annual salaries, discretionary bonus and participation in the 2002 Share Option Scheme, be entitled to receive 1,500,000 Shares, in aggregate, as sign-on bonus in lieu of cash, which Shares will be issued credited as fully-paid.

CHANGE OF COMPANY NAME

The Directors propose to change the name of the Company to Imagi International Holdings Limited. It is also proposed that, subject to the change of the Company's English name becoming effective, the Company shall adopt "意馬國際控股有限公司" as its new Chinese name for the purpose of identification only.

GENERAL

The Increase in Authorised Share Capital and the Change of Company Name as well as the general mandates to issue and repurchase Shares are subject to the approval by the Shareholders at the SGM. The Company expects to send a circular containing, among other things, details of the Increase in Authorised Share Capital and the Change of Company Name and a notice convening the SGM to consider such matters on or about 5 March 2004.

It is also expected that the Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on or about 19 April 2004.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 24 February 2004, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 2 March 2004.

**PROPOSED RIGHTS ISSUE
Issue Statistics**

Basis of the Rights Issue:	One Rights Share for every two Existing Shares held on the Record Date
Number of Existing Shares in issue:	137,833,000 Shares or up to 144,537,000 Shares (if all the outstanding Share Options are exercised in full on or before the Record Date)
Number of Rights Shares:	Not less than 68,916,500 Shares and not more than 72,268,500 Shares (if all the outstanding Share Options are exercised in full on or before the Record Date)

The Rights Shares (being not less than 68,916,500 Rights Shares) proposed to be provisionally allotted represent 50% of the Company’s issued share capital as at the Latest Practicable Date and approximately 33.3% of the Company’s issued share capital as enlarged by the issue of the Rights Shares (assuming that no outstanding Share Options will be exercised on or before the Record Date but without taking into account the 1,500,000 Shares proposed to be issued to certain members of the Group’s senior management).

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be issued and allotted pursuant to the 2002 Share Option Scheme on or before the Record Date. As at the Latest Practicable Date, the Company had outstanding Share Options held by 117 employees of the Group, carrying the right to subscribe for 6,704,000 Shares, in aggregate, as follows:

Option Exercise Price	Option Exercise Period	Number of Share Options
HK\$1.060	11/02/2003 to 10/02/2006	1,680,000
HK\$1.060	11/02/2003 to 10/02/2008	140,000
HK\$1.246	13/08/2003 to 12/08/2006	4,884,000

If all of the subscription rights attaching to the Share Options are duly exercised and shares are issued and allotted pursuant to such exercise on or before the Record Date, the number of issued Shares is expected to be increased to approximately 144,537,000 Shares and the number of Rights Shares that may be issued pursuant to the Rights Issue is expected to be increased to approximately 72,268,500 Rights Shares.

Other than the Share Options, there are no existing warrants or other similar rights to subscribe for shares in the Company.

Pursuant to the terms of the 2002 Share Option Scheme, the Rights Issue may constitute an event giving rise to an adjustment to the subscription price and/or the number of Shares comprised in the outstanding Share Options. The Company will notify the holders of Share Options of the details of any such adjustments.

Qualifying Shareholders

The Company will send the Rights Issue Documents to the Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

- be registered as a member of the Company at the close of business on the Record Date; and
- have an address in Hong Kong (as shown on the register of members of the Company at the close of business on the Record Date), or if the Shareholder has an address which is outside Hong Kong (as shown on the register of members of the Company at the close of business on the Record Date), such Shareholder must not be a Non-qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, a transferee of Shares must lodge the transfer (with the relevant share certificate(s)) with the Company’s branch share registrar in Hong Kong by 4:00 p.m. on 7 April 2004. The last day for dealings in Existing Shares on a cum-rights basis is therefore expected to be 2 April 2004. The Existing Shares will be dealt with on an ex-rights basis from 6 April 2004.

The Company’s branch share registrar in Hong Kong is:
Secretaries Limited
Ground Floor, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

It is intended that the Company’s register of members will be closed from 8 April 2004 to 16 April 2004 (both days inclusive) for the purpose of (amongst other things) establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Rights of Non-qualifying Shareholders

The Rights Issue Documents will not be registered or filed under the securities or equivalent legislation of any jurisdiction other than Hong Kong and Bermuda. It may be unlawful or impracticable for the Company to offer, allot or issue the Rights Shares to Non-qualifying Shareholders. Accordingly, the Company will send the Prospectus (without the provisional allotment letters and forms of application for excess Rights Shares) to the Non-qualifying Shareholders for their information only.

Arrangements will be made for the entitlements attributable to Non-qualifying Shareholders in relation to the Rights Issue to be sold as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium, net of expenses, can be obtained. The proceeds of each sale (less expenses) will be paid pro-rata to the Non-qualifying Shareholders, provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit.

The Non-qualifying Shareholders, as Shareholders, will be entitled to vote at the SGM on the Increase in Authorised Share Capital, the Change of Company Name and the general mandates to issue and repurchase Shares.

Subscription Price

The Subscription Price for the Rights Shares is HK\$1.08 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for Rights Shares.

The Subscription Price represents:

- a discount of approximately 32.50% to the closing price of HK\$1.60 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 30.50% to the average closing price of approximately HK\$1.55 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day; and
- a discount of approximately 24.3% to the theoretical ex-rights price of approximately HK\$1.43 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm’s length negotiations between the Company and the Underwriter with reference to the market price of the Company’s shares under prevailing market conditions. The Directors consider the terms of the Rights Issue, including the Subscription Price and the timing of the Rights Issue, to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

Application for Excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Non-qualifying Shareholders, unsold entitlements created by adding together fractions of the Rights Shares and by Rights Shares in their nil-paid form provisionally allotted but not accepted by Qualifying Shareholders.

Applications may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares. The Directors will

allocate the excess Rights Shares in such equitable manner as the Directors shall, in their sole discretion, decide.

Fractional Entitlements

Fractional entitlements for the nil-paid Rights Shares will not be issued but will be aggregated and sold in the market, if a premium (net of expenses) can be obtained, for the benefit of the Company.

Status of the Rights Shares

The Rights Shares, when issued and fully-paid, will rank *pari passu* with the Existing Shares in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares.

Share Certificates

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to the Qualifying Shareholders and other persons (if any) who have accepted and applied for (where appropriate), and paid for, the Rights Shares by 10 May 2004, at their own risk.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms).

Rights Shares in their nil-paid form are expected to be traded in board lots of 2000. Dealings in Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, the following conditions being fulfilled:

- the Company despatching the SGM circular to the Shareholders containing, among other things, details of the Increase in Authorised Share Capital and the Rights Issue and incorporating the notice of the SGM, together with the form of proxy;
- the passing by the Shareholders at the SGM of an ordinary resolution to approve the Increase in Authorised Share Capital;
- the filing and registration of the prospectus of the Company in relation to the Rights Issue together with the copies of the provisional letters of allotment and of the forms of application for excess Rights Shares with the Registrar of Companies in Hong Kong and the filing of all other documents required by the provisions of section 342C of the Companies Ordinance to be endorsed thereon or attached thereto;
- the filing and registration of the prospectus of the Company in relation to the Rights Issue together with the copies of the provisional letters of allotment and of the forms of application for excess Rights Shares with the Registrar of Companies in Bermuda in accordance with the requirements of the Companies Act 1981 of Bermuda (as amended from time to time);
- the posting of the Rights Issue documents to the Qualifying Shareholders;
- the approval of the Bermuda Monetary Authority in respect of the Increase in Authorised Share Capital, the issue by the Company of Shares up to the amount of its authorised share capital from time to time determined by the Company to, and the subsequent free transferability of, such Shares between persons regarded as non-residents of Bermuda for exchange control purposes;
- the compliance of the Undertaking Shareholders with their obligations under the Irrevocable Undertakings;
- the obligations of CITIC Capital under the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of that agreement; and
- the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not revoking the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms).

The above conditions of the Rights Issue cannot be waived by the Company and/or the Underwriter under the terms of the Underwriting Agreement. If any of the conditions of the Rights Issue are not fulfilled or cannot be fulfilled on or before the time or date specified in the Underwriting Agreement or, if no such time and date is so provided, by 19 April 2004 or such later time and/or date as the Underwriter and the Company may agree (provided that such date is no later than 30 June 2004), the obligations of the Underwriter under the Underwriting Agreement will terminate and the Underwriting Agreement shall be of no effect whatsoever (save for, among other things, antecedent breaches).

Reasons for the Rights Issue and Use of Proceeds

The consolidated net profit after taxation and extraordinary items of the Group for the financial year ended 31 March 2002 was approximately HK\$141.4 million. This net profit was mainly attributable to the Christmas festive products business and leisure furniture business carried on by the Group, which in aggregate accounted for 99.9% of the Group’s turnover and 99.4% of total segment results during that period.

The consolidated net profit after taxation and extraordinary items of the Group for the financial year ended 31 March 2003 was approximately HK\$256.0 million. This result was attributable, as to HK\$177 million to the disposal of the Group’s Christmas festive products business and leisure furniture business on 23 August 2002 (“Disposal”) and in part, to the Christmas festive products business and leisure furniture business carried on by the Group prior to the date of the Disposal. The Christmas festive products business and leisure furniture business carried on by the Group prior to the date of the Disposal accounted for 94.7% of turnover and 92.7% of total segment results during that period.

Since the Disposal, the Christmas festive products and leisure furniture business segments ceased direct contribution to the Group’s results. The development of the computer graphics animation business and the provision of management consultancy services by the Group’s senior executives both in Hong Kong and overseas pursuant to a management agreement between the Group and Boto International Holdings Limited emerged as the sole sources of the Group’s turnover. However, the Group’s minority interest in the Christmas festive products and leisure furniture business segments continued to contribute to the Group’s results through the sharing of the results of associates (approximately HK\$22.3 million for the six months ended 30 September 2003). The unaudited net profit after tax of the Group for the six months ended 30 September 2003 was approximately HK\$14.5 million.

The net proceeds of the Rights Issue are expected to amount to approximately HK\$71 million (assuming no exercise of outstanding Share Options on or before the Record Date) or approximately HK\$74.5 million (assuming all outstanding Share Options are exercised on or before the Record Date) and are presently intended to be used as follows:

- (a) as to approximately HK\$8 million for establishing the international marketing team for the Group’s computer animation products and services in the United States of America;
- (b) as to approximately HK\$30 million for the initial-stage expansion of the Group’s production capability in relation to computer graphics animated feature films, including: i) approximately HK\$3 million for expanding production studio facilities; ii) approximately HK\$17 million for purchasing new machinery, equipment and software; and iii) approximately HK\$10 million for the salaries of additional staff during the initial year of expansion. The Group has initiated the sourcing of relevant new machinery, equipment and software as well as the search for appropriate additional office space; and
- (c) as to the balance of approximately HK\$33 million (or HK\$36.5 million assuming all outstanding Share Options are exercised on or before the Record Date) for general working capital purposes.

As announced in the Company’s interim report for the six months ended 30 September 2003, the Group continues to explore further business development opportunities in computer graphics animation, including production co-operation with reputable studios, development of its own production and investment in other computer graphics animation ventures which, the Directors believe, will contribute to the growth of the Group. If such business development opportunities arise, the Rights Issue proceeds may be used for such purposes, which would be funded out of the net proceeds allocated to general working capital set out above. The Company will make further announcements on any significant changes in the use of proceeds of the Rights Issue as and when appropriate and as required under the Listing Rules.

UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

It is proposed that all of the Rights Shares to be issued pursuant to the Rights Issue (except the Excluded Rights Shares) will be fully underwritten by CITIC Capital. In accordance with the Underwriting Agreement, CITIC Capital will receive a management and underwriting fee of 2% of the sum resulting from multiplying the Subscription Price by the number of Rights Shares to be issued pursuant to the Rights Issue (except the Excluded Rights Shares).

Each of the Undertaking Shareholders has irrevocably undertaken to the Company and the Underwriter that the Existing Shares beneficially owned by it will not be disposed of within the period commencing on the date of such undertaking (i.e., the date of this announcement) and ending on the Latest Acceptance Date or the date of termination of the Rights Issue, whichever is the earlier, and that it will accept (or will procure acceptance of) the Rights Shares to which it will be beneficially entitled under the Rights Issue as a Qualifying Shareholder, in full in accordance with the terms of the Rights Issue.

Underwriting Agreement

Date:	1 March 2004
Underwriter:	CITIC Capital
Number of Shares underwritten:	All of the Rights Shares to be issued pursuant to the Rights Issue (except the Excluded Rights Shares). (For illustration purposes, based on the current number of Existing Shares which are beneficially owned by the Undertaking Shareholders as at the Latest Practicable Date and, accordingly, the number of Rights Shares to which the Undertaking Shareholders will be beneficially entitled as Qualifying Shareholders as at the close of business on the Record Date, the number of Shares to be underwritten will be no less than 24,399,032 Shares and no more than 27,751,032 Shares (if all the outstanding Share Options are exercised in full on or before the Record Date).)
Management and underwriting fee:	2% of the sum resulting from multiplying the Subscription Price by the number of Rights Shares to be issued pursuant to the Rights Issue (except the Excluded Rights Shares)

Termination of the Underwriting Agreement

It should be noted that the Underwriting Agreement contains provisions granting CITIC Capital the ability to terminate, by notice in writing, its obligations under the Underwriting Agreement on the occurrence of certain events. CITIC Capital may terminate its commitment under the Underwriting Agreement on or before 4:00 p.m. on 6 May 2004, being the day which is two Business Days after the Latest Acceptance Date, if:

- the Underwriter or the Company shall become aware that any of the representations and warranties set out in the Underwriting Agreement was untrue or incorrect in any material respect when made or deemed to be made or would, if repeated by reference to facts and circumstances in existence at any time prior to the despatch of the Issue Documents, be untrue or incorrect in any material respect and such untrue or incorrect representation or warranty is or is likely to be materially prejudicial to the Rights Issue;
- the Underwriter or the Company shall become aware that the Company is otherwise materially in breach of any of its obligations under the Underwriting Agreement which breach is or is likely to be materially prejudicial to the Rights Issue;
- any of the conditions to which the obligations of the Underwriter under the Underwriting Agreement are subject to are not fulfilled or cannot be fulfilled;
- there shall have occurred any change in national or international, financial, monetary, economic or political conditions (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or there shall have occurred abnormal financial market conditions or the outbreak of conflict or hostilities, or there shall have occurred an outbreak of an epidemic, which in the reasonable opinion of the Underwriter made in good faith is or is likely to be materially prejudicial to the Rights Issue;
- any moratorium, suspension or material restriction on trading in securities on the Hong Kong Stock Exchange due to exceptional financial circumstances or otherwise is imposed which is or is likely to be materially prejudicial to the Rights Issue; or
- there shall have occurred or has been introduced any new law or regulation or any change in existing law or regulation or the interpretation thereof by the courts (or in the absence of judicial interpretation, which is commonly accepted) or there shall have been introduced or changed any policy or guideline whether or not having the force of law or other occurrence of any nature whatsoever which would materially and adversely affect the business of the Group as a whole.

If the Underwriting Agreement is terminated by CITIC Capital on or before the date which is two Business Days after the Latest Acceptance Date or does not become unconditional, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN EXISTING SHARES AND NIL-PAID RIGHTS SHARES

The Existing Shares will be dealt with on an ex-rights basis from 6 April 2004. Dealings in the Rights Shares in nil-paid form will take place from 20 April 2004 to 29 April 2004 (both days inclusive). If by 4:00 p.m. on the date which is two Business Days after the Latest Acceptance Date (which is expected to be 6 May 2004), the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by CITIC Capital, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating buying or selling Existing Shares during the period of 6 April 2004 to 6 May 2004 before all such conditions are fulfilled (which is expected to be 6 May 2004) or Rights Shares in their nil-paid form from 20 April 2004 to 29 April 2004 (both days inclusive), bear the risk that the Rights Issue may not become unconditional and may or may not proceed.

As the Rights Issue may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Existing Shares and Rights Shares in their nil-paid form.

Any Shareholders or other persons contemplating buying or selling Existing Shares or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the Company has an authorised share capital of HK\$100,000,000 divided into 200,000,000 Shares of which 137,833,000 Shares have been issued and are fully-paid.

In order to facilitate the Rights Issue and to accommodate further expansion and growth of the Company, the Company proposes to increase its authorised share capital from HK\$100,000,000 to HK\$250,000,000 by the creation of an additional 300,000,000 Shares.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

The Directors will also seek the approval of the Shareholders for the grant of a general mandate to allot, issue, dispose of or otherwise deal with additional Shares representing not more than 20% of the aggregate nominal amount of the share capital of the Company, in issue immediately after and subject to completion of the Rights Issue.

The Directors will also seek the approval of the Shareholders for the grant of a general mandate to exercise all of the power of the Company to purchase its own securities on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company, in issue immediately after and subject to completion of the Rights Issue.

PROPOSED ISSUE OF SHARES TO CERTAIN EMPLOYEES

Pursuant to the terms of the service contracts which the Group entered into with certain members of its senior management, it was agreed that such persons will, in addition to annual salaries, discretionary bonus and participation in the 2002 Share Option Scheme, be entitled to receive 1,500,000 Shares, in aggregate, as sign-on bonus in lieu of cash and which Shares will be issued credited as fully-paid.

These Shares will be issued to such persons pursuant to the general mandate to be approved by the Shareholders at the SGM, and accordingly such issue is conditional upon the passing by the Shareholders at the SGM of an ordinary resolution to approve the Increase in Authorised Share Capital.

CHANGE OF COMPANY NAME

The Directors propose to change the name of the Company to Imagi International Holdings Limited. It is also proposed that, subject to the change of the Company’s English name becoming effective, the Company shall adopt “意馬國際控股有限公司” as its new Chinese name for the purpose of identification only.

The Group, under the trading name “Imagi”, has successfully established an encouraging international reputation in the computer graphics animation industry. The Group has received honourable recognition from a number of renowned leading studios since the commercial launch of “Zentrix”, its 26 episode 3 dimension computer graphics television animation series, throughout the major animation markets in the world, including Japan, USA, and continental Europe. The Directors consider that the proposed new name will allow the Company to capitalise on the goodwill of the “Imagi” branding and better reflect the main business activities of the Company.

It is intended that the Company will continue its existing businesses after the change of name. The change of name will be subject to, among other things, the passing of a special resolution by the Shareholders and the approval of the Registrar of Companies in Bermuda. The Company will, subject to satisfaction of the foregoing conditions, carry out the necessary filing procedures with the Registrars of Companies in Bermuda and Hong Kong.

The change of name will not affect any of the rights of any Shareholders.

Upon the change of name becoming effective, all the existing share certificates bearing “IMI Global Holdings Limited” will continue to be evidence of title to Shares under the Company’s new name and will be valid for trading, settlement, registration and delivery purposes on the Stock Exchange. There will not be any arrangements for exchange of existing certificates for Shares for new certificates under the new name. Share certificates issued after the change of name has become effective will be issued in the new name of the Company and the Shares of the Company will be traded on the Stock Exchange in the new name.

At the time the Company’s name is changed, it will abandon its existing corporate logo and replace the same with a new identity logo of 

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and it has been prepared on the assumption that the Increase of Share Capital will be approved by the Shareholders at the SGM. The expected timetable is subject to change, and any such changes will be announced in a separate announcement by the Company.

Despatch of circular with notice of SGM	Friday, 5 March 2004
Latest time for lodging proxy forms for the SGM	10:30 a.m., Saturday, 27 March 2004
SGM	10:30 a.m., Monday, 29 March 2004
Announcement of results of SGM	Tuesday, 30 March 2004
Last day of dealings in Existing Shares on a cum-rights basis	4:00 p.m., Friday, 2 April 2004
First day of dealings in Existing Shares on an ex-rights basis	Tuesday, 6 April 2004
Latest time for lodging transfer of shares in order to qualify for the Rights Issue	4:00 p.m., Wednesday, 7 April 2004
Register of members closes to determine eligibility for the Rights Issue	Thursday, 8 April 2004 – Friday, 16 April 2004 (both days inclusive)
Record Date	Friday, 16 April 2004
Register of members re-opens	Saturday, 17 April 2004
Despatch of Rights Issue Documents	Monday, 19 April 2004
First day of dealings in nil-paid Rights Shares	9:30 a.m., Tuesday 20 April 2004
Latest time for splitting nil-paid Rights Shares	4:00 p.m., Monday, 26 April 2004
Last day of dealings in nil-paid Rights Shares	Thursday, 29 April 2004
Latest time and date for acceptance of and payment for Rights Shares (<i>Note</i>)	4:00 p.m., Tuesday, 4 May 2004
Latest time for the Rights Issue to become unconditional	4:00 p.m., Thursday, 6 May 2004
Announcement of results of acceptances of the Rights Issue and excess applications	Monday, 10 May 2004
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful applications for excess Rights Shares	on or before Monday, 10 May 2004
Despatch of certificates for fully-paid Rights Shares	on or before Monday, 10 May 2004
Commencement of dealings in fully-paid Rights Shares	9:30 a.m., Wednesday, 12 May 2004

Note: In accordance with Rule 7.20 of the Listing Rules, the provisional allotment of Rights Shares will be open for not less than 14 days.

All time references contained in this announcement refer to Hong Kong local time.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the last twelve months.

GENERAL

The Increase in Authorised Share Capital and the Change of Company Name as well as the general mandates to issue and repurchase Shares are subject to the approval by the Shareholders at the SGM. The Company expects to send a circular containing, amongst other things, details of the Increase in Authorised Share Capital and the Change of Company Name and a notice convening the SGM to consider such matters on or about 5 March 2004.

It is expected that the Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on or about 19 April 2004.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 24 February 2004, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 2 March 2004.

EXCEPTIONAL PRICE AND TURNOVER MOVEMENTS

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the recent increases in the trading volume and exceptional price movements of the shares of the Company and wish to state that we are not aware of any reasons for such increases.

Save as disclosed in this announcement, we also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of IMI Global Holdings Limited, the board of directors of which individually and jointly accept responsibility for the accuracy of this statement.

DEFINITIONS

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

“2002 Share Option Scheme”	the share option scheme of the Company which was adopted by the Company on 16 August 2002
“Board”	board of Directors
“Business Day”	means a day other than a Saturday or a Sunday on which commercial banks are open for business in Hong Kong
“Change of Company Name”	means the proposed change of the Company’s name to Imagi International Holdings Limited
“CITIC Capital” or “Underwriter”	CITIC Capital Markets Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) licensed to carry on Types 1, 4, 5, 6 and 9 regulated activities, which is not a connected person (as defined in the Listing Rules) of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	IMI Global Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Excluded Rights Shares”	such Rights Shares to which the Undertaking Shareholders will be beneficially entitled as Qualifying Shareholders as at the close of business on the Record Date, which Rights Shares are agreed to be taken up by the Undertaking Shareholders (or which the Undertaking Shareholders agree to procure to be taken up) pursuant to the terms of the Irrevocable Undertakings
“Existing Shares” or “Shares”	shares of HK\$0.50 each in the existing share capital of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Increase in Authorised Share Capital”	means the proposed increase in the authorised share capital of the Company from HK\$100,000,000 to HK\$250,000,000 by the creation of an additional 300,000,000 Shares
“Irrevocable Undertakings”	means the undertakings entered into between the Company, the Underwriter and each of the Undertaking Shareholders pursuant to which each of the Undertaking Shareholders has undertaken to accept (or will procure acceptance of) its beneficial entitlement under the Rights Issue in full in accordance with the terms of the Rights Issue as Qualifying Shareholders

“Last Trading Day”

“Latest Acceptance Date”

“Latest Practicable Date”

“Listing Rules”

“Non-qualifying Shareholders”

“Prospectus”

“Qualifying Shareholders”

“Record Date”

“Rights Issue”

“Rights Issue Documents”

“Rights Shares”

“SGM”

“Share Options”

“Shareholders”

“Stock Exchange”

“Subscription Price”

“Undertaking Shareholders”

“Underwriting Agreement”

“%”

23 February 2004, being the last trading day before the suspension of the trading of the Shares on the Stock Exchange pending the release of this announcement

4:00 p.m. on 4 May 2004, being the latest date upon which provisional allotments of Rights Shares in nil-paid form may be validly accepted

27 February 2004, being the latest practicable date prior to the release of this announcement for inclusion of certain information in this announcement

the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

those Shareholders:

- whose names appear on the register of members of the Company at the close of business on the Record Date;
- whose addresses as shown on the register of members of the Company at that time are outside Hong Kong; and
- to whom, in the Directors’ opinion after making relevant enquiry, Rights Shares may not be legally offered or may not otherwise be offered without compliance with relevant registration and/or other legal or regulatory requirements outside Hong Kong or other special formalities in jurisdictions in which such Shareholders’ addresses as shown on the then register of members of the Company situate

the prospectus to be issued by the Company in relation to the Rights Issue

the Shareholders, other than the Non-qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date

Friday, 16 April 2004 (or such other date as the Underwriter may agree in writing with the Company), being the date for determining entitlements of Shareholders to participate in the Rights Issue

the proposed rights issue of Rights Shares on the basis of one Rights Share for every two Existing Shares to Qualifying Shareholders by way of rights or to holders of Rights Shares in their nil-paid form, at a Subscription Price of HK\$1.08 per Rights Share, pursuant to the terms and conditions of the rights issue

the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares

new Shares to be issued by the Company under the Rights Issue being not less than 68,916,500 Shares and not more than 72,268,500 Shares

the special general meeting of the Company to be convened for the purpose of considering and (if appropriate) approving, amongst other things, the Increase in Authorised Share Capital, the Change of Company Name and the general mandates to issue new Shares and repurchase Shares

the outstanding options to subscribe for shares granted by the Company under the 2002 Share Option Scheme

shareholders of the Company

The Stock Exchange of Hong Kong Limited

the subscription price of HK\$1.08 per Rights Share

means Sunni International Limited, Happy Nation Limited, Mr Kao Cheung Chong, Mr Kao Wai Ho Francis, Ms Vivian Kao and Mr Kao Pun Yiu Philip

the underwriting agreement dated 1 March 2004 and entered into between the Company and CITIC Capital in relation to the Rights Issue

per cent.

By Order of the Board
IMI Global Holdings Limited
Lam Pak Kin, Philip
Director and Company Secretary

Hong Kong, 1 March 2004