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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)

ANNOUNCEMENT

The Directors have noted the increase in the trading volume and price of the Shares on 31 August 2005 and wish to state that save for (i) the appointment of a financial adviser to the Company in relation to the proposed issue of convertible loan notes of the Company pursuant to a mandate letter dated 8 August 2005 which was agreed by the Company; and (ii) usual and constant dialogues and meetings with representatives of institutional investors and investment banks on, among other matters, the development of the Company and general trend of stock market performance and various possible fund raising methods through which the Company would raise equity funding for future development of the Company, the Company provided no other specific information to such persons that may constitute price sensitive information as far as the Shares are concerned and the Board is not aware of any reasons for such movement.

The Directors confirm that save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders and potential investors are advised to exercise caution when dealing in Shares.

The board (the "**Board**") of directors (the "**Directors**") of Imagi International Holdings Limited (the "**Company**", which together with its subsidiaries, the "**Group**") have noted the increase in the trading volume and price of the shares (the "**Shares**") of the Company on 31 August 2005 and wish to state that save for (i) the appointment of a financial adviser to the Company in relation to the proposed issue of convertible loan notes of the Company pursuant to a mandate letter dated 8 August 2005; and (ii) usual and constant dialogues and meetings with representatives of institutional investors and investment banks on, among other matters, the development of the Company and general trend of stock market performance and various possible fund raising methods through which the Company would raise equity funding for future development of the Company, the Company provided no other specific information to such persons that may constitute price sensitive information as far as the Shares are concerned and the Board is not aware of any reasons for such movement.

As at the date of this announcement, no terms or method of fund raising exercises has been agreed between the Company and the financial adviser and other investors and investment banks, who are to the best of the directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of the Company and connected persons (as defined in the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of the Company. The proposed issue of convertible loan notes may or may not proceed. Further announcement will be made in compliance with the Listing Rules as and when appropriate.

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This announcement is made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

For and on behalf of the Board of
IMAGI INTERNATIONAL HOLDINGS LIMITED
Yip Kar Hang, Raymond

Executive Director and Company Secretary

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

Executive Directors:

Mr. Kao Cheung Chong, Michael (*Chairman*)
Mr. Kao Wai Ho, Francis (*Deputy Chairman & Chief Executive Officer*)
Mr. Tse Chi Man, Terry
Mr. Yip Kar Hang, Raymond

Non-executive Director:

Mr. Lam Pak Kin, Philip

Independent non-executive Directors:

Mr. Lai Chi Kin, Lawrence
Mr. Ng See Yuen
Mr. Oh Kok Chi

Hong Kong, 1 September 2005

* for identification purpose only