

For more information, please contact:
JOVIAN Financial Communications Ltd.
Angel YY Yeung / Mary Ng
Tel No.: (852) 2581 0168
Fax No.: (852) 2854 2012
Email: mary.ng@joviancomm.com

**IMAGI INTERNATIONAL ANNOUNCES
ISSUE OF HK\$70 MILLION CONVERTIBLE NOTES
TO FUND EXPANSION PLANS**

(Hong Kong, 10 November 2005) ----- Asia's leading computer graphics animated motion pictures and television series producer **Imagi International Holdings Limited** ("Imagi" / the "Group") (Stock Code: 585) today announced that it has entered into subscription agreements relating to the issuance of HK\$50 million and HK\$20 million three-year convertible notes with Winnington Capital Limited and also Mr. Kao Cheung Chong, Michael, the Chairman and an executive Director of the Group respectively. The convertible notes bear interest of 3% per annum, payable half-yearly in arrears. The conversion price is set at HK\$1.68. Winnington Capital Limited is a Hong Kong based advisory company focusing on investments in the Asian region.

The conversion price represents (i) a premium of approximately 17.48% to the closing price of HK\$1.43 per Share as quoted on the Stock Exchange on 8 November 2005, being the last trading day immediately prior to the date of this announcement; (ii) a premium of approximately 15.70% to the average closing price of approximately HK\$1.452 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 8 November 2005; and (iii) a premium of approximately 16.02% over the average closing price of approximately HK\$1.448 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 8 November 2005.

The net proceeds from the issue of the Convertible Notes will be approximately HK\$68 million which to be used as to approximately HK\$15 million for the expansion of the Group's preproduction studio, including the recruitment of industry experts, in the USA, as to approximately HK\$10 million for the preproduction development of new projects for international markets, as well as projects catering for the PRC and Asian markets; as to approximately HK\$5 million for the development of the Group's video game business, and as to the remaining balance of approximately HK\$38million for the Group's general working capital.

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"I see great prospects in the computer animations business", **Imagi's Chairman Mr. Kao Cheung Chong, Michael** expressed, "and my participation in the convertible note subscription is my vote of confidence and a testament of my continued support for the Group. Imagi has already advanced so much in recent years and the "Teenage Mutant Ninja Turtles" is just going to take it even further as a world-class studio."

Winnington Capital Limited's Mr. Kenneth Hung shares Mr. Kao's vision and said, "The issue of the convertible bond shows our confidence towards the Company and the industry. We recognize the global potential of the "Teenage Mutant Ninja Turtles" franchise and have previously participated successfully in that through Playmates Holdings Limited (0635.HK). Imagi, we believe, can ride on the emerging global CG animation trend and be the next success story deriving from the "Teenage Mutant Ninja Turtles", reaping promising returns."

The Group's **Deputy Chairman and Chief Executive Officer Mr. Francis Wai Ho Kao** said, "We are most happy with Winnington and our Chairman's participation in our convertible note issue. In view of growing demand and the recognition of our world-class computer graphics animated motion pictures, we think that the issue of the Convertible Notes can provide the Company with funding for our continued expansion and development without immediate dilution of the shareholdings of existing shareholders of the Company. Also, in view of the rising interest rate environment, the financing terms of the Convertible Notes makes it an appropriate and attractive financing avenue."

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About Imagi International Holdings Limited (0585)

Founded in 1983, Imagi International Holdings Limited ("Imagi") is a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 585) and is mainly engaged in the production of feature-length animated motion pictures and TV series using leading-edge computer graphics ("CG") technologies.

Imagi has produced well received 3D CG animated TV series, "Zentrix", in 2002, which was released in many countries including France, Japan, Germany, England and Hong Kong. The Company is also responsible for co-producing "Digital Monster X-Evolution" with Bandai and Toei of Japan and producing "Father of the Pride" for DreamWorks of USA. With a colorful portfolio established and techniques cumulated, Imagi is now producing its own feature length movies, including the first full CG animated movie of the famous "Teenage Mutant Ninja Turtles" franchise, which will be distributed worldwide by Warner Bros. and The Weinstein Company in 2007.

Headquartered in Hong Kong, Imagi's overseas production studios and marketing offices are located in Los Angeles, USA and Tokyo, Japan. The offices create the international connection and reach to enhance the quality of work and marketing capabilities of the Group.

溢星財經傳播有限公司 **JOVIAN Financial Communications Ltd.**

香港灣仔港灣道30號新鴻基中心14樓1405-12室 Rooms 1405-12, 14/F Sun Hung Kai centre, 30 Harbour Road, Wanchai, Hong Kong
電話 tel: +852 2581 0168 傳真 fax: +852 2854 2012 電郵 email: jovian@joviancomm.com

www.joviancomm.com

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