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IMAX[®]

IMAX Corporation

*(Incorporated in Canada
with limited liability)*

IMAX[®]

IMAX China Holding, Inc.

*(Incorporated in the Cayman Islands
with limited liability)
(Stock Code: 1970)*

JOINT ANNOUNCEMENT

(1) PROPOSED PRIVATISATION OF IMAX CHINA HOLDING, INC. BY IMAX CORPORATION BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT

(2) PROPOSED WITHDRAWAL OF LISTING OF IMAX CHINA HOLDING, INC.

(3) RESULTS OF THE COURT MEETING AND THE EGM

AND

(4) LAPSE OF THE PROPOSAL

Financial Adviser to the Offeror

Morgan Stanley

Independent Financial Adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

RESULTS OF THE COURT MEETING AND THE EGM

On Tuesday, 10 October 2023:

1. the resolution to approve the Scheme was not approved by the Disinterested Shareholders at the Court Meeting; and
2. the special resolution to approve and give effect to the Scheme, including the reduction of the share capital of the Company by cancelling the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled (the “**Special Resolution**”), was approved by the Shareholders at the EGM.

As the Scheme was not approved at the Court Meeting, the Special Resolution approved at the EGM will not take effect.

LAPSE OF THE PROPOSAL, THE SCHEME AND THE SHARE INCENTIVE PROPOSAL

As the Scheme was not approved in accordance with the requirements of the Companies Act and Takeovers Code at the Court Meeting, (i) the Proposal, the Share Incentive Proposal and the Scheme have lapsed, the Proposal and the Share Incentive Proposal will not be implemented and the Scheme will not become effective; (ii) the listing of Shares on the Stock Exchange will not be withdrawn; and (iii) the register of members of the Company will not be closed from Wednesday, 18 October 2023 onwards for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme.

Pursuant to Rule 31.1 of the Takeovers Code, the Offeror and the Offeror Concert Parties are precluded from announcing another offer for the Shares for a period of 12 months from the date of this announcement, except with the consent of the Executive.

None of the events indicated in the expected timetable set out in the Scheme Document in relation to the Proposal, the Scheme and the Share Incentive Proposal will take place from the date of this announcement.

INTRODUCTION

Reference is made to the scheme document jointly issued by the Company and the Offeror dated 15 September 2023 (the “**Scheme Document**”) in relation to, among other things, the Proposal, the Scheme and the Share Incentive Proposal. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held on Tuesday, 10 October 2023 at Board Meeting Room, 5F, Shanghai Marriott Hotel City Centre, 555 Xi Zang (Middle) Road, Huangpu District, Shanghai, China.

For the purposes of Section 86 of the Companies Act, the approval required to be obtained at the Court Meeting in respect of the Scheme was the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting.

For the purposes of Rule 2.10 of the Takeovers Code, the approvals required to be obtained at the Court Meeting in respect of the Scheme were as follows:

- (i) the approval of the Scheme (by way of poll) by not less than 75% of the votes attaching to the Disinterested Shares cast by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting; and
- (ii) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting being not more than 10% of the votes attaching to all of the Disinterested Shares.

At the Court Meeting, a total of 58,694,225 Disinterested Shares (representing approximately 60.93% of the Disinterested Shares) were voted, in person or by proxy, on a poll, of which:

- (i) 41,086,734 Disinterested Shares (representing approximately 70.00% of the voting rights of the Disinterested Shareholders present and voting, in person or by proxy, at the Court Meeting) voted in favour of the resolution to approve the Scheme, and
- (ii) 17,607,491 Disinterested Shares (representing approximately 18.28% of the total voting rights attached to all Disinterested Shares) voted against the resolution to approve the Scheme.

As less than 75% of the voting rights of the Disinterested Shareholders present and voting, in person or by proxy, at the Court Meeting (i.e. approximately 70.00% as referred above) were cast for the resolution to approve the Scheme and more than 10% of the votes held by all the Disinterested Shareholders (i.e. approximately 18.28% as referred above) were cast against the resolution to approve the Scheme, the Scheme was not approved at the Court Meeting.

As at the date of the Court Meeting:

- (1) the total number of Shares in issue was 339,593,143 Shares;
- (2) the total number of Disinterested Shares was 96,330,543 Shares, representing approximately 28.37% of the issued Shares and 100% of the Scheme Shares; and
- (3) the total number of Shares entitled to be voted at the Court Meeting in respect of the Scheme was 96,330,543 Shares, representing approximately 28.37% of the issued share capital of the Company. Accordingly, the number of Shares representing 10% of the Disinterested Shares was 9,633,054.

As at the date of the Court Meeting, the Offeror and the Offeror Concert Parties held 243,262,600 Shares, representing approximately 71.63% of the issued share capital of the Company. The Shares held or beneficially owned by the Offeror and the Offeror Concert Parties did not form part of the Disinterested Shares and, as such, were not voted at the Court Meeting.

As at the date of the Court Meeting, there were no Scheme Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the Scheme pursuant to Rule 13.40 of the Listing Rules. No Scheme Shareholder was required under the Listing Rules to abstain from voting in respect of the Scheme at the Court Meeting nor did any Scheme Shareholder state any intention in the Scheme Document to vote against or to abstain from voting in respect of the Scheme at the Court Meeting.

As disclosed in the Scheme Document, Shares held by any member of the Morgan Stanley group acting in the capacity of an exempt principal trader connected with the Offeror or the Company shall not be voted at the Court Meeting or the EGM in accordance with the requirement of Rule 35.4 of the Takeovers Code, and the Shares held by any member of the Morgan Stanley group in the capacity of an exempt principal trader for and on behalf of non-discretionary investment clients (that are not the Offeror or the Offeror Concert Parties) shall not be voted at the Court Meeting or the EGM unless otherwise confirmed with the Executive. Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the EGM if: (i) the relevant connected exempt principal trader holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its client that strictly prohibit such member of the Morgan Stanley group from exercising any discretion over the relevant Shares; (iii) all instructions shall originate from such non-discretionary client only (if no instructions are given, then no action shall be taken on the relevant Shares held by the relevant connected exempt principal trader); and (iv) such non-discretionary client is not the Offeror or an Offeror Concert Party.

Accordingly, each member of the Morgan Stanley group acting in the capacity of an exempt principal trader connected with the Offeror or the Company did not exercise the voting rights attached to the Shares it owned (other than those Shares held by such exempt principal trader as a simple custodian for and on behalf of non-discretionary clients who, to the extent it is aware having made reasonable enquiries, are entitled to vote at the Court Meeting and the EGM and who have given voting instructions, and over which such exempt principal trader has no voting discretion) at the Court Meeting and the EGM.

The Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, acted as the scrutineer for the vote-taking at the at the Court Meeting.

All Directors (except Mr. Richard GELFOND and Mr. John DAVISON) attended the Court Meeting, which was chaired by Mr. Peter LOEHR. Mr. Richard GELFOND and Mr. John DAVISON were unable to attend the Court Meeting due to other important business commitments.

RESULTS OF THE EGM

The EGM was held on Tuesday, 10 October 2023 at Board Meeting Room, 5F, Shanghai Marriott Hotel City Centre, 555 Xi Zang (Middle) Road, Huangpu District, Shanghai, China.

At the EGM, in respect of the Special Resolution, a total of 304,884,025 Shares (representing approximately 89.78% of the issued Shares) were voted, in person or by proxy, on a poll, of which:

- (i) 287,257,769 Shares (representing approximately 94.22% of the Shares voted in respect of the Special Resolution) were voted in favour of the Special Resolution; and
- (ii) 17,626,256 Shares (representing approximately 5.78% of the Shares voted in respect of the Special Resolution) were voted against the Special Resolution.

Accordingly, the Special Resolution was approved (by way of poll) by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM.

As at the date of the EGM, the total number of Shares in issue was 339,593,143 Shares and all Shareholders were entitled to attend and to vote for or against the Special Resolution at the EGM.

As at the date of the EGM, there were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the Special Resolution pursuant to Rule 13.40 of the Listing Rules. No Shareholder was required under the Listing Rules to abstain from voting in respect of the Special Resolution at the EGM nor did any Shareholder state any intention in the Scheme Document to vote against or to abstain from voting in respect of the Special Resolution at the EGM.

The Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, acted as the scrutineer for the vote-taking at the at the EGM.

All Directors (except Mr. Richard GELFOND and Mr. John DAVISON) attended the EGM. Mr. Richard GELFOND and Mr. John DAVISON were unable to attend the EGM due to other important business commitments.

LAPSE OF THE PROPOSAL AND THE SCHEME

As the Scheme was not approved in accordance with the requirements of the Companies Act and Takeovers Code at the Court Meeting, (i) the Proposal, the Share Incentive Proposal and the Scheme have lapsed, the Proposal and the Share Incentive Proposal will not be implemented and the Scheme will not become effective; (ii) the listing of Shares on the Stock Exchange will not be withdrawn; and (iii) the register of members of the Company will not be closed from Wednesday, 18 October 2023 onwards for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme.

Pursuant to Rule 31.1 of the Takeovers Code, the Offeror and the Offeror Concert Parties are precluded from announcing another offer for the Shares for a period of 12 months from the date of this announcement, except with the consent of the Executive.

None of the events indicated in the expected timetable set out in the Scheme Document in relation to the Proposal, the Scheme and the Share Incentive Proposal will take place from the date of this announcement.

GENERAL

As at 13 July 2023 (the commencement date of the Offer Period), the total number of Shares held or beneficially owned by the Offeror and the Offeror Concert Parties was 243,262,600 Shares, representing approximately 71.63% of the issued share capital of the Company. As at the date of this announcement, the total number of Shares held or beneficially owned by the Offeror and the Offeror Concert Parties was 243,262,600 Shares, representing approximately 71.63% of the issued share capital of the Company.

Neither the Offeror nor any of the Offeror Concert Parties had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Offer Period.

As at the date of this announcement, neither the Offeror nor any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

By order of the board of
IMAX Corporation
Kenneth I. Weissman
Deputy General Counsel & Corporate Secretary

By order of the Board
IMAX China Holding, Inc.
Yifan (Yvonne) He
Joint Company Secretary

Hong Kong, 10 October 2023

As at the date of this announcement, the directors of the Offeror are Mr. Darren THROOP, Mr. Richard GELFOND, Ms. Gail BERMAN, Mr. Eric DEMIRIAN, Mr. Kevin DOUGLAS, Mr. David LEEBRON, Mr. Michael MACMILLAN, Mr. Steve PAMON, Ms. Dana SETTLE and Ms. Jen WONG.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Jiande CHEN, Mr. Jim ATHANASOPOULOS and Ms. Mei-Hui CHOU (Jessie), two non-executive Directors, namely Mr. Richard GELFOND and Mr. Robert LISTER, and four independent non-executive Directors, namely, Mr. John DAVISON, Ms. Yue-Sai KAN, Ms. Dawn TAUBIN and Mr. Peter LOEHR.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by the directors of the Offeror in their capacity as the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

In the event of any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.