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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

IRREVOCABLE UNDERTAKINGS BY SHARE OPTION HOLDERS TO ACCEPT THE SHARE OPTION OFFER

AND

SHAREHOLDING STRUCTURE OF THE COMPANY

IN RELATION TO

**(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**

AND

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

Financial Adviser to the Offeror

Morgan Stanley

Independent Financial Adviser to the Independent Board Committee

 **SOMERLEY CAPITAL LIMITED**

Reference is made to the announcement dated 13 July 2023 jointly published by IMAX China Holding, Inc. (the “**Company**”) and IMAX Corporation (the “**Offeror**”) in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act (the “**Joint Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

IRREVOCABLE UNDERTAKINGS

As disclosed in the Joint Announcement, Mr. Jim ATHANASOPOULOS has given a LTIP Option Holder Undertaking in favour of the Offeror that: (i) he will not exercise his outstanding LTIP Options during the Offer Period; (ii) he will accept the LTIP Option Offer and consent to the cancellation of his outstanding LTIP Options conditional upon the Scheme becoming effective; and (iii) he will accept the Share Award Offer conditional upon the Scheme becoming effective.

On 31 August 2023, each of the Share Option Holders, being Mr. Jim ATHANASOPOULOS, Mr. Jiande CHEN, Ms. Mei-Hui (Jessie) CHOU, Ms. Ka Long Karen CHAN, Mr. Tseng Kai TSAO and Ms. Xueqing ZHANG, also entered into an irrevocable undertaking (collectively, the “**Irrevocable Undertakings**”) in favour of the Offeror, pursuant to which each of the Share Option Holders has irrevocably undertaken, among others, that:

- (i) he/she will not exercise any of the outstanding Share Options held by him/her during the Offer Period;
- (ii) he/she will accept the Share Option Offer and consent to the cancellation of his/her outstanding Share Options conditional upon the Scheme becoming effective; and
- (iii) except for Mr. Jim ATHANASOPOULOS (who has already given such undertaking under the LTIP Option Holder Undertaking), he/she will duly accept the Share Award Offer in respect of all of the RSUs and/or PSUs held by him/her conditional upon the Scheme becoming effective.

Share Incentives held by Share Option Holders

As at the date of this announcement, the Share Option Holders are interested in:

- (i) 1,518,800 LTIP Options, representing all LTIP Options granted by the Company;
- (ii) 1,295,392 Share Options, representing all Share Options granted by the Company;
- (iii) 1,208,514 RSUs, representing 48.68% of the total number of RSUs granted by the Company; and
- (iv) 535,961 PSUs, representing 60.36% of the total number of PSUs granted by the Company.

As at the date of this announcement, the Share Option Holders are also interested in 1,358,744 Shares, representing approximately 0.40% of the total number of issued Shares. None of the Share Option Holders is an Offeror Concert Party.

Termination

The Irrevocable Undertakings will lapse and terminate immediately if:

- (a) the Conditions as set out in the Joint Announcement are not fulfilled or (where applicable) waived on or before the Long Stop Date; or
- (b) the Proposal and/or the Share Incentive Proposal lapse or are withdrawn.

There are no other circumstances pursuant to which the Irrevocable Undertakings may be terminated.

SHAREHOLDING STRUCTURE OF THE COMPANY

It was disclosed in the Joint Announcement that Mr. Jiande CHEN, an executive Director, was interested in 88,861 Shares, representing approximately 0.03% of the issued share capital of the Company. The Company would like to clarify that:

- (a) on 11 May 2022, 5,937 Shares were withheld and sold by the Share Award Trustee for tax purposes as part of the 15,198 RSUs vested to Mr. Jiande CHEN on 6 May 2022; and
- (b) as at the date of the Joint Announcement, Mr. Jiande CHEN was in fact interested in 82,924 Shares, representing approximately 0.02% of the issued share capital of the Company.

Save as disclosed in this announcement, all other information stated in the Joint Announcement remains accurate and complete.

WARNINGS

Shareholders, Share Incentive Holders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Share Incentive Proposal is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal and the Share Incentive Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Share Incentive Holders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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, 31 August 2023

As at the date of this announcement, the directors of the Offeror are Mr. Darren THROOP, Mr. Richard GELFOND, Mr. 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 (other than that relating to the Group) 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 in their capacity as the Directors) 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.