



**IMAX China Holding, Inc.**  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1970)

*Executive Directors:*

Mr. Jiande CHEN  
Mr. Jim ATHANASOPOULOS  
Ms. Mei-Hui CHOU (Jessie)

*Registered Office:*

c/o Maples Corporate Services Limited  
PO Box 309  
Ugland House  
Grand Cayman KY1-1104 Cayman Islands

*Non-executive Directors:*

Mr. Richard GELFOND  
Mr. Robert LISTER

*Corporate Headquarters:*

7/F, Verdant Place  
No. 128 West Nanjing Road  
Huangpu District, Shanghai  
People's Republic of China

*Independent Non-executive Directors:*

Mr. John DAVISON  
Ms. Yue-Sai KAN  
Ms. Dawn TAUBIN  
Mr. Peter LOEHR

*Principal Place of Business in Hong Kong:*

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon, Hong Kong

15 September 2023

*To the Shareholders and Share Incentive Holders*

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF IMAX CHINA HOLDING, INC. BY  
THE OFFEROR 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.**

**1. INTRODUCTION**

On 13 July 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Offer Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares from the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will be cancelled and extinguished on the Effective Date. Contemporaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

The Shares in which IMAX Barbados (a wholly-owned subsidiary of the Offeror) is interested will not form part of the Scheme Shares and will not be cancelled. Upon the Scheme becoming effective, the Company will be owned as to approximately 71.63% and 28.37% by IMAX Barbados and the Offeror, respectively, and the listing of the Shares will be withdrawn from the Stock Exchange.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, the Scheme and the Share Incentive Proposal, and to give you notices of the Court Meeting and the EGM, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix III of this Scheme Document.

## **2. TERMS OF THE PROPOSAL**

Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled in exchange for HK\$10.00 in cash for each Scheme Share.

**The Offeror will not increase the Offer Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price.**

Your attention is drawn to the section headed “2. *Terms of the Proposal – The Scheme*” in Part VII – Explanatory Memorandum of this Scheme Document.

Settlement of the Offer Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

### **Highest and lowest prices**

Your attention is drawn to the section headed “2. *Terms of the Proposal – Highest and lowest prices*” in Part VII – Explanatory Memorandum of this Scheme Document.

## **3. CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the Conditions set out in the section headed “3. *Conditions of the Proposal and the Scheme*” in Part VII – Explanatory Memorandum of this Scheme Document are fulfilled or waived (as applicable).

When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders.

**Warning: Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore 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.**

## **4. SHARE INCENTIVE PROPOSAL**

Your attention is drawn to the section headed “4. *Share Incentive Proposal*” in Part VII – Explanatory Memorandum of this Scheme Document.

## **5. Confirmation of Financial Resources**

The Offeror has appointed Morgan Stanley as its financial adviser in connection with the Proposal and the Share Incentive Proposal.

Your attention is drawn to the section headed “5. *Confirmation of Financial Resources*” in Part VII – Explanatory Memorandum of this Scheme Document.

## **6. SHAREHOLDING STRUCTURE OF THE COMPANY**

Your attention is drawn to the section headed “6. *Shareholding Structure of the Company*” in Part VII – Explanatory Memorandum of this Scheme Document.

## **7. INFORMATION ON THE Group**

Your attention is drawn to the section headed “7. *Information on the Group*” in Part VII – Explanatory Memorandum of this Scheme Document.

## **8. INFORMATION ON THE OFFEROR**

Your attention is drawn to the section headed “8. *Information on the Offeror*” in Part VII – Explanatory Memorandum of this Scheme Document.

## **9. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

Your attention is drawn to the section headed “9. *Intention of the Offeror with regard to the Group*” in Part VII – Explanatory Memorandum of this Scheme Document.

The Board is pleased to note that as at the Latest Practicable Date, the Offeror intended for the Group to continue to carry on its existing business and the Offeror did not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

## **10. INDEPENDENT BOARD COMMITTEE and independent financial adviser**

The Independent Board Committee, comprising Ms. Yue-Sai KAN, Mr. John DAVISON, Ms. Dawn TAUBIN and Mr. Peter LOEHR (being all of the independent non-executive Directors), has been established by the Board to make a recommendation to the Disinterested Shareholders and the Share Incentive Holders (as applicable) as to: (i) whether the terms of the Proposal, the Scheme and the Share Incentive Proposal are, or are not, fair and reasonable; (ii) voting by the Disinterested Shareholders on the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM; and (iii) acceptance by the Share Incentive Holders of the Share Incentive Proposal.

As Mr. Richard GELFOND (being a non-executive Director and the chairman of the Board) is also the Chief Executive Officer of the Offeror and Mr. Robert LISTER (being a non-executive Director) is also the Chief Legal Officer and Senior Executive Vice President of the Offeror, Mr. Richard GELFOND and Mr. Robert LISTER are regarded as being interested in the Proposal and do not form part of the Independent Board Committee.

The Board, with the approval of the Independent Board Committee, has appointed Somerley as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Share Incentive Proposal pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the terms of the Proposal, the Scheme and the Share Incentive Proposal are fair and reasonable so far as the Disinterested Shareholders and the Share Incentive Holders are respectively concerned, and accordingly, it advises the Independent Board Committee to recommend to (a) the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court

Meeting and the EGM to approve and implement the Proposal and the Scheme; and (b) the Share Incentive Holders to accept the Share Incentive Proposal.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the terms of the Proposal, the Scheme and the Share Incentive Proposal are fair and reasonable so far as the Disinterested Shareholders and the Share Incentive Holders are respectively concerned. Accordingly, the Independent Board Committee recommends (a) the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme; and (b) the Share Incentive Holders to accept the Share Incentive Proposal.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal, the Scheme and the Share Incentive Proposal is set out in Part V of this Scheme Document.

## **11. REASONS FOR AND BENEFITS OF THE PROPOSAL**

Your attention is drawn to the section headed “*11. Reasons for and Benefits of the Proposal*” in Part VII – Explanatory Memorandum of this Scheme Document.

## **12. ACTIONS TO BE TAKEN**

Your attention is drawn to Part II – Actions to be Taken of this Scheme Document.

## **13. Court Meeting and EGM**

In accordance with the directions of the Grand Court, the Court Meeting will be held at Board Meeting Room, 5F, Shanghai Marriott Hotel City Centre, 555 Xi Zang (Middle) Road, Huangpu District, Shanghai, China on Tuesday, 10 October 2023 at 7:00 a.m. The EGM will be held at Board Meeting Room, 5F, Shanghai Marriott Hotel City Centre, 555 Xi Zang (Middle) Road, Huangpu District, Shanghai, China on Tuesday, 10 October 2023 at 7:30 a.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or adjourned).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully the section headed “*13. Court Meeting and EGM*” in Part VII – Explanatory Memorandum of this Scheme Document, Part II – Actions to be Taken of this Scheme Document, the notice of Court Meeting in Appendix IV of this Scheme Document and the notice of EGM in Appendix V of this Scheme Document.

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. IMAX Barbados, as an Offeror Concert Party, will provide an undertaking to the Grand Court not to attend and vote at the Court Meeting. The Offeror has also undertaken to the Grand Court to be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and to vote on the special resolution to approve and give effect to (a) any reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (b) the contemporaneous issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares.

As the Share Award Trustee is not acting in concert with the Offeror, any Shares held by the Share Award Trustee are Disinterested Shares and are entitled to be voted at the Court Meeting and the

EGM. However, pursuant to Rule 17.05A of the Listing Rules and the rules of the RSU Scheme and the PSU Scheme, the Share Award Trustee shall not exercise the voting rights attached to the Shares held by it. As at the Latest Practicable Date, the Share Award Trustee did not hold any Shares.

#### **14. WITHDRAWAL OF LISTING OF SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 9:00 a.m. on Tuesday, 24 October 2023 subject to the Scheme becoming effective.

The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares from the Stock Exchange will become effective.

#### **15. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company, and:

- (a) no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on the Stock Exchange will not be withdrawn;
- (c) as the Share Incentive Proposal is conditional upon the Scheme becoming effective, the Share Incentive Proposal will lapse; and
- (d) there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses: (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

#### **16. REGISTRATION AND PAYMENT**

Your attention is drawn to the section headed “16. *Registration and Payment*” in Part VII – Explanatory Memorandum of this Scheme Document.

#### **17. OVERSEAS SCHEME SHAREHOLDERS AND OVERSEAS SHARE INCENTIVE HOLDERS**

Your attention is drawn to the section headed “17. *Overseas Scheme Shareholders and Overseas Share Incentive Holders*” in Part VII – Explanatory Memorandum of this Scheme Document.

#### **18. TAXATION ADVICE**

Your attention is drawn to the section headed “18. *Taxation Advice*” in Part VII – Explanatory Memorandum of this Scheme Document.

## 19. COSTS OF THE SCHEME

Your attention is drawn to the section headed “19. *Costs of the Scheme*” in Part VII – Explanatory Memorandum of this Scheme Document.

## 20. GENERAL

As Mr. Richard GELFOND (being a non-executive Director and the chairman of the Board) is also the Chief Executive Officer of the Offeror and Mr. Robert LISTER (being a non-executive Director) is also the Chief Legal Officer and Senior Executive Vice President of the Offeror, Mr. Richard GELFOND and Mr. Robert LISTER are regarded as being interested in the Proposal. Accordingly, Mr. Richard GELFOND and Mr. Robert LISTER have not participated in, and will abstain from voting in, any vote of the Board in relation to the Proposal, the Scheme and the Share Incentive Proposal.

The Directors (including members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee in Part V of this Scheme Document) believe that the terms of the Proposal, the Scheme and the Share Incentive Proposal are fair and reasonable so far as the Disinterested Shareholders and the Share Incentive Holders are respectively concerned.

## 21. RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal, the Scheme and the Share Incentive Proposal as set out in the letter from the Independent Board Committee to the Disinterested Shareholders and the Share Incentive Holders in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal, the Scheme and the Share Incentive Proposal as set out in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal, the Scheme or the Share Incentive Proposal.

## 22. FURTHER INFORMATION

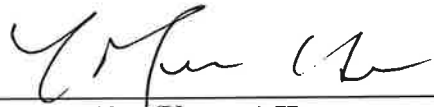
You are urged to read carefully:

- (a) the letter from the Independent Board Committee to the Disinterested Shareholders and the Share Incentive Holders set out in Part V of this Scheme Document;
- (b) the letter from the Independent Financial Adviser to the Independent Board Committee set out in Part VI of this Scheme Document;
- (c) the Explanatory Memorandum set out in Part VII of this Scheme Document;
- (d) the appendices of this Scheme Document, including the Scheme set out in Appendix III of this Scheme Document;
- (e) the notice of Court Meeting set out in Appendix IV of this Scheme Document; and
- (f) the notice of EGM set out in Appendix V of this Scheme Document.

In addition, a **PINK** form of proxy in respect of the Court Meeting and a **WHITE** form of proxy in respect of the EGM are enclosed with this Scheme Document.

If you are a Share Incentive Holder, you are also urged to read carefully the Letter to the Share Incentive Holders, substantially in the form set out in Appendix VI to this Scheme Document, and the enclosed Form of Acceptance.

On behalf of the Board  
**IMAX China Holding, Inc.**



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**Yifan (Yvonne) He**  
*Joint Company Secretary*