



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

DDJ
CAUSE NO. FSD OF 2023 ()

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION) (AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995 (AS REVISED)

AND IN THE MATTER OF IMAX CHINA HOLDING, INC.

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION OF IMAX CHINA HOLDING, INC., whose registered office is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands shows the following:

Object of the Petition

1. The object of this Petition is to seek the sanction of the Court, pursuant to section 86 of the Companies Act (2023 Revision) (as revised) (the “**Companies Act**”), to a proposed scheme of arrangement (the “**Scheme**”) between the petitioner, IMAX China Holding, Inc. (the “**Company**”) and the Scheme Shareholders (as defined in the scheme document (the “**Scheme Document**”), a draft of which is attached as Exhibit “YH-1” to the first affirmation of Yifan HE made on 22 August 2023).

The Company

2. The Company was incorporated on 30 August 2010 under the Companies Act as an exempted company with registration number MC-244792.
3. The registered office of the Company is situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and the principal place of business of the Company is at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.
4. As an exempted company, the objects for which the Company was established are unrestricted and include to carry on business as an investment company and as an investment holding company. The Company is otherwise capable of exercising any and all of the powers exercisable by a natural person as provided by section 27(2) of the Companies Act.
5. As at the date of this Petition, the Company has an authorised share capital of US\$62,562.50 divided into 625,625,000 shares of a nominal or par value of US\$0.0001 (the “**Shares**”), of which 339,593,143 have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued.
6. The Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).
7. As at 22 August 2023:
 - (a) the Company has 339,593,143 Shares in issue;
 - (b) IMAX (Barbados) Holding, Inc. (“**IMAX Barbados**”), a wholly-owned subsidiary of IMAX Corporation (the “**Offeror**”), holds 243,262,600

Shares, representing approximately 71.63% of the issued Shares of the Company;

- (c) the Offeror does not hold any Shares; and
- (d) the remaining 96,330,543 Shares, representing approximately 28.37% of the issued Shares of the Company, constitute the Scheme Shares (as defined in the Scheme Document).

8. The table below sets out the shareholding structure of the Company as at 22 August, 2023:

As at 22 August 2023		
Shareholders	<i>Number of Shares</i>	<i>Total number of Shares in issue (%)⁽⁴⁾</i>
(A) Offeror⁽¹⁾	–	–
(B) Offeror Concert Parties (as defined in the Scheme Document)		
IMAX Barbados ⁽¹⁾	243,262,600	71.63
(C) Offeror and Offeror Concert Parties (A) + (B)⁽²⁾	243,262,600	71.63
(D) Disinterested Shareholders (as defined in the Scheme Document)		
Directors ⁽³⁾		
Mr. Jiande CHEN	109,409	0.03
Mr. Jim THANASOPOULOS	749,746	0.22
Ms. Mei-Hui (Jessie) CHOU	296,760	0.09
Mr. John DAVISON	454,526	0.13

Ms. Yue-Sai KAN	435,108	0.13
Ms. Dawn TAUBIN	454,526	0.13
Mr. Peter LOEHR	328,860	0.10
Other Disinterested Shareholders	93,501,608	27.53
Sub-total	96,330,543	28.37
Total number of Shares in issue (C) + (D)	339,593,143	100.00

Notes:

- IMAX Barbados is a company incorporated in Barbados with limited liability and is wholly-owned by the Offeror. As at the date of 22 August 2023, IMAX Barbados directly owns 243,262,600 Shares and therefore the Offeror is deemed to be interested in 243,262,600 Shares held by IMAX Barbados pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shares in which IMAX Barbados 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.*
- Morgan Stanley is the financial adviser to the Offeror in connection with the Proposal and the Share Incentive Proposal (each as defined in the Scheme Document). Accordingly, Morgan Stanley and the relevant members of the Morgan Stanley group which hold Shares on an own account basis or manage Shares on a discretionary basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (as defined in the Scheme Document) (except in respect of the Shares held by members of the Morgan Stanley group which are exempt principal traders or exempt fund managers, in each case*

recognised by the Executive (as defined in the Scheme Document) as such for the purposes of the Takeovers Code). Members of the Morgan Stanley group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as Morgan Stanley are not presumed to be acting in concert with the Offeror.

However:

- (a) 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 (as defined below) or the EGM (as defined below) 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 (as defined in the Scheme Document)) shall not be voted at the Court Meeting or the EGM unless otherwise confirmed with the Executive; and*

- (b) 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.

3. *None of these directors is acting in concert with the Offeror.*
4. *All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.*

The Offeror

9. The Offeror is an company incorporated in Canada with limited liability and listed on the New York Stock Exchange (NYSE: IMAX) and the ultimate controlling shareholder of the Company. Its registered office is situated at 2525 Speakman Drive, Mississauga, Ontario, Canada L5K 1B1. The correspondence address of the Offeror in the United States is at 902 Broadway, Floor 20 New York, New York, USA 10010.
10. The Offeror will undertake to be bound by the terms of the Scheme.

The Scheme

11. The purpose of the Scheme is to privatise the Company and de-list the Shares from the Stock Exchange such that the Company will be owned as to approximately 71.63% and 28.37% by IMAX Barbados and the Offeror, respectively.
12. The Scheme involves:

- (a) the cancellation of all Scheme Shares in return for payment of the offer price of HK\$10.00 per Scheme Share (the “**Offer Price**”) by the Offeror;
 - (b) the issued share capital of the Company being maintained at the same amount as immediately before the Scheme by the issue to the Offeror, contemporaneously with the cancellation of the Scheme Shares, of an aggregate number of new Shares equal to the number of Scheme Shares cancelled; and
 - (c) the Company applying the reserve created in its books of account as a result of the cancellation of the Scheme Shares in paying up in full such new Shares issued to the Offeror.
13. The Scheme provides the Scheme Shareholders with an opportunity to dispose of their Shares at a compelling premium over recent market prices without being subject to any liquidity discount. The Offer Price is fully explained in the Scheme Document.
14. After careful consideration, the board of directors of the Company (with the interested directors abstaining) has determined that the Scheme is in the best interest of the Company.
15. Under the Takeovers Code, unless permitted by the Securities and Futures Commission of Hong Kong, Scheme Shareholders who are acting in concert with the Offeror in relation to the implementation of the Scheme may not be counted for the purposes of satisfying the voting requirements of Rule 2.10 of the Takeovers Code but may be counted for the purposes of satisfying the voting requirements of section 86 of the Companies Act.

16. The Company intends to make an application for directions, declarations and orders that, amongst other things:
- (a) all Scheme Shareholders form one class for the purpose of approving the Scheme and are identified as one class in the Scheme Document;
 - (b) the Company be at liberty to convene a meeting of the Scheme Shareholders (the “**Court Meeting**”) for the purpose of considering and, if thought fit, approving the Scheme (with or without modification);
 - (c) directions as to the mode of delivery of the Scheme Document (including an explanatory memorandum) together with a proxy form to the Scheme Shareholders; and
 - (d) the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally.

17. The Company proposes to convene the Court Meeting at which the following resolution (with such amendments as may be approved at the Court Meeting) will be considered:

*“THAT a scheme of arrangement (the “**Scheme of Arrangement**”) dated 5 September 2023 between the Company and the Scheme Shareholders (as defined in Scheme) in the form of the print thereof which has been produced to the meeting and, for the purpose of identification signed by the chairman of the meeting, or in such other form and on such terms and conditions or may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”*

18. The Scheme Document exhibited as Exhibit “YH-1” to the first affirmation of Yifan HE will be despatched to all Scheme Shareholders (with the possible exception of overseas shareholders of the Company (as explained in the Scheme Document)).

Extraordinary General Meeting

19. The Company intends to hold an extraordinary general meeting (the “EGM”) immediately after the Court Meeting for the purposes of approving all resolutions necessary to give effect to the Proposal (as defined in the Scheme Document).

Effect of the Scheme on Issued Share Capital and Solvency

20. The issued share capital of the Company will remain the same pre and post the Scheme.
21. The Scheme will not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or other monies by the Company or alteration of the underlying assets, business operations, management or financial position of the Company and will have no effect on the creditors of the Company. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business.
22. The Company therefore humbly prays as follows:
 - (a) That the Scheme to be approved at the Court Meeting to be convened at the direction of this Honourable Court may be sanctioned by this Honourable Court.

(b) That such further or other order be made as the Court shall see fit.

Dated this 22nd day of August 2023



Conyers Dill & Pearman LLP
Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on IMAX China Holding, Inc. at its registered office located at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

This Petition is presented by Conyers Dill & Pearman LLP, for and on behalf of the Petitioner, of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
Notice of Hearing

NOTICE OF HEARING

This Petition, having been presented to the Court on the day of 2023, will be heard at the Law Courts, George Town, Grand Cayman on the 4th day of October 2023 at 10 a.m. or as soon thereafter as the Petition can be heard.