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IMAX CHINA HOLDING, INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1970)

(1) GRANT OF RESTRICTED SHARE UNITS, (2) GRANT OF PERFORMANCE-BASED RESTRICTED SHARE UNITS AND (3) NON-EXEMPT CONNECTED TRANSACTION GRANT OF RESTRICTED SHARE UNITS AND PERFORMANCE-BASED RESTRICTED SHARE UNITS TO CHIEF EXECUTIVE OFFICER

On 12 March 2020, the Company granted a total of 1,117,949 RSUs pursuant to the Restricted Share Unit Scheme and a total of 253,677 PSUs pursuant to the Performance-based Restricted Share Unit Scheme. Among such grants, 304,412 RSUs and 101,471 PSUs were granted to Edwin Tan, the Chief Executive Officer of the Company.

As Edwin Tan is the Chief Executive Officer and a connected person of the Company, the grant of 304,412 RSUs and 101,471 PSUs, together with a monetary value of US\$750,000, to him constitutes a connected transaction. Furthermore, Mr. Tan may be granted an addition of 76,103 PSUs upon fulfillment of the relevant performance conditions. In addition, the Company granted 71,186 RSUs to Mr. Tan with a monetary value of approximately HK\$1,174,565 on 9 December 2019. As the relevant percentage ratios (as defined in the Listing Rules) in respect of the Grants, on an aggregate basis, exceed 0.1% but are less than 5%, and the Grants are conducted on normal commercial terms, the Grants are exempted pursuant to Rule 14A.76(2)(a) from the independent shareholders' approval requirement but are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Grant of RSUs

On 12 March 2020, the Company granted a total of 1,117,949 RSUs pursuant to the Restricted Share Unit Scheme, representing approximately 0.320% of the issued share capital of the Company as at the date of this announcement. The closing price of the Share on the date of the grant was HK\$14.24.

A summary of the terms of the Restricted Share Unit Scheme was set out in the section headed “Statutory and General Information — E. Long Term Incentive Plan — II. RSU Scheme” in Appendix VI to the prospectus of the Company dated 24 September 2015. In particular:

- (a) the grantees are not required to pay for the grant of RSUs or issuance of any Share upon settlement of the vested RSUs under the Restricted Share Unit Scheme;
- (b) each of the RSUs granted represents the right to receive one Share on the date it vests;
- (c) the RSUs do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights; and
- (d) the grantees shall not enjoy any rights of a Shareholder by virtue of the grant of any RSUs unless and until the Shares underlying such RSUs are actually allotted and issued or transferred (as the case may be) to the grantees upon the vesting of such RSUs.

The Company has appointed a professional trustee to assist with the administration and vesting of RSUs. The trustee shall make on-market purchases of Shares to satisfy the RSUs granted to the Company’s Executive Directors and Chief Executive Officer upon vesting. The Company will provide sufficient funds to the trustee as the Board may in its absolute discretion determine to enable the trustee to satisfy its obligations in connection with the administration and vesting of RSUs granted.

Among the total of 1,117,949 RSUs, 547,942 RSUs are granted to Executive Directors and the Chief Executive Officer of the Company, details of which are as follows:

Name	Position	Monetary Value of RSU grants	Number of RSUs granted⁽¹⁾
Jiande Chen	Executive Director and Vice Chairman	US\$262,500	142,059
Mei-Hui Chou (Jessie)	Executive Director and Chief Marketing Officer	US\$187,500	101,471
Edwin Tan	Chief Executive Officer	US\$562,500	304,412

Note: (1) based on HK\$14.36 per Share, being the average closing price of the Share for the five trading days immediately preceding the date of grant.

All RSUs granted to employees at director level and above (including RSUs granted to the above Executive Directors and Chief Executive Officer) will vest as follows: (1) 33% on 12 March 2021; (2) 33% on 12 March 2022; and (3) 34% on 12 March 2023. All RSUs granted to employees at manager level and below will vest fully on 12 March 2022.

In accordance with the rules of the Restricted Share Unit Scheme, the grant of the RSUs to the above Executive Directors and Chief Executive Officer has been approved by the Independent Non-executive Directors.

Grant of PSUs

On 12 March 2019, the Company granted a total of 253,677 PSUs pursuant to the Performance-based Restricted Share Unit Scheme, representing approximately 0.073% of the issued share capital of the Company as at the date of this announcement. The closing price of the Share on the date of the grant was HK\$14.24.

A summary of the terms of the Performance-based Restricted Share Unit Scheme was set out in the announcement of the Company dated 12 March 2020 in relation to adoption of the Performance-based Restricted Share Unit Scheme. In particular:

- (a) the grantees are not required to pay for the grant of PSUs or issuance of any Share upon settlement of the vested PSUs under the Performance-based Restricted Share Unit Scheme;
- (b) each of the PSUs granted represents the right to receive one Share on the date it vests, subject to satisfaction of performance or other conditions determined by the Board; the grantees shall be entitled to additional PSUs which will vest upon grant (and are otherwise subject to the same terms and conditions as those PSUs underlying the grant) where certain performance or other criteria are achieved;
- (c) the PSUs do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights; and
- (d) the grantees shall not enjoy any rights of a Shareholder by virtue of the grant of any PSUs unless and until the Shares underlying such PSUs are actually transferred to the grantees upon the vesting of such PSUs.

The Company has appointed a professional trustee to assist with the administration and vesting of PSUs. The Company shall direct and procure the trustee to make on-market purchases of Shares to settle the PSUs upon vesting. The Company will provide sufficient funds to the trustee as the Board may in its absolute discretion determine to enable the trustee to satisfy its obligations in connection with the administration and vesting of PSUs granted.

Among the total of 253,677 PSUs, a total of 182,648 PSUs were granted to Executive Directors and the Chief Executive Officer of the Company, details of which are as follows:

Name	Position	Monetary Value of PSU grants	Number of PSUs granted⁽¹⁾⁽²⁾
Jiande Chen	Executive Director and Vice Chairman	US\$87,500	47,353
Mei-Hui Chou (Jessie)	Executive Director and Chief Marketing Officer	US\$62,500	33,824
Edwin Tan	Chief Executive Officer	US\$187,500	101,471

Note: (1) based on HK\$14.36 per Share, being the average closing price of the Share for the five trading days immediately preceding the date of grant.

(2) where the average annual EBITDA growth of the Company over the Performance Period (“**Average Annual EBITDA Growth**”) is greater than 12.5%, the grantees will be entitled to up to a maximum of 75% additional PSUs which will vest upon grant and are otherwise subject to the same terms and conditions as those PSUs underlying the grant.

The PSUs granted (including PSUs granted to the above Executive Directors and Chief Executive Officer) will vest in whole or in part promptly following the public disclosure of the Company’s financial statements for the year of 2022 based on fulfillment of relevant performance conditions over a three-year performance period commencing on 1 January 2020 and ending on 31 December 2022 (the “**Performance Period**”).¹

In accordance with the rules of the Performance-based Restricted Share Unit Scheme, the grant of the PSUs to the above Executive Directors and Chief Executive Officer has been approved by the Independent Non-executive Directors.

Listing Rules Implications

The grant of RSUs and PSUs to the above Executive Directors forms part of the remuneration package as senior managers of the Company under the service contract of such Directors and accordingly, is exempt from the reporting, announcement and independent shareholders’ approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

¹ The performance metrics used to determine the percentage of PSUs that will vest at the end of the Performance Period is on a sliding scale basis. Any Average Annual EBITDA Growth between 5% and 12.5% (both inclusive) will result a percentage (ranging from 50% to 100%) of the PSUs granted becoming vested at the end of the Performance Period. Any Average Annual EBITDA Growth greater than 12.5% will result in 100% of the PSUs granted becoming vested, and also additional PSUs being granted and vesting upon grant, at the end of the Performance Period. The maximum number of such additional PSUs will be 75% of the PSUs granted when the Average Annual EBITDA Growth reaches 20% or more.

As Edwin Tan is the Chief Executive Officer and a connected person of the Company, the grant to Mr. Tan of 304,412 RSUs and 101,471 PSUs (the “**March 2020 Grant**”), with a monetary value of US\$750,000, constitutes a connected transaction. Furthermore, Mr. Tan may be granted an addition of 76,103 PSUs, being the maximum additional number of PSUs which may be granted when the Average Annual EBITDA Growth reaches 20% or more (the “**Additional Grant**”). In addition, the Company granted 71,186 RSUs to Mr. Tan with a monetary value of approximately HK\$1,174,565 on 9 December 2019 (the “**December 2019 Grant**”, together with the March 2020 Grant and Additional Grant, the “**Grants**”). The Grants form part of the remuneration package of his service contract and have been reviewed and determined by the Board with reference to the prevailing market conditions, based on his professional expertise and responsibilities. No new Shares will be allotted and issued upon vesting of the RSUs or PSUs granted to him. As the relevant percentage ratios (as defined in the Listing Rules) in respect of the Grants, on an aggregate basis, exceed 0.1% but are less than 5%, and the Grants are conducted on normal commercial terms, the Grants are exempted from the independent shareholders’ approval requirement but are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

No Director is considered to be interested in the Grants and therefore none of them abstained from voting on the relevant Board resolution to approve the Grants.

As set out in the Company’s circular dated 7 May 2019, as of 2 May 2019, the maximum number of new Shares that may underlie the RSUs to be granted pursuant to the RSU Scheme was 23,299,977 Shares. As the Company granted: (i) 122,901 RSUs to three Independent Non-executive Directors on 10 June 2019, (ii) 160,937 RSUs and 210,883 Options to Jim Athanasopoulos, an Executive Director, on 1 August 2019, (iii) 24,141 RSUs and 31,701 Options to an employee on 1 August 2019, (iv) 71,186 RSUs to Edwin Tan, the Chief Executive Officer on 9 December 2019, and (v) 1,117,949 RSUs, 253,677 PSUs and potentially 190,258 additional PSUs (being the maximum additional number of PSUs which may be granted when the Average Annual EBITDA Growth reaches 20% or more) to the grantees as set out in this announcement, the maximum number of new Shares that may underlie the RSUs to be granted pursuant to the RSU Scheme has been reduced to 21,116,344 Shares.

Reasons and Benefits of the Grants to the Chief Executive Officer

The Grants to the Chief Executive Officer form part of the Company’s remuneration policy, the purpose of which is to closely align the interests and benefits of the Company and its employees in order to motivate them to strive for the future development and expansion of the Company. The Grants aim to provide sufficient incentive to retain and motivate the Chief Executive Officer to participate in the day-to-day management of the business and operations of the Group and the development and execution of strategies that may enable the Company to extend its leadership position and involvement in the continuing development in Greater China.

In this regard, the Directors (including independent non-executive Directors) and the remuneration committee of the Company consider that the terms of the Grants are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Saved as disclosed above, none of the grantees of the RSUs or the PSUs is a director, a chief executive or substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules) as at the date of this announcement.

General Information

The Company is a company incorporated under the laws of the Cayman Islands with limited liability and the Shares are listed on the main board of the Stock Exchange. The Company is a leading cinematic technology provider, the exclusive licensee of the IMAX brand in the theatre and films business in Greater China. The Company's three principal business segments are (1) Network Business, (2) Theatre Business and (3) New Business and Other.

Definitions

“Board”	the board of directors of the Company
“Company”	IMAX China Holding, Inc., a company incorporated under the laws of the Cayman Islands with limited liability on 30 August 2010
“Director(s)”	the director(s) of the Company
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Performance-based Restricted Share Unit Scheme”	performance-based restricted share unit scheme adopted by the Company on 12 March 2020
“PSU(s)”	performance-based restricted share unit(s) granted under the Performance-based Restricted Share Unit Scheme
“Restricted Share Unit Scheme”	the restricted share unit scheme adopted by the Company on 21 September 2015
“RSU”	Restricted share unit(s) granted under the Restricted Share Unit Scheme

“Share(s)” ordinary share(s) with a nominal value of US\$0.0001 each in the share capital of the Company and a “Share” means any of them

“US\$” U.S. dollars, the lawful currency of the United States of America

By Order of the Board
IMAX China Holding, Inc.
Zi Maggie Chen
Joint Company Secretary

Hong Kong, 13 March 2020

As at the date of this announcement, the Directors of the Company are:

Executive Directors:

Jiande Chen
Jim Athanasopoulos
Mei-Hui Chou (Jessie)

Non-Executive Directors:

Richard Gelfond
Megan Colligan

Independent Non-Executive Directors:

John Davison
Yue-Sai Kan
Dawn Taubin
Peter Loehr

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