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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 7 March 2023, the Company granted a total of 1,272,352 RSUs pursuant to the Restricted Share Unit Scheme and a total of 360,502 PSUs pursuant to the Performance-based Restricted Share Unit Scheme. Among such grants, 454,546 RSUs and 151,515 PSUs were granted to Mr. Daniel Wade Manwaring, the Chief Executive Officer of the Company and 156,740 RSUs and 52,247 PSUs were granted to Ms. Mei-Hui (Jessie) Chou, the Executive Director of the Company.

As Mr. Manwaring is the Chief Executive Officer and a connected person of the Company, the grant of 454,546 RSUs and 151,515 PSUs, together with a monetary value of US\$725,000, to him constitutes a connected transaction. Furthermore, Mr. Manwaring may be granted an addition of 113,636 PSUs upon fulfillment of the relevant performance conditions. 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.

As Ms. Chou is the Executive Director and a connected person of the Company, the grant of 156,740 RSUs and 52,247 PSUs, together with a monetary value of US\$250,000, to her constitutes a connected transaction. Furthermore, Ms. Chou may be granted an addition of 39,185 PSUs upon fulfillment of the relevant performance conditions. However, the grant of RSUs and PSUs to Ms. Chou forms part of the remuneration package as senior managers of the Company under the service contract of such Director 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.

This announcement is made by the Board pursuant to Rule 14A.68, Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **Grant of RSUs**

On 7 March 2023, the Company granted a total of 1,272,352 RSUs pursuant to the Restricted Share Unit Scheme, representing approximately 0.375% of the issued share capital of the Company as at the date of this announcement.

The following are the details of the grants:

#### **Grants to Chief Executive Officer:**

Date of grant	7 March 2023
Name of grantee	Daniel Wade Manwaring
Relationship between the grantee and the Company	Chief Executive Officer of the Company
Number of Shares underlying RSUs granted <sup>(1)</sup>	454,546
Purchase price of the Shares underlying RSUs granted	HK\$0
Market price of the Shares underlying RSUs on the date of grant	HK\$9.28

Vesting period of the Shares underlying RSUs	<p>(1) 33.33% on 7 March 2024;</p> <p>(2) 33.33% on 7 March 2025; and</p> <p>(3) 33.34% on 7 March 2026.</p>
Performance targets and/or clawback	<p>No performance targets are applicable to the RSUs granted.</p> <p>All RSUs granted under the Restricted Share Unit Scheme, any cash payments made under the Restricted Share Unit Scheme in satisfaction of the vesting of an RSU and any gains realised upon vesting or settlement of an RSU shall be subject to clawback or recoupment as permitted or mandated by applicable law, regulations, rules, any Company policy or the LTIP.</p>
Arrangements for the Company or a subsidiary to provide financial assistance to the grantee	None

*Note:*

- (1) based on HK\$9.39 per Share, being the average closing price of the Share for the five trading days immediately preceding the date of grant.

### **Grant to Director:**

Date of grant	7 March 2023
Name of grantee	Mei-Hui (Jessie) Chou
Relationship between the grantee and the Company	Executive Director and Chief Marketing Officer of the Company
Number of Shares underlying RSUs granted <sup>(1)</sup>	156,740
Purchase price of the Shares underlying RSUs granted	HK\$0
Market price of the Shares underlying RSUs on the date of grant	HK\$9.28

Vesting period of the Shares underlying RSUs	<p>(1) 33.33% on 7 March 2024;</p> <p>(2) 33.33% on 7 March 2025; and</p> <p>(3) 33.34% on 7 March 2026.</p>
Performance targets and/or clawback	<p>No performance targets are applicable to the RSUs granted.</p> <p>All RSUs granted under the Restricted Share Unit Scheme, any cash payments made under the Restricted Share Unit Scheme in satisfaction of the vesting of an RSU and any gains realised upon vesting or settlement of an RSU shall be subject to clawback or recoupment as permitted or mandated by applicable law, regulations, rules, any Company policy or the LTIP.</p>
Arrangements for the Company or a subsidiary to provide financial assistance to the grantee	None

*Note:*

- (1) based on HK\$9.39 per Share, being the average closing price of the Share for the five trading days immediately preceding the date of grant.

### **Grants to other grantees:**

Date of grant	7 March 2023
Category of grantees	Other employees
Number of Shares underlying RSUs granted <sup>(1)</sup>	661,066
Purchase price of the Shares underlying RSUs granted	HK\$0
Market price of the Shares underlying RSUs on the date of grant	HK\$9.28
Vesting period of the Shares underlying RSUs	<p>(1) 33.33% on 7 March 2024;</p> <p>(2) 33.33% on 7 March 2025; and</p> <p>(3) 33.34% on 7 March 2026.</p>

Performance targets and/or clawback	No performance targets are applicable to the RSUs granted.  All RSUs granted under the Restricted Share Unit Scheme, any cash payments made under the Restricted Share Unit Scheme in satisfaction of the vesting of an RSU and any gains realised upon vesting or settlement of an RSU shall be subject to clawback or recoupment as permitted or mandated by applicable law, regulations, rules, any Company policy or the LTIP.
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Arrangements for the Company or a subsidiary to provide financial assistance to the grantees	None
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*Note:*

- (1) based on HK\$9.39 per Share, being the average closing price of the Share for the five trading days immediately preceding the date of grant.

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

After the grant of the RSUs and the grant of the PSUs disclosed as below, a total of 13,987,205 Shares will be available for future grant pursuant to the Restricted Share Unit Scheme and the Performance-based Restricted Share Unit Scheme.

### **Grant of PSUs**

On 7 March 2023, the Company granted a total of 360,502 PSUs pursuant to the Performance-based Restricted Share Unit Scheme, representing approximately 0.106% 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\$9.28.

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 360,502 PSUs, a total of 203,762 PSUs were granted to the Chief Executive Officer and Executive Director of the Company, details of which are as follows:

Name	Position	Monetary Value	
		of PSU grants	Number of PSUs granted <sup>(1)(2)</sup>
Daniel Wade Manwaring	Chief Executive Officer	US\$181,250	151,515
Mei-Hui Chou (Jessie)	Executive Director and Chief Marketing Officer	US\$62,500	52,247

*Notes:*

- (1) based on HK\$9.39 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 Chief Executive Officer and Executive Director) will vest in whole or in part promptly following the public disclosure of the Company’s financial statements for the year of 2025 based on fulfillment of relevant performance conditions over a three-year performance period commencing on 1 January 2023 and ending on 31 December 2025 (the “**Performance Period**”)<sup>1</sup>.

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

<sup>1</sup> 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.

## Listing Rules Implications

The grant of RSUs and PSUs to Ms. Chou forms part of the remuneration package as senior managers of the Company under the service contract of such Director 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.

As Mr. Manwaring is the Chief Executive Officer and a connected person of the Company, the grant of 454,546 RSUs and 151,515 PSUs to Mr. Manwaring, with a monetary value of US\$725,000, constitutes a connected transaction ("**March 2023 Grant**"). Furthermore, Mr. Manwaring may be granted an addition of 113,636 PSUs, being the maximum additional number of Shares which may be granted when the Average Annual EBITDA Growth reaches 20% or more ("**Additional Grants**", together with March 2023 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 announcement dated 28 September 2022, the maximum number of new Shares that may underlie the RSUs to be granted pursuant to the Restricted Share Unit Scheme is 15,890,436 Shares. As the Company granted 1,272,352 RSUs, 360,502 PSUs and potentially 270,377 additional PSUs (being the maximum additional number of PSUs which may be granted when the Average Annual EBITDA Growth reaches 20% or more) as set out in this announcement, the maximum number of new Shares that may underlie the RSUs or PSUs to be granted pursuant to the Restricted Share Unit Scheme or Performance-based Restricted Share Unit Scheme, respectively, has been reduced to 13,987,205 Shares.

## Reasons for 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 (i) a director, chief executive officer or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with options or awards granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company. The above grant would not result in the share options or awards granted and to be granted to each grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

## **General Information**

The Company is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which 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 and the sole commercial platform for the release of the IMAX format films in Greater China. The Company's two principal business segments are the theatre business and the film business.

## **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
“LTIP”	Long Term Incentive Plan of the Company adopted in October 2012
“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.**  
**Yifan (Yvonne) He**  
*Joint Company Secretary*

Hong Kong, 7 March 2023

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.*