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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, AND (2) GRANT OF PERFORMANCE-BASED RESTRICTED SHARE UNITS**

On 9 March 2021, the Company granted a total of 734,812 RSUs pursuant to the Restricted Share Unit Scheme and a total of 169,200 PSUs pursuant to the Performance-based Restricted Share Unit Scheme.

#### **Grant of RSUs**

On 9 March 2021, the Company granted a total of 734,812 RSUs pursuant to the Restricted Share Unit Scheme, representing approximately 0.211% 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\$16.42.

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 Directors 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 734,812 RSUs, 485,267 RSUs are granted to Executive Directors of the Company, details of which are as follows:

<b>Name</b>	<b>Position</b>	<b>Monetary Value of RSU Grants</b>	<b>Number of RSU Granted<sup>(1)</sup></b>
Edwin Tan	Executive Director and Chief Executive Officer	US\$643,107	Standard grant: 221,499 <sup>(2)</sup> One-time grant: 95,051 <sup>(3)</sup>
Jim Athanasopoulos	Executive Director, Chief Financial Officer and Chief Operating Officer	US\$78,000	One-time grant: 38,393 <sup>(3)</sup>
Mei-Hui Chou (Jessie)	Executive Director and Chief Marketing Officer	US\$265,500	Standard grant: 92,291 <sup>(2)</sup> One-time grant: 38,393 <sup>(3)</sup>
Other employees	N/A	US\$506,250	Standard grant: 249,185 <sup>(2)</sup>

*Note:*

- (1) Based on HK\$15.78 per Share, being the average closing price of the Share for the five trading days immediately preceding the date of grant.
- (2) All standard RSUs granted will vest as follows: (1) 33% on 7 March 2022; (2) 33% on 7 March 2023; and (3) 34% on 7 March 2024.
- (3) All one-time RSUs granted will vest as follows: (1) 50% on 7 March 2022; and (2) 50% on 7 March 2023.

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

## **Grant of PSUs**

On 9 March 2021, the Company granted a total of 169,200 PSUs pursuant to the Performance-based Restricted Share Unit Scheme, representing approximately 0.049% 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\$16.42.

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 169,200 PSUs, a total of 104,597 PSUs were granted to Executive Directors of the Company, details of which are as follows:

<b>Name</b>	<b>Position</b>	<b>Monetary Value of PSU Grants</b>	<b>Number of PSU Granted<sup>(1)(2)</sup></b>
Edwin Tan	Executive Director and Chief Executive Officer	US\$150,000	73,833
Mei-Hui Chou (Jessie)	Executive Director and Chief Marketing Officer	US\$62,500	30,764
Other employees	N/A	US\$131,250	64,603

*Note:* (1) based on HK\$15.78 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) will vest in whole or in part promptly following the public disclosure of the Company’s financial statements for the year of 2023 based on fulfillment of relevant performance conditions over a three-year performance period commencing on 1 January 2021 and ending on 31 December 2023 (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 Executive Directors 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.

As set out in the Company’s announcement dated 8 December 2020, the maximum number of new Shares that may underlie the RSUs to be granted pursuant to the RSU Scheme is 20,463,595 Shares. As the Company granted 734,812 RSUs, 169,200 PSUs, and potentially 126,900 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 to be granted pursuant to the RSU Scheme has been reduced to 19,432,683 Shares.

## **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

<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”	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.**  
**Yifan (Yvonne) He**  
*Joint Company Secretary*

Hong Kong, 9 March 2021

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

*Executive Directors:*

Edwin Tan  
Jim Athanasopoulos  
Mei-Hui Chou (Jessie)

*Non-Executive Directors:*

Richard Gelfond  
Megan Colligan  
Jiande Chen

*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.*