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IMAX CHINA HOLDING, INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1970)

CONTINUING CONNECTED TRANSACTIONS — AMENDMENTS TO THE EXISTING ENHANCED BUSINESS AGREEMENT AND SETTING OF NEW ANNUAL CAPS OF THE ENHANCED BUSINESS AGREEMENT

We refer to the section headed “*Relationship with Our Controlling Shareholder — Unrelated Business Agreement*” in the prospectus of IMAX China Holding, Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 September 2015 (the “**Prospectus**”), which sets out the terms of the Unrelated Business Agreement entered into between the Company, IMAX Shanghai Multimedia, IMAX Hong Kong and IMAX Corporation (the “**Unrelated Business Agreement**”) and the announcement of the Company dated 26 July 2022 (the “**Announcement**”) in relation to, among other things, the enhanced business agreement entered into by the Company, IMAX Shanghai Multimedia, IMAX Hong Kong, IMAX Shanghai Culture and IMAX Corporation dated 25 July 2022 (the “**Existing Enhanced Business Agreement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning ascribed in the Announcement.

AMENDMENTS TO THE EXISTING ENHANCED BUSINESS AGREEMENT

The Company, IMAX Shanghai Multimedia, IMAX Hong Kong and IMAX Corporation have entered into the amended and restated enhanced business agreement on 9 January 2025 (the “**Enhanced Business Agreement**”), pursuant to which the term of the Existing Enhanced Business Agreement (as amended and restated) shall take effect on 1 January 2025, and have a term of three years commencing from 1 January 2025 and ending on 31 December 2027. IMAX Shanghai Culture, who was originally a party to the Existing Enhanced Business Agreement, will not be a party to the Enhanced Business Agreement, as its rights and obligations to the Existing Enhanced Business Agreement were novated to IMAX Shanghai Multimedia, and IMAX Shanghai Culture was subsequently liquidated on 11 March 2024. All other principal terms of the Existing Enhanced Business Agreement remain unchanged in the Enhanced Business Agreement.

SETTING OF NEW ANNUAL CAPS OF THE ENHANCED BUSINESS AGREEMENT

In accordance with Rule 14A.53 of the Listing Rules, the Directors (including the Independent Non-executive Directors but excluding the Directors who have abstained from voting) have agreed to set the annual caps for the aggregate Enhanced Business Trademark Royalties payable under the Enhanced Business Agreement at US\$105,000, US\$123,750 and US\$142,500 for each of the years ending 31 December 2025, 2026 and 2027, respectively; the annual caps for the aggregate Enhanced Business Technology Royalties payable under the Enhanced Business Agreement at US\$105,000, US\$123,750 and US\$142,500 for each of the years ending 31 December 2025, 2026 and 2027, respectively; and the annual caps for the Revenue Sharing payable under the Enhanced Business Agreement at US\$2,217,188, US\$2,592,188 and US\$2,967,188 for each of the years ending 31 December 2025, 2026 and 2027, respectively.

LISTING RULES IMPLICATION

As IMAX Corporation is the controlling shareholder of the Company, the Enhanced Business Royalties and the Revenue Sharing payable under the Enhanced Business Agreement constitute separate continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Enhanced Business Royalties

As the highest relevant percentage ratio in respect of the maximum annual cap of the aggregate Enhanced Business Trademark Royalties payable by IMAX Shanghai Multimedia to IMAX Corporation and the maximum annual cap of the aggregate Enhanced Business Technology Royalties payable by IMAX Shanghai Multimedia to IMAX Corporation will be, in each case on an annual basis, more than 0.1% but less than 5%, and the transactions thereunder are conducted on normal commercial terms, the Enhanced Business Royalties will be exempt pursuant to Rule 14A.76(2)(a) of the Listing Rules from the independent shareholders' approval requirement, but will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Revenue Sharing

As the highest relevant percentage ratio in respect of the maximum annual cap of the Revenue Sharing payable by IMAX Corporation to IMAX Shanghai Multimedia will be, on an annual basis, more than 0.1% but less than 5%, and the transactions thereunder are conducted on normal commercial terms, the Revenue Sharing will be exempt pursuant to Rule 14A.76(2)(a) of the Listing Rules from the independent shareholders' approval requirement, but will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

As Richard Gelfond and Robert Lister are members of senior management of, and Richard Gelfond is also a director of, IMAX Corporation, they have a material interest in the transactions under the Enhanced Business Agreement. Accordingly, they had abstained from voting on the resolutions of the Board to approve the Enhanced Business Agreement and the new annual caps under the Enhanced Business Agreement. Except for Richard Gelfond and Robert Lister, none of the Directors has a material interest in the transactions under the Enhanced Business Agreement.

The Directors (including the Independent Non-executive Directors but excluding the Directors who have abstained from voting) are of the view that the transactions under the Enhanced Business Agreement have been conducted in the ordinary and usual course of business of the Group, are on normal commercial terms and on an arm's length basis, and the terms of the Enhanced Business Agreement (including the annual caps) are fair and reasonable and are in the interests of the Company and the shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS — ENHANCED BUSINESS AGREEMENT

On 9 January 2025, the Company, IMAX Shanghai Multimedia, IMAX Hong Kong and IMAX Corporation entered into the Enhanced Business Agreement with effect from 1 January 2025, pursuant to which the parties agreed that:

- (1) IMAX Shanghai Multimedia and IMAX Hong Kong shall be entitled to use the Trademarks and the Technology in connection with the development and exploitation of the Enhanced Business;
- (2) in consideration for the use of the Trademarks in connection with the Enhanced Business, IMAX Shanghai Multimedia shall pay the Enhanced Business Trademark Royalties to IMAX Corporation;
- (3) in consideration for the use of the Technology in connection with the Enhanced Business, IMAX Shanghai Multimedia shall pay the Enhanced Business Technology Royalties to IMAX Corporation;
- (4) in consideration for the Group's contribution to the overall development and exploitation of the Enhanced Business worldwide, IMAX Corporation shall pay to IMAX Shanghai Multimedia a certain percentage of net proceeds to be received by IMAX Corporation from a third-party partner in respect of any agreements entered into with China Domestic OEMs under the Revenue Sharing (as described further below); and
- (5) the existing DMR Services Agreements and the Services Agreements shall apply to the Enhanced Business and IMAX Corporation shall provide the Services to IMAX Shanghai Multimedia and IMAX Hong Kong in respect of the Enhanced Business under equivalent terms as the existing DMR Services Agreements and Services Agreements.

As IMAX Corporation is the controlling shareholder of the Company, the Enhanced Business Royalties and the Revenue Sharing under the Enhanced Business Agreement constitute separate continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Key terms of the Enhanced Business Trademark Royalties

Subject Matters On 9 January 2025, the Company, IMAX Shanghai Multimedia and IMAX Hong Kong entered into the Enhanced Business Agreement with IMAX Corporation, pursuant to which (among others) IMAX Corporation agreed to grant to IMAX Shanghai Multimedia and IMAX Hong Kong the exclusive right to each use the Trademarks in connection with the development and exploitation of the Enhanced Business in their respective Territory.

Under the Enhanced Business Agreement, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall have the right to sublicense the rights granted to them solely to other third parties or affiliates of each of IMAX Shanghai Multimedia and IMAX Hong Kong approved in each case by IMAX Corporation.

Term With effect from 1 January 2025, the Enhanced Business Agreement has a term of three (3) years commencing from 1 January 2025 and ending on 31 December 2027, and shall be renewable by the parties through arm's length negotiations on normal commercial terms.

Fees Within thirty (30) days after 31 March, 30 June, 30 September and 31 December of each financial year and for the duration of the term of the Enhanced Business Agreement, IMAX Shanghai Multimedia shall pay to IMAX Corporation an amount equal to 5% of all revenues and other compensation received by IMAX Shanghai Multimedia and IMAX Hong Kong in connection with the Enhanced Business conducted in their respective Territory in such financial year (including New Deal/Renewal Proceeds received from IMAX Corporation but excluding the portion of Existing Agreement Renewal Proceeds received from IMAX Corporation).

Pricing Policy The Enhanced Business Trademark Royalties payable to IMAX Corporation will be determined by reference to the formulae set out in the Fees section above.

Historical Transaction Amounts The historical transaction amounts for Enhanced Business Trademark Royalties for the years ended 31 December 2022 and 31 December 2023, and eleven months ended 30 November 2024 are approximately US\$1,837 (approximately HK\$14,347), US\$21,094 (approximately HK\$165,186), and US\$22,548 (approximately HK\$175,904) respectively.

Annual Cap

In accordance with Rule 14A.53 of the Listing Rules, the Directors (including the Independent Non-executive Directors but excluding the Directors who have abstained from voting) have agreed to set the annual caps for the aggregate Enhanced Business Trademark Royalties payable under the Enhanced Business Agreement at US\$105,000, US\$123,750 and US\$142,500 for each of the years ending 31 December 2025, 2026 and 2027, respectively.

The annual caps were determined after taking into account the following factors: (a) the business development plans of the Group, (b) the expected renewal of the Existing Agreements, (c) the expected increase of the New Agreements and their renewal, and (d) the flexibility of having a buffer for the Company to cater for any unexpected increase in the Enhanced Business Trademark Royalties payable under the Enhanced Business Agreements.

Key terms of the Enhanced Business Technology Royalties**Subject Matters**

On 9 January 2025, the Company, IMAX Shanghai Multimedia and IMAX Hong Kong entered into the Enhanced Business Agreement with IMAX Corporation, pursuant to which (among others) IMAX Corporation agreed to grant to IMAX Shanghai Multimedia and IMAX Hong Kong the exclusive right to each use the Technology in connection with the development and exploitation of the Enhanced Business in their respective Territory.

Under the Enhanced Business Agreement, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall have the right to sublicense the rights granted to them solely to other third parties or affiliates of each of IMAX Shanghai Multimedia and IMAX Hong Kong approved in each case by IMAX Corporation.

Term

With effect from 1 January 2025, the Enhanced Business Agreement has a term of three (3) years commencing from 1 January 2025 and ending on 31 December 2027, and shall be renewable by the parties through arm's length negotiations on normal commercial terms.

Fees

Within thirty (30) days after 31 March, 30 June, 30 September and 31 December of each financial year and for the duration of the term of the Enhanced Business Agreement, IMAX Shanghai Multimedia shall pay to IMAX Corporation an amount equal to 5% of all revenues and other compensation received by IMAX Shanghai Multimedia and IMAX Hong Kong in connection with the Enhanced Business conducted in their respective Territory in such financial year (including New Deal/Renewal Proceeds received from IMAX Corporation but excluding the portion of Existing Agreement Renewal Proceeds received from IMAX Corporation).

Pricing Policy	The Enhanced Business Technology Royalties payable to IMAX Corporation will be determined by reference to the formulae set out in the Fees section above.
Historical Transaction Amounts	The historical transaction amounts for Enhanced Business Technology Royalties for the years ended 31 December 2022 and 31 December 2023, and eleven months ended 30 November 2024 are approximately US\$1,837 (approximately HK\$14,347), US\$21,094 (approximately HK\$165,186), and US\$22,548 (approximately HK\$175,904) respectively.
Annual Cap	<p>In accordance with Rule 14A.53 of the Listing Rules, the Directors (including the Independent Non-executive Directors but excluding the Directors who have abstained from voting) have agreed to set the annual caps for the aggregate Enhanced Business Technology Royalties payable under the Enhanced Business Agreement at US\$105,000, US\$123,750 and US\$142,500 for each of the years ending 31 December 2025, 2026 and 2027, respectively.</p> <p>The annual caps were determined after taking into account the following factors: (a) the business development plans of the Group, (b) the expected renewal of the Existing Agreements, (c) the expected increase of the New Agreements and their renewal, and (d) the flexibility of having a buffer for the Company to cater for any unexpected increase in the Enhanced Business Technology Royalties payable under the Enhanced Business Agreements.</p>
<i>Key terms of the Revenue Sharing</i>	
Subject Matters	On 9 January 2025, the Company, IMAX Shanghai Multimedia and IMAX Hong Kong entered into the Enhanced Business Agreement with IMAX Corporation, pursuant to which (among others), the parties agree that, in consideration for the contribution of the Group for the overall development and exploitation of the Enhanced Business worldwide, IMAX Corporation shall pay to IMAX Shanghai Multimedia a certain percentage of net proceeds to be received by IMAX Corporation from a third-party partner in respect of any agreements entered into with China Domestic OEMs in connection with the Enhanced Business.
Term	With effect from 1 January 2025, the Enhanced Business Agreement has a term of three (3) years commencing from 1 January 2025 and ending on 31 December 2027, and shall be renewable by the parties through arm's length negotiations on normal commercial terms.

Fees	<p>Within thirty (30) days after the end of each financial year, IMAX Corporation shall pay to IMAX Shanghai Multimedia an amount equal to:</p> <p>(a) 25% of all Existing Agreement Renewal Proceeds; and</p> <p>(b) 100% of all New Deal/Renewal Proceeds.</p>
Pricing Policy	<p>The amount of the Revenue Sharing payable to IMAX Shanghai Multimedia will be determined by reference to the formulae set out in the Fees section above.</p>
Historical Transaction Amounts	<p>The historical transaction amounts for Revenue Sharing for the years ended 31 December 2022 and 31 December 2023, and eleven months ended 30 November 2024 are approximately US\$36,744 (approximately HK\$286,940), US\$421,875 (approximately HK\$3,303,960), and US\$747,859 (approximately HK\$5,835,373) respectively.</p>
Annual Cap	<p>In accordance with Rule 14A.53 of the Listing Rules, the Directors (including the Independent Non-executive Directors but excluding the Directors who have abstained from voting) have agreed to set the annual caps for the Revenue Sharing payable under the Enhanced Business Agreement at US\$2,217,188, US\$2,592,188 and US\$2,967,188 for each of the years ending 31 December 2025, 2026 and 2027, respectively.</p> <p>The annual caps were determined after taking into account the following factors: (a) the business development plans of the Group, (b) the expected renewal of the Existing Agreements, (c) the expected increase of the New Agreements and their renewal, and (d) the flexibility of having a buffer for the Company to cater for any unexpected increase in the Enhanced Business Royalties payable under the Enhanced Business Agreements.</p>
<p>Notwithstanding the amendments to the term of the Existing Enhanced Business Agreement, the setting of new annual caps, and the removal of IMAX Shanghai Culture as a contracting party as explained herein, all other principal terms of the Existing Enhanced Business Agreement remain unchanged.</p>	

REASONS FOR AND BENEFIT OF THE ENHANCED BUSINESS AGREEMENT

Since its launch, the Enhanced Business has established a solid customer base of the CE OEMs and partnerships with streaming platforms worldwide. The Company believes that the Enhanced Business is a strategic fit to fuel its growth in home entertainment and other associated categories. The Group's participation in the development and exploitation of the Enhanced Business can increase its streaming platform footprint with IMAX enhanced version of Chinese local-language content, expand its business into new product categories with greater revenue upside and volume, and create demand and revenue from Chinese content providers for use of locally run conversion/remastering services for 4K HDR local-language content. The Revenue Sharing under the Enhanced Business Agreement will stimulate the development of the Enhanced Business around the world, in particular Greater China, and therefore will benefit IMAX Corporation, the Company and their respective shareholders as a whole. The Enhanced Business Royalties payable by IMAX Shanghai Multimedia to IMAX Corporation under the Enhanced Business Agreement will enable and facilitate the Group to use the Trademarks and the Technology for the development and exploitation of the Enhanced Business in Greater China.

As Richard Gelfond and Robert Lister are members of senior management of, and Richard Gelfond is also a director of, IMAX Corporation, they have a material interest in the transactions under the Enhanced Business Agreement. Accordingly, they had abstained from voting on the resolutions of the Board to approve the Enhanced Business Agreement and the new annual caps under the Enhanced Business Agreement. Except for Richard Gelfond and Robert Lister, none of the Directors has a material interest in the transactions under the Enhanced Business Agreement.

The Directors (including the Independent Non-executive Directors but excluding the Directors who have abstained from voting) are of the view that the transactions under the Enhanced Business Agreement have been conducted in the ordinary and usual course of business of the Group, are on normal commercial terms and on an arm's length basis, and the terms of the Enhanced Business Agreement (including the annual caps) are fair and reasonable and are in the interests of the Company and the shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As IMAX Corporation is the controlling shareholder of the Company, the Enhanced Business Royalties and the Revenue Sharing under the Enhanced Business Agreement constitute separate continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Enhanced Business Royalties

As the highest relevant percentage ratio in respect of the maximum annual cap of the aggregate Enhanced Business Trademark Royalties payable by IMAX Shanghai Multimedia to IMAX Corporation and the maximum annual cap of the aggregate Enhanced Business Technology Royalties payable by IMAX Shanghai Multimedia to IMAX Corporation will be, in each case on an annual basis, more than 0.1% but less than 5%, and the transactions thereunder are conducted on normal commercial terms, the Enhanced Business Royalties will be exempt pursuant to Rule 14A.76(2)(a) of the Listing Rules from the independent shareholders' approval requirement but will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Revenue Sharing

As the highest relevant percentage ratio in respect of the maximum annual cap of the Revenue Sharing payable by IMAX Corporation to IMAX Shanghai Multimedia will be, on an annual basis, more than 0.1% but less than 5%, and the transactions thereunder are conducted on normal commercial terms, the Revenue Sharing will be exempt pursuant to Rule 14A.76(2)(a) of the Listing Rules from the independent shareholders' approval requirement but will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

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.

IMAX Hong Kong is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company. IMAX Hong Kong is primarily engaged in the sale and lease of theatre systems and associated film performance in Greater China.

IMAX Shanghai Multimedia is a wholly foreign owned enterprise organised and existing under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. IMAX Shanghai Multimedia is primarily engaged in the sale and lease of theatre systems and associated film performance in Mainland China.

IMAX Corporation is a company incorporated in Canada with limited liability in 1967 and listed on the New York Stock Exchange (NYSE: IMAX) and the ultimate controlling shareholder of the Company. IMAX Corporation is an entertainment technology company, specializing in motion – picture technologies and large-format motion-picture presentations.

DEFINITIONS

“Annual Minimum Guaranteed Payment Commitment”	the annual minimum royalty commitment given by the relevant China Domestic OEM under an Existing Agreement for each year of the applicable license term, with any shortfall to be paid by the China Domestic OEM as directed under the applicable Existing Agreement
“China Domestic OEMs”	any original equipment manufacturers that are ultimately owned or otherwise controlled by companies that are organized and primarily headquartered in Greater China
“Director”	the directors of the Company
“DMR Services Agreement”	the DMR services agreement entered into by each of IMAX Shanghai Multimedia and IMAX Hong Kong with IMAX Corporation on 28 October 2011, as amended from time to time
“Existing Agreement”	any “Product License Agreement” entered into by a third-party partner with any China Domestic OEM before the date of the Enhanced Business Agreement
“Existing Agreement Renewal Proceeds”	the sum of all net proceeds received by IMAX Corporation from a third party partner in respect of any renewed Existing Agreement on or after the date on which such Existing Agreement is renewed, other than any New Deal/Renewal Proceeds
“Greater China”	Mainland China, the Special Administrative Regions of Hong Kong, Macau, and Taiwan
“IMAX Corporation”	IMAX Corporation, a company incorporated in Canada with limited liability in 1967 and listed on the New York Stock Exchange (NYSE: IMAX), or where the context requires, any of its wholly – owned subsidiaries
“IMAX Hong Kong”	IMAX China (Hong Kong), Limited, a company incorporated in Hong Kong with limited liability on 12 November 2010, which changed its name to its present name on 16 March 2011 and is a direct wholly-owned subsidiary of the Company

“IMAX Shanghai Culture”	IMAX (Shanghai) Culture & Technology Co., Ltd., a company incorporated in the PRC with limited liability on 16 December 2021 and was a directly wholly-owned subsidiary of IMAX Shanghai Multimedia, before its liquidation on 11 March 2024
“IMAX Shanghai Multimedia”	IMAX (Shanghai) Multimedia Technology Co., Ltd., a wholly foreign-owned enterprise established under the laws of the PRC on 31 May 2011 and a direct wholly-owned subsidiary of IMAX Hong Kong
“Independent Non-executive Directors”	the independent non-executive directors of the Company
“Listing”	the listing of the Company on the main board of the Stock Exchange on 8 October 2015
“net proceeds”	all non-refundable monies actually received by IMAX Corporation from a third-party partner in connection with an Existing Agreement or New Agreement, subject to the deductions for any applicable value added taxes, sales taxes, withholding taxes or other similar impositions (but excluding, for clarity, any income or earnings taxes of the parties or their affiliates) levied on such revenues and actually paid by a party to local, provincial, state or federal authorities which are not subject to refund or rebate
“New Agreement”	any “Product Licence Agreement” entered into by a third-party partner with any China Domestic OEM on or after the date of the Enhanced Business Agreement.
“New Deal/Renewal Proceeds”	<p>all net proceeds received by IMAX Corporation from a third party partner for (1) any New Agreement, and (2) any renewed Existing Agreement on or after the date on which that Existing Agreement is renewed where:</p> <ol style="list-style-type: none"> (1) any member of the IMAX China Group participates in the negotiations of such renewal; (2) the renewal results in a new Annual Minimum Guaranteed Payment Commitment which is higher than the Annual Minimum Guaranteed Payment Commitment under the relevant Existing Agreement (prior to its renewal); and (3) the renewal includes the licensing of a new product category which is not covered under the relevant Existing Agreement

“Services Agreement”	the services agreement entered into by each of IMAX Shanghai Multimedia and IMAX Hong Kong with IMAX Corporation on 1 January 2014, as amended from time to time.
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Territory”	in respect of IMAX Hong Kong, the Special Administrative Regions of Hong Kong and Macao, and Taiwan; and in respect of IMAX Shanghai Multimedia, Mainland China.
“US\$”	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 January 2025

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

Executive Directors:

Daniel Manwaring
 Jiande Chen
 Jim Athanasopoulos

Non-Executive Directors:

Richard Gelfond
 Robert Lister

Independent Non-Executive Directors:

John Davison
 Yue-Sai Kan
 Janet Yang
 Peter Loehr

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