



IMAX China Holding, Inc. Releases Profit Warning Announcement

July 21, 2020

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IMAX CHINA HOLDING, INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1970)

PROFIT WARNING

This announcement is made by IMAX China Holding, Inc. (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company wishes to inform the shareholders of the Company and potential investors that based on its preliminary assessment of the Group’s currently available unaudited consolidated management accounts for the six months ended 30 June 2020, the net loss attributable to owners of the Company to be recorded by the Group for the six months ended 30 June 2020 is expected to be approximately US\$34 million to 36 million, compared to a net profit attributable to owners of approximately US\$24 million for the corresponding period of 2019. Such decrease is primarily due to:

- i. a significant decrease of box office and maintenance revenue as a result of the closure of all of the approximately 700 IMAX theaters in Chinese mainland in the first half of 2020 (since around 24 January 2020) due to the outbreak of COVID-19 in Chinese mainland;
- ii. a US\$18 million non-recurring, non-cash deferred income tax charge for withholding tax due to a change in management’s permanent reinvestment assertions to allow for more flexibility in allocation of capital, including enabling the Company to pay dividends;
- iii. a decrease in theater system installations and related margin during the outbreak of COVID-19 in Chinese mainland in the first half of 2020; and
- iv. provisions of approximately US\$9 million made for trade and financing receivables.

The expected net loss attributable to owners of the Company referred to in this announcement has not been audited or reviewed by the Company’s auditor, and is only a preliminary assessment by the Board with reference to currently available information.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 July 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.