



## IMAX China Holding, Inc. Releases Profit Warning Announcement

April 23, 2020

### **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 first three months ended 31 March 2020, the net loss attributable to owners of the Company to be recorded by the Group for the three months ended 31 March 2020 is expected to be approximately US\$26 million to US\$28 million, compared to a net profit attributable to owners of approximately US\$11 million for the corresponding period of 2019. Such decrease is primarily due to:

(i) an expected loss arising from loss of box office revenue and other related costs as a result of the closure of all of the approximately 700 IMAX theaters in Chinese mainland since around 24 January 2020 and the decrease in theater system installations during the outbreak of COVID-19 in Chinese mainland in the first quarter of 2020, and

(ii) a US\$20 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.

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, 24 April 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.*