



IMAX CHINA HOLDING, INC.

Incorporated in the Cayman Islands with limited liability

Stock code : 1970



Interim Report 2026

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Corporate Information

BOARD OF DIRECTORS

Executive Director

Daniel Manwaring, *Chief Executive Officer*

Non-executive Directors

Richard Gelfond, *Chairman*

Robert Lister

Jiande Chen, *Vice Chairman*

Natasha Fernandes

Independent Non-executive Directors

John Davison

Yue-Sai Kan

Janet Yang

Peter Loehr

AUDIT COMMITTEE

John Davison (Chair)

Janet Yang

Richard Gelfond

REMUNERATION COMMITTEE

Yue-Sai Kan (Chair)

John Davison

Robert Lister

NOMINATION COMMITTEE

Richard Gelfond (Chair)

Yue-Sai Kan

Peter Loehr

JOINT COMPANY SECRETARIES

Yifan (Yvonne) He

Ho Wing Tsz Wendy, *FCG, HKFCG (PE)*

AUTHORISED REPRESENTATIVES

Daniel Manwaring

Ho Wing Tsz Wendy, *FCG, HKFCG (PE)*

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

CORPORATE HEADQUARTERS

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People's Republic of China

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Cayman Islands

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

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Wanchai

Hong Kong

STOCK CODE

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COMPANY WEBSITE

www.imax.cn

Management Discussion and Analysis

OVERVIEW

The management discussion and analysis is based on the Company's condensed consolidated interim financial information for 1HFY2026 prepared in accordance with International Accounting Standard 34 and must be read together with the condensed consolidated interim financial information and the notes which form an integral part of the condensed consolidated interim financial information.

DESCRIPTION OF SELECTED LINE ITEMS IN THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group derives a majority of its revenue from two primary segments – Content Solutions and Technology Products and Services. The Group's activities that do not meet the criteria to be considered a reportable segment are reported within All Other.

Content Solutions

Content Solutions derives revenue from a certain percentage of IMAX box office received by the studio partners for the conversion and release of Hollywood films, Chinese language films and other films to the IMAX theatre network. The revenue is recognized when reported by the exhibitor partners of the Group.

Management Discussion and Analysis (Continued)

Technology Products and Services

Technology Products and Services derives revenue from exhibitor partners through sales and sales-type lease, revenue sharing arrangements, maintenance services, and other theatre.

- Sales and sales-type lease arrangements consist of the design, manufacture and installation of IMAX theatre system for upfront payments and ongoing fees, which may include stipulated minimum payments per annum, variable consideration and contingent rent in excess of minimum payments. The upfront payments vary depending on the system configuration and the location of the theatre. Upfront payments for installation are paid according to the contractual terms. The present value of future minimum payments, variable consideration and estimated contingent rent in excess of minimum payments on sales arrangements for the term of the respective agreement along with upfront payments is recognized as revenue upon the completion of installation and exhibitor acceptance of the IMAX theatre system as well as on the commencement date of any respective renewal term;
- Revenue sharing arrangements are categorized into two sub-types: 1) full revenue sharing arrangements; and 2) hybrid revenue sharing arrangements. Under full revenue sharing arrangements, the Group leases IMAX theatre systems to its exhibitor partners and provides related maintenance and technical support services in exchange for future revenue sharing based on certain percentages of the IMAX box office from the IMAX theatre. Under full revenue sharing arrangements, the Group receives no or limited upfront payments for the system installation. Contingent rent based on a percentage of IMAX box office is recognized as revenue when reported by theatre exhibitors. Under hybrid revenue sharing arrangements, the Group receives a reduced upfront payment for the system installation and recognizes the revenue upon the completion of installation and exhibitor acceptance of the IMAX theatre system. Contingent rent based on a percentage of IMAX box office is recognized as revenue when reported by theatre exhibitors;
- IMAX Maintenance generates revenue from the provision of ongoing maintenance, warranty, and technical support services. The revenue recognized is primarily comprised of annual maintenance fees due to the Group by theatre exhibitors under all sales and sales-type lease arrangements and revenue sharing arrangements; and
- Other theatre generates revenue from the aftermarket sales of 3D glasses, screen sheets, parts and other items.

All Other

The Company's activities that do not meet the criteria to be considered a reportable segment will be reported within All Other.

Management Discussion and Analysis (Continued)

The following table sets out the revenue for the Group's respective reportable segments for the periods indicated, as well as the percentage of total revenue they each represent:

	1HFY2026		1HFY2025	
	US\$'000	%	US\$'000	%
Content Solutions	6,265	18.2%	20,801	36.0%
Technology Products and Services	26,177	76.0%	36,230	62.7%
Subtotal for reportable segments	32,442	94.2%	57,031	98.7%
All Other	2,007	5.8%	771	1.3%
Total	34,449	100.0%	57,802	100.0%

Cost of Sales

The Group's cost of sales is primarily comprised of: (i) the costs for the rights of all digital re-mastered films purchased under its intercompany agreement with IMAX Corporation (excluding costs on Hollywood films which are recorded as a reduction of film revenue received from IMAX Corporation according to IFRS 15); (ii) the costs of IMAX theatre systems and related services under sales, sales-type lease and hybrid revenue sharing arrangements; (iii) depreciation of IMAX theatre systems capitalized under full revenue sharing arrangements; and (iv) certain one-time costs at the time of system installation, including marketing for IMAX theatre launches, sales commissions and the cost for providing any maintenance and technical support services during a warranty period.

The following table sets out the cost of sales for the Group's respective reportable segments for the periods indicated, as well as the percentage of respective revenue they each represent:

	1HFY2026		1HFY2025	
	US\$'000	%	US\$'000	%
Content Solutions	1,578	25.2%	1,604	7.7%
Technology Products and Services	14,168	54.1%	15,544	42.9%
Subtotal for reportable segments	15,746	48.5%	17,148	30.1%
All Other	286	14.3%	554	71.9%
Total	16,032	46.5%	17,702	30.6%

Management Discussion and Analysis (Continued)

Gross Profit and Gross Profit Margin

The following table sets out the gross profit and gross profit margin for the Group's respective reportable segments for the periods indicated:

	1HFY2026		1HFY2025	
	US\$'000	%	US\$'000	%
Content Solutions	4,687	74.8%	19,197	92.3%
Technology Products and Services	12,009	45.9%	20,686	57.1%
Subtotal for reportable segments	16,696	51.5%	39,883	69.9%
All Other	1,721	85.7%	217	28.1%
Total	18,417	53.5%	40,100	69.4%

Selling, General and Administrative Expenses

The following table sets out the selling, general and administration expenses the Group incurred as well as the percentage of total revenue they represented for the periods indicated:

	1HFY2026		1HFY2025	
	US\$'000	%	US\$'000	%
Employee salaries and benefits	3,827	11.1%	3,464	6.0%
Share-based compensation expenses	1,360	3.9%	1,197	2.1%
Professional fees	894	2.6%	827	1.4%
Advertising and marketing	305	0.9%	395	0.7%
Depreciation	230	0.7%	228	0.4%
Travel and transportation	185	0.6%	194	0.3%
Foreign exchange and other expenses	163	0.5%	279	0.5%
Facilities	143	0.4%	318	0.6%
Other employee expense	76	0.2%	92	0.2%
Total	7,183	20.9%	6,994	12.1%

Other Operating Expenses

Other Operating Expenses primarily include the annual license fees payable to IMAX Corporation in respect of the trademark and technology licensed under the Technology License Agreements and the Trademark License Agreements, at an aggregate of approximately 5% of the Group's revenue. The Group's other operating expenses for 1HFY2026 and 1HFY2025 were US\$2.0 million and US\$3.0 million, respectively.

Management Discussion and Analysis (Continued)

(Provisions) Reversals of Net Impairment Losses on Financial Assets

Net impairment impacts on financial assets for 1HFY2026 and 1HFY2025 were a loss of US\$1.1 million and a reversal of US\$0.1 million, respectively. The loss of US\$1.1 million in 1HFY2026 was primarily due to the provision for current expected credit losses, principally reflecting a reduction in the credit quality of its trade receivables and financing receivables.

Other Income

Other income was US\$0.3 million and less than US\$0.1 million in 1HFY2026 and 1HFY2025, which mainly includes subsidy received during the period.

Other Gains – Net

Other gains – net of US\$0.9 million represents the recognition of the initial payment retained from a customer prior to the scheduled installation arising from the termination of a sales arrangement in 1HFY2026 (1HFY2025: US\$nil) as the customer was unable to proceed with the system installation.

Interest Income

Interest income mainly represents interest earned on various term deposits. None of the deposits had a term of longer than 90 days. The Group's interest income was US\$1.0 million and US\$0.9 million for 1HFY2026 and 1HFY2025, respectively.

Income Tax Expenses

The Group is subject to Chinese Mainland and Hong Kong income tax. The Group is also subject to withholding taxes in Taiwan. The enterprise income tax ("EIT") rate generally levied in Chinese Mainland is 25%. The entities incorporated in Hong Kong are subject to Hong Kong income tax at a rate of 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million. For the years presented, the Group's effective tax rate differs from the statutory tax rate and varies from year to year primarily due to numerous permanent differences, subsidies, the provision for income taxes at different rates in different jurisdictions, the application of Hong Kong's territorial tax system and changes due to its recoverability assessments of deferred tax assets.

The income tax expense of the Group for 1HFY2026 and 1HFY2025 was US\$2.2 million and US\$7.1 million, respectively.

Management Discussion and Analysis (Continued)

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Condensed Consolidated Interim Statements of Comprehensive Income

The following table sets out items in the Group's condensed consolidated interim statements of comprehensive income and as a percentage of revenue for the periods indicated:

	1HFY2026		1HFY2025	
	US\$'000	%	US\$'000	%
Revenues	34,449	100.0%	57,802	100.0%
Cost of sales	(16,032)	(46.5)%	(17,702)	(30.6)%
Gross profit	18,417	53.5%	40,100	69.4%
Selling, general and administrative expenses	(7,183)	(20.9)%	(6,994)	(12.1)%
Other operating expenses	(2,049)	(5.9)%	(3,011)	(5.2)%
(Provisions) reversals of net impairment losses on financial assets	(1,055)	(3.1)%	55	0.1%
Other income	257	0.7%	46	0.1%
Other gains – net	899	2.6%	–	–
Operating profit	9,286	27.0%	30,196	52.2%
Interest income	1,019	3.0%	857	1.5%
Interest expense	(22)	(0.1)%	(29)	(0.1)%
Profit before income tax	10,283	29.8%	31,024	53.7%
Income tax expense	(2,179)	(6.4)%	(7,131)	(12.4)%
Profit for the period, attributable to owners of the Company	8,104	23.5%	23,893	41.3%
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Change in foreign currency translation adjustments	8,161	23.7%	1,393	2.4%
Other comprehensive income:	8,161	23.7%	1,393	2.4%
Total comprehensive income for the period, attributable to owners of the Company	16,265	47.2%	25,286	43.7%

Management Discussion and Analysis (Continued)

Adjusted Profit

Adjusted profit is not a measure of performance under IFRS. This measure does not represent and should not be used as a substitute for, gross profit or profit for the year as determined in accordance with IFRS. This measure is not necessarily an indication of whether cash flow will be sufficient to fund the Group's cash requirements or whether the Group's business will be profitable. In addition, the definition of adjusted profit may not be comparable to other similarly titled measures used by other companies.

The following table sets out the Group's adjusted profits for the periods indicated:

	1HFY2026 US\$'000	1HFY2025 US\$'000
Profit for the period	8,104	23,893
Adjustments:		
Share-based compensation	1,360	1,197
Tax impact on items listed above	(288)	(275)
Adjusted profit	9,176	24,815

1HFY2026 COMPARED WITH 1HFY2025

Revenue

The Group's revenue decreased 40.5% from US\$57.8 million in 1HFY2025 to US\$34.4 million in 1HFY2026 driven by a decrease of US\$14.5 million in Content Solutions revenue, a decrease of US\$10.1 million in Technology Products and Services revenue, and an increase of US\$1.2 million in All Other revenue, as further explained below.

Content Solutions

Revenue from Content Solutions decreased 69.7% from US\$20.8 million in 1HFY2025 to US\$6.3 million in 1HFY2026 primarily due to a decrease in box office revenue in 1HFY2026 compared to 1HFY2025, and a much lower proportion of local language box office resulting in a lower box office take rate for the Group. The box office revenue generated by IMAX formatted films decreased 55.5% from US\$205.5 million in 1HFY2025 to US\$91.5 million in 1HFY2026. 1HFY2025 included a record-breaking GBO performance during the Chinese New Year period, led by Ne Zha 2, the top grossing IMAX film of all time in Chinese Mainland at US\$160.2 million, that was not repeated in 1HFY2026.

Box office revenue per screen decreased 58.6% from US\$0.29 million in 1HFY2025 to US\$0.12 million in 1HFY2026 due to the reasons explained above.

Management Discussion and Analysis (Continued)

The following table sets out the number of films released in the IMAX format in 1HFY2026 and 1HFY2025 in Greater China:

	1HFY2026	1HFY2025
Hollywood films	20	10
Hollywood films (Hong Kong and Taiwan only)	6	8
Chinese language films	9	11
Other films	–	3
Other films (Hong Kong and Taiwan only)	6	1
Total IMAX films released	41	33

Technology Products and Services

Revenue from Technology Products and Services decreased 27.6% from US\$36.2 million in 1HFY2025 to US\$26.2 million in 1HFY2026 which is mainly driven by a decrease of US\$8.3 million in revenue sharing arrangements revenue driven by the lower year over year box office performance, a decrease of US\$1.5 million in sales and sales-type lease revenue, and a decrease of US\$0.2 million in other theatre revenue as explained further below.

The following table provides a breakdown of IMAX theatres in operation in Greater China by type and geographic location as at the dates indicated:

	2026	As at 30 June 2025	Growth (%)
Commercial			
Chinese Mainland	784	779	0.6%
Hong Kong	5	5	–
Taiwan	10	11	(9.1)%
Macau	1	1	–
	800	796	0.5%
Institutional ⁽¹⁾	12	13	(7.7)%
Total	812	809	0.4%

Notes:

- (1) Institutional IMAX theatres include museums, zoos, aquaria and other destination entertainment sites that do not exhibit commercial films. One (1) institutional IMAX theatre in Hong Kong was closed in 1HFY2026.

Management Discussion and Analysis (Continued)

The following table sets out the number of IMAX theatre systems installed by business arrangements in 1HFY2026 and 1HFY2025:

	1HFY2026	1HFY2025
Sales and sales-type lease arrangements	4	9
Revenue sharing arrangements	13	15
Total theatre systems installed	17⁽¹⁾	24⁽²⁾

Notes:

- (1) Includes 4 sales and sales-type lease arrangements (1 new theatre system, 2 upgrades, and 1 redeployed system) and 13 revenue sharing arrangements (1 new theatre system, 11 upgrades and 1 redeployed system).
- (2) Includes 9 sales and sales-type lease arrangements (3 new theatre systems, 2 upgrades, and 4 redeployed systems) and 15 revenue sharing arrangements (3 new theatre systems and 12 upgrades).

Sales and Sales-Type Lease Arrangements

Revenue from sales and sales-type lease arrangements decreased 18.3% from US\$8.2 million in 1HFY2025 to US\$6.7 million in 1HFY2026, primarily due to a decrease of US\$2.5 million due to two few sales and sales-type lease installations (excluding redeployed system installations) in 1HFY2026 and a decrease of US\$0.5 million due to three fewer redeployed system installations than 1HFY2025. The Group recognized sales revenue on the installation of 5 new theatre systems (including 2 IMAX Laser upgrades) with a total value of US\$5.5 million in 1HFY2025 as compared to 3 new theatre systems (including 2 IMAX Laser upgrades) with a total value of US\$3.0 million in 1HFY2026. The decrease in sales revenue was partially offset by US\$1.5 million of revenue recognized in 1HFY2026 from the renewal of certain theatre agreements as sales arrangements.

Average revenue per new system under sales and sales-type lease arrangements, excluding redeployed systems, decreased from US\$1.1 million in 1HFY2025 to US\$1.0 million in 1HFY2026 due to a mix of fewer higher priced IMAX Commercial Laser (“COLA”) theatre installations in 1HFY2026.

Revenue Sharing Arrangements

Revenue from revenue sharing arrangements includes upfront revenue from hybrid revenue sharing arrangements and contingent rent from both full revenue sharing arrangements and hybrid revenue sharing arrangements.

Contingent rent from revenue sharing arrangements decreased 57.6% from US\$14.4 million in 1HFY2025 to US\$6.1 million in 1HFY2026 primarily due to lower box office in the current year as explained previously. This included: (i) contingent rent from full revenue sharing arrangements that decreased 57.9% from US\$12.6 million in 1HFY2025 to US\$5.3 million in 1HFY2026; and (ii) contingent rent from hybrid revenue sharing arrangements that decreased 55.6% from US\$1.8 million in 1HFY2025 to US\$0.8 million in 1HFY2026. There were 487 theatres operating under revenue sharing arrangements at the end of 1HFY2025 as compared to 463 at the end of 1HFY2026.

Management Discussion and Analysis (Continued)

IMAX Maintenance

IMAX maintenance revenue remained consistent at US\$13.3 million in both 1HFY2025 and 1HFY2026. Maintenance revenue was earned from 812 theatres as at 30 June 2026 as compared to 809 theatres as at 30 June 2025.

All Other

Revenue from All Other increased 150% from US\$0.8 million in 1HFY2025 to US\$2.0 million in 1HFY2026 mainly related to the revenue recognized from the arrangement entered into by the Group with a new partner to collaborate in the development and commercialization of IMAX-branded automotive entertainment solutions in Greater China.

Cost of Sales

The Group's cost of sales decreased 9.6% from US\$17.7 million in 1HFY2025 to US\$16.0 million in 1HFY2026. This decrease was primarily due to a decrease of US\$1.4 million in Technology Products and Services, and a decrease of US\$0.3 million in All Other, as explained below.

Content Solutions

The cost of sales for Content Solutions stayed consistent at US\$1.6 million in both 1HFY2026 and 1HFY2025.

Technology Products and Services

The cost of sales for Technology Products and Services decreased 8.4% from US\$15.5 million in 1HFY2025 to US\$14.2 million in 1HFY2026, mainly driven by a decrease of US\$1.7 million in sales and sales-type lease arrangements, partially offset by a cost increase of US\$0.5 million in maintenance, as explained further below.

Sales and Sales-Type Lease Arrangements

Cost of sales under sales and sales-type lease arrangements decreased 52.9% from US\$3.4 million in 1HFY2025 to US\$1.6 million in 1HFY2026, primarily due to two fewer sales and sales-type lease arrangements (excluding redeployed system installations) in 1HFY2026 with a lower average cost per new system under sales and sales-type lease arrangements, excluding redeployed systems, due to a mix of fewer higher costed IMAX Commercial Laser ("**COLA**") theatre installations than 1HFY2025.

Management Discussion and Analysis (Continued)

Revenue Sharing Arrangements

The cost of sales for contingent rent from revenue sharing arrangements slightly increased 1.5% from US\$6.7 million in 1HFY2025 to US\$6.8 million in 1HFY2026 was due to higher depreciation costs from an increased network. This was partially offset by decreased one-time upfront costs related to the installation of three fewer full revenue sharing arrangements in 1HFY2026 versus 1HFY2025.

IMAX Maintenance

Cost of sales with respect to theatre system maintenance increased 9.6% from US\$5.2 million in 1HFY2025 to US\$5.7 million in 1HFY2026, primarily reflecting higher labor costs and increased logistics expenses driven by increased imports of maintenance parts to support customer service requirements.

All Other

Costs from All Other for 1HFY2026 and 1HFY2025 were US\$0.3 million and US\$0.6 million, respectively.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased 54.1% from US\$40.1 million in 1HFY2025 to US\$18.4 million in 1HFY2026, and gross profit margin decreased from 69.4% in 1HFY2025 to a gross profit margin of 53.5% in 1HFY2026. The decrease in gross profit was largely attributable to a US\$14.5 million decrease from Content Solutions, a US\$8.7 million decrease in Technology Products and Services and partially offset by a US\$1.5 million increase in All Other, as explained further below.

Content Solutions

The gross profit from Content Solutions decreased 75.5% from a profit of US\$19.2 million in 1HFY2025 to a profit of US\$4.7 million in 1HFY2026, and the gross profit margin for Content Solutions decreased from a profit of 92.3% in 1HFY2025 to a profit of 74.8% in 1HFY2026. The decrease in gross profit was primarily driven by a 55.5% decrease in overall box office revenue and an increase in DMR conversion cost as a result of a greater number of Hollywood films exhibited in Chinese Mainland in 1HFY2026.

Technology Products and Services

The gross profit for Technology Products and Services decreased 42.0% from US\$20.7 million in 1HFY2025 to US\$12.0 million in 1HFY2026. During the same period, the gross profit margin decreased from 57.1% to 45.9%. The decrease in gross profit and gross profit margin is explained further below.

Management Discussion and Analysis (Continued)

Sales and Sales-Type Lease Arrangements

The gross profit increased 4.2% from US\$4.8 million in 1HFY2025 to US\$5.0 million in 1HFY2026 primarily due to the renewal of certain theatre agreements as sales arrangements in 1HFY2026 previously explained, partially offset by two fewer installations (excluding redeployed system installation) in 1HFY2026 versus 1HFY2025. Gross profit margin increased from 59.0% in 1HFY2025 to 74.6% in 1HFY2026.

Revenue Sharing Arrangements

The gross profit from upfront fees derived from hybrid revenue sharing arrangements remained at US\$nil as no hybrid revenue sharing installation in both 1HFY2026 and 1HFY2025.

The gross profit for contingent rent from full revenue sharing arrangements decreased from a profit of US\$6.0 million in 1HFY2025 to a loss of US\$1.3 million in 1HFY2026. Gross profit decreased primarily due to much lower overall box office, partially offset by decreased one-time upfront costs related to the installations of three fewer full revenue sharing arrangements in 1HFY2026 versus 1HFY2025.

The gross profit for contingent rent from hybrid revenue sharing arrangements decreased from US\$1.7 million in 1HFY2025 to US\$0.6 million in 1HFY2026, driven by lower IMAX box office.

IMAX Maintenance

The gross profit for theatre system maintenance decreased 6.2% from US\$8.1 million in 1HFY2025 to US\$7.6 million in 1HFY2026 and gross profit margin decreased from 60.9% in 1HFY2025 to 57.1% in 1HFY2026 mainly due to higher maintenance cost this year as explained above.

All Other

The gross profit for All Other increased from a profit of US\$0.2 million in 1HFY2025 to a profit of US\$1.7 million in 1HFY2026 mainly generated from the arrangement entered into by the Group with a new partner to power the development and commercialization of IMAX-branded automotive entertainment solutions in Greater China.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased 2.9% from US\$7.0 million in 1HFY2025 to US\$7.2 million in 1HFY2026, primarily due to: (i) a US\$0.3 million increase in employee salaries and benefits; (ii) a US\$0.2 million increase related to share-based compensation expenses; (iii) partially offset by a US\$0.2 million subsidy received from the government for office rent in 1HFY2026; and (iv) a US\$0.1 million reduction in advertising and marketing fees.

Other Operating Expenses

Other operating expenses decreased from US\$3.0 million in 1HFY2025 to US\$2.0 million in 1HFY2026, due to a decrease in annual license fees payable to IMAX Corporation in respect of the trademark and technology licensed under the Technology License Agreements and the Trademark License Agreements which reflects lower revenues in 1HFY2026.

Management Discussion and Analysis (Continued)

(Provisions) Reversals of Net Impairment Losses on Financial Assets

Net impairment impacts on financial assets for 1HFY2026 and 1HFY2025 were a loss of US\$1.1 million and a reversal of US\$0.1 million, respectively. The loss of US\$1.1 million in 1HFY2026 was primarily due to the provision for current expected credit losses, principally reflecting a reduction in the credit quality of its trade receivables and financing receivables.

Other Income

Other income was US\$0.3 million and less than US\$0.1 million in 1HFY2026 and 1HFY2025, which mainly includes subsidy received during the period.

Other Gains – Net

Other gains – net of US\$0.9 million represents the recognition of the initial payment retained from a customer prior to the scheduled installation arising from the termination of a sales arrangement in 1HFY2026 (1HFY2025: US\$nil) as the customer was unable to proceed with the system installation.

Interest Income

Interest income increased from US\$0.9 million in 1HFY2025 to US\$1.0 million in 1HFY2026 due to increased cash and cash equivalents, partially offset by lower interest rates on term deposits.

Interest Expense

Interest expense stayed flat at less than US\$0.1 million in both 1HFY2026 and 1HFY2025.

Income Tax Expense

Income tax expense decreased 69.0% from US\$7.1 million in 1HFY2025 to US\$2.2 million in 1HFY2026. The decrease in income tax expense was primarily due to a decrease of operating income before income tax from US\$31.0 million in 1HFY2025 to US\$10.3 million in 1HFY2026.

Profit for the Period

The Group reported a profit for the period of US\$8.1 million in 1HFY2026 as compared to a profit of US\$23.9 million in 1HFY2025.

Other Comprehensive Income for the Period

The Group reported other comprehensive income for the period of US\$8.2 million in 1HFY2026 as compared to other comprehensive income of US\$1.4 million in 1HFY2025, which is the result of foreign currency translation adjustments in 1HFY2026 (3.20% appreciation of RMB relative to USD) compared to the 1HFY2025 (0.41% appreciation of RMB relative to USD).

Adjusted Profit

Adjusted profit, which consists of profit for the period adjusted for the impact of share-based compensation and the related tax impact, was US\$9.2 million in 1HFY2026 as compared to US\$24.8 million in 1HFY2025.

Management Discussion and Analysis (Continued)

LIQUIDITY AND CAPITAL RESOURCES

	As at 30 June 2026 US\$'000	As at 31 December 2025 US\$'000
Current assets		
Other assets	633	573
Contract acquisition costs	407	388
Film assets	32	114
Inventories	5,852	5,989
Prepayments	3,493	3,641
Variable consideration receivable from contracts	1,932	1,404
Financing receivables	29,017	29,537
Trade and other receivables	77,501	79,620
Cash and cash equivalents	143,900	129,861
Total Current Assets	262,767	251,127
Current liabilities		
Trade and other payables	14,691	15,759
Accruals and other liabilities	6,553	8,271
Income tax liabilities	916	1,796
Deferred revenue	13,163	13,454
Total Current Liabilities	35,323	39,280
Net Current Assets	227,444	211,847

As at 30 June 2026, the Group had net current assets of US\$227.4 million compared to net current assets of US\$211.8 million as at 31 December 2025. The increase in net current assets in 1HFY2026 was mainly attributable to a US\$14.0 million increase in cash and cash equivalents, a US\$1.7 million decrease in accruals and other liabilities, a US\$1.0 million decrease in trade and other payables, a US\$0.9 million decrease in income tax liabilities, a US\$0.5 million increase in variable consideration receivable from contracts, and a US\$0.3 million decrease in deferred revenue. This was partially offset by a US\$2.1 million decrease in trade and other receivables, a US\$0.5 million decrease in financing receivables, a US\$0.1 million decrease in inventories, and a US\$0.1 million decrease in prepayments.

Management Discussion and Analysis (Continued)

The Group has cash and cash equivalent balances denominated in various currencies. The following is a breakdown of cash and cash equivalent balances by currency as at the end of each period/year:

	As at 30 June 2026 US\$'000	As at 31 December 2025 US\$'000
Cash and cash equivalents denominated in RMB	\$110,570	\$97,218
Cash and cash equivalents denominated in US\$	\$33,039	\$32,471
Cash denominated in Hong Kong dollars	\$291	\$172
	\$143,900	\$129,861

CAPITAL MANAGEMENT

The Group's objectives for capital management include: (i) to safeguard the Group's ability to continue as a going concern; (ii) to maximize returns to shareholders and other stakeholders; and (iii) to maintain an optimal capital structure by reducing the weighted average cost of capital.

The Group considers and evaluates its capital structure based on the aggregate of the total equity and long-term debt less cash and short-term deposits. The Group manages the capital structure and makes adjustments to the structure in order to have funds available to support the business activities which the Board intends to pursue in addition to maximizing the return to shareholders. The Board does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business.

In order to carry out current operations and pay for administrative costs, the Group will spend the existing working capital and raise additional amounts as needed. Management evaluates the capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable.

Management Discussion and Analysis (Continued)

CASH FLOW ANALYSIS

The following table shows our net cash from operating activities, net cash used in investing activities and net cash used in financing activities for the periods indicated:

	1HFY2026 US\$'000	1HFY2025 US\$'000
Net cash provided by operating activities	15,598	19,295
Net cash used in investing activities	(3,903)	(3,187)
Net cash used in financing activities	(800)	(2,209)
Effects of exchange rate changes on cash	3,144	224
Increase in cash and cash equivalents during period	14,039	14,123
Cash and cash equivalents, beginning of period	129,861	80,049
Cash and cash equivalents, end of period	143,900	94,172

Cash Provided by Operating Activities

1HFY2026

The Group's net cash provided by operations was approximately US\$15.6 million in 1HFY2026. We had profit before income tax for the period of US\$10.3 million in 1HFY2026, and positive adjustments for depreciation of property, plant and equipment of US\$6.5 million, amortization of film assets of US\$3.1 million, allowance for expected credit losses of US\$1.1 million, and equity settled and other non-cash compensation of US\$1.0 million, reduced by changes in working capital of US\$1.0 million, and taxes paid of US\$5.3 million. Changes in working capital primarily consisted of: (i) an increase in film assets of US\$3.0 million; (ii) a decrease in trade and other payables of US\$2.2 million; (iii) a decrease in deferred revenue of US\$1.7 million; (iv) a decrease in accruals and other liabilities of US\$1.7 million; and (v) an increase in variable consideration receivable from contracts of US\$1.1 million; partially offset by: (i) a decrease in trade and other receivables of US\$6.0 million; (ii) a decrease in financing receivables of US\$2.1 million; (iii) a decrease in inventories of US\$0.4 million; and (iv) a decrease in prepayments of US\$0.2 million.

1HFY2025

The Group's net cash provided by operations was approximately US\$19.3 million in 1HFY2025. We had profit before income tax for the period of US\$31.0 million in 1HFY2025, and positive adjustments for depreciation of property, plant and equipment of US\$6.5 million, amortization of film assets of US\$1.8 million, settlement of equity and other non-cash compensation of US\$1.0 million, amortization of contribution to Enhanced Business of US\$0.5 million, and loss on disposal of property, plant and equipment of US\$0.1 million, reduced by changes in working capital of US\$13.8 million, and taxes paid of US\$7.8 million. Changes in working capital primarily consisted of: (i) an increase in trade and other receivables of US\$14.0 million; (ii) an increase in film assets of US\$1.8 million; (iii) a decrease in deferred revenue of US\$1.6 million; and (iv) an increase in other assets of US\$0.5 million; partially offset by: (i) an increase in trade and other payables of US\$1.7 million; (ii) a decrease in financing receivables of US\$0.8 million; (iii) a decrease in inventories of US\$0.7 million; (iv) a decrease in variable consideration receivable from contracts of US\$0.6 million; (v) an increase in accruals and other liabilities of US\$0.3 million; and (vi) a decrease in prepayments of US\$0.1 million.

Management Discussion and Analysis (Continued)

Cash Used in Investing Activities

1HFY2026

The Group's net cash used in investing activities was approximately US\$3.9 million for 1HFY2026, primarily related to investments in IMAX theatre equipment amounting to US\$3.8 million installed in our exhibitor partners' theatres under full revenue sharing arrangements, and purchase of property, plant and equipment of US\$0.1 million.

1HFY2025

The Group's net cash used in investing activities was approximately US\$3.2 million for 1HFY2025, primarily related to investments in IMAX theatre equipment amounting to US\$3.2 million installed in our exhibitor partners' theatres under full revenue sharing arrangements.

Cash Used in Financing Activities

1HFY2026

The Group's net cash used in financing activities was approximately US\$0.8 million for 1HFY2026 primarily due to settlement of restricted share units and performance stock units of US\$0.5 million, and principal elements of lease payments of US\$0.3 million.

1HFY2025

The Group's net cash used in financing activities was approximately US\$2.2 million for 1HFY2025 primarily due to: (i) payments for shares bought back of US\$1.5 million; (ii) settlement of restricted share units and performance stock units of US\$0.5 million; and (iii) principal elements of lease payments of US\$0.2 million.

CONTRACTUAL OBLIGATIONS AND CAPITAL COMMITMENTS

Lease Commitments

The Group has lease commitments within one year amounting to less than US\$0.1 million related primarily to leased office.

Capital Commitments

As at 30 June 2026, the Group had capital expenditures contracted but not provided for of US\$0.4 million (31 December 2025: US\$1.0 million) primarily related to acquisition of property, plant and equipment.

Management Discussion and Analysis (Continued)

CAPITAL EXPENDITURES AND CONTINGENT LIABILITIES

Capital Expenditures

The Group's capital expenditures primarily relate to the acquisition of IMAX theatre systems. Capital expenditures were US\$3.9 million and US\$3.2 million for 1HFY2026 and 1HFY2025, respectively.

Going forward, the Group plans to allocate a significant portion of the capital expenditures to the continued upgrade and expansion of the IMAX theatre network under revenue sharing arrangements by executing on the existing contractual backlog and future signings.

Contingent Liabilities

Lawsuits, claims and proceedings arise in the ordinary course of business. In accordance with the Group's internal policies, in connection with any such lawsuits, claims or proceedings, the Group will make a provision for a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

The Directors confirm that there has been no material change in the Group's commitments and contingent liabilities since 30 June 2026.

WORKING CAPITAL

The Group finances its working capital needs primarily through cash flow from operating activities and working capital loans. Cash flow generated from operating activities was US\$15.6 million in 1HFY2026 as compared to the cash flow generated from operating activities of US\$19.3 million in 1HFY2025. As the IMAX theatre network continues to grow, the Group believes the cash flow from operating activities will continue to increase and fund existing business operations and any initial capital expenditures required under revenue sharing arrangements.

The Group has an unsecured revolving facility with Bank of China Limited for up to RMB200.0 million (approximately US\$29.4 million) to fund ongoing working capital requirements, including RMB10.0 million (approximately US\$1.5 million) to fund letter of guarantee requirements. The total amounts drawn and available under the working capital loan as of 30 June 2026 were RMB nil and RMB190.0 million for bank borrowing facility, and RMB nil and RMB10.0 million for letter of guarantee facility, respectively.

The Group has an unsecured revolving facility with HSBC Bank (China) Company Limited, Shanghai Branch for up to RMB200.0 million (approximately US\$29.4 million) to fund ongoing working capital requirement. The total amounts drawn and available under the working capital loan at 30 June 2026 were RMB nil and RMB200.0 million, respectively.

Except as disclosed above or as otherwise disclosed herein, as of 30 June 2026, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

Management Discussion and Analysis (Continued)

STATEMENT OF INDEBTEDNESS

As at 30 June 2026:

- The Group did not have any outstanding bank borrowings;
- The Group did not have any borrowing from IMAX Corporation or any related parties; and
- The Group did not have any hire purchase commitments or bank overdrafts.

Since 30 June 2026, being the latest date of the condensed interim statements, there has been no material adverse change to the Group's indebtedness.

RECENT DEVELOPMENTS

No important event affecting the Group has occurred since 30 June 2026.

OFF BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

The Group had no off-balance sheet arrangements as at 30 June 2026.

Management Discussion and Analysis (Continued)

KEY FINANCIAL RATIOS

The following table lays out certain financial ratios as of the dates and for the years indicated. The Group presents adjusted gearing ratio and adjusted profit margin because the Group believes they present a more meaningful picture of the financial performance than unadjusted numbers as they exclude the impact from share-based compensation, restructuring expenses and associated impairments, and the related tax impact.

	As at 30 June 2026	As at 31 December 2025
Gearing ratio ⁽¹⁾	17.4%	19.6%
	1HFY2026	1HFY2025
Adjusted profit margin ⁽²⁾	26.6%	42.9%

Notes:

(1) Gearing ratio is calculated by dividing total liabilities by total equity and multiplying the result by 100.

(2) Adjusted profit margin is calculated by dividing adjusted profit for the period by revenue and multiplying the result by 100.

Gearing Ratio

The Group's gearing ratio decreased from 19.6% as at 31 December 2025 to 17.4% as at 30 June 2026, primarily due to an increase in equity of US\$16.7 million, a decrease in accruals and other liabilities of US\$1.9 million, a decrease in trade and other payable of US\$1.1 million, a decrease in income tax liabilities of US\$0.9 million, and a decrease in deferred revenue of US\$0.2 million.

Adjusted Profit Margin

The Group's adjusted profit margin decreased from 42.9% in 1HFY2025 to 26.6% in 1HFY2026, for reasons explained above.

Management Discussion and Analysis (Continued)

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

The proposal of payment and the amount of the dividends will ultimately be made at the discretion of the Board and will depend on the general business conditions and strategies, cash flow situation, financial results, capital requirements and expenditure plans, the interests of the Shareholders, statutory and regulatory restrictions as well as other factors that the Board may consider relevant.

Taking into consideration that the IMAX theatre network has not significantly expanded in recent years, the inherent unpredictability of film performance in the Chinese Mainland market, lower first half performance due to film slate, the uncertainty around China's economic recovery and general market conditions, and the Board's deliberate decision to retain capital in order to support a clearly articulated, multi pronged growth strategy for IMAX China, the Board has resolved not to declare an interim dividend for the six months ended 30 June 2026.

The Board has determined that the retention of capital represents an active and value generative allocation decision, and is intended to fund numerous strategic initiatives requiring sustained investment. These initiatives include, among others, the IMAX Enhanced business (through continued investment in technology development, content partnerships and ecosystem build out); the launch and development of new merchandise and IP driven businesses designed to leverage the IMAX brand; and the expansion and optimization of the Company's network across Greater China.

In addition, as the Company is a holding company registered in the Cayman Islands and the operations are conducted through its subsidiaries, four of which are incorporated in Chinese Mainland, the availability of funds to pay distributions to Shareholders and to service the debts depends on dividends received from these subsidiaries. The subsidiaries in Chinese Mainland are restricted from distributing profits before the losses from previous years have been remedied and amounts for mandated reserves have been deducted.

As at 30 June 2026, the Company had a total equity of US\$35.2 million. Under the Companies Act of the Cayman Islands, subject to the provisions of memorandum of association of the Company or the articles of association (the "**Articles of Association**"), the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group has not undertaken any material acquisition or disposal for the six months ended 30 June 2026.

SIGNIFICANT INVESTMENTS AND DIVESTMENTS

The Group has no significant investment and divestment for the period ended 30 June 2026. There was no plan authorized by the Board for any material investments or divestments at the date of this report.

Corporate Governance Highlights and Other Information

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, 32,900 listed Shares, 151,060 listed Shares, 151,060 listed Shares and 151,060 listed Shares were purchased through Computershare Hong Kong Trustees Limited, the professional trustee engaged by the Company for administering its share schemes, on 11 June 2026 at an average price per Share of HK\$8.1480, on 12 June 2026 at an average price per Share of HK\$8.8331, on 15 June 2026 at an average price per Share of HK\$8.6139, and on 16 June 2026 at an average price per Share of HK\$8.8299 on the Stock Exchange, for satisfying, or preparing for the satisfaction of, the vesting of the relevant restricted share units or performance share units.

Save for the above, there have been no convertible securities issued or granted by the Group, no exercise of any conversion or subscription rights, nor any purchase, sale or redemption by the Group of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2026. As at 30 June 2026, there were no treasury shares (as defined in the Listing Rules) held by the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Directors' dealing policy on 21 September 2015 in order to ensure compliance with the Model Code. The terms of the Directors' dealing policy are no less exacting than those set out in the Model Code. Having made specific enquiry of the Directors, all Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities dealings by directors as set out in the Model Code and the Company's own Directors' dealing policy for the six months ended 30 June 2026.

CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and its Shareholders. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

Corporate Governance Highlights and Other Information (Continued)

Pursuant to code provision C.1.6 of the CG Code, Independent Non-executive Directors and other Non-executive Directors of the Company should attend general meetings of the Company, and pursuant to code provision F.2.2 of the CG Code, the Chair of the Board and the Chair of each Committee of the Company should attend the annual general meeting. However, Chairman and Non-executive Director of the Company, Mr. Richard Gelfond, Non-executive Directors of the Company, namely, Mr. Robert Lister and Ms. Natasha Fernandes, and Independent Non-executive Directors of the Company, namely, Ms. Yue-Sai Kan, Ms. Janet Yang and Mr. Peter Loehr, were unable to attend the annual general meeting of the Company convened on 11 June 2026 due to other important business commitments. Mr. Richard Gelfond appointed Mr. Daniel Manwaring, an Executive Director of the Company, to be his delegate as the Chair of the Board and as the Chair of the Nomination Committee to attend, chair and answer questions at the annual general meeting. Save as disclosed above, during the six months ended 30 June 2026, the Company has complied with all the code provisions of the CG Code.

APPLICATION OF GLOBAL OFFERING PROCEEDS

The Company was listed on the Stock Exchange on 8 October 2015. The net proceeds from the Company's Listing were approximately HK\$443 million after deduction of related expenses. For the six months ended 30 June 2026, the Company applied proceeds from the Listing as follows:

Planned use of IPO Proceeds as disclosed in the Prospectus	IPO Proceeds (HK\$'000)		
	Available amount	Actual utilised amount as at 30 June 2026	Unused amount as at 30 June 2026
Procurement of IMAX theatre systems and the one time launch costs used for expanding revenue sharing arrangement in the Company's backlog	177,200	177,200	–
Building up inventory of IMAX theatre systems	88,600	–	88,600
Investments in complementary business	66,450	36,717	29,733
Establishment of the Company's DMR capabilities and investments in new areas leveraging the IMAX brand	66,450	4,758	61,692
Working Capital	44,300	44,300	–
Total	443,000	262,975	180,025

Notes:

- The expected timeline for utilising the remaining IPO proceeds has been and is expected to be continuously impacted by the effects of the rapid technology development, market conditions, changing regulatory climate, as well as potential or actual extraordinary factors.
- The Company has been and will continuously be evaluating and determining the utilization of its IPO proceeds with an aim to both maximize its cash flow efficiency and minimize any long-term exposure to technology change and other changing factors.

During the six months ended June 30, 2026, no IPO Proceeds were utilized. The Company has deployed in the first half of 2026, and intends to continue to deploy in 2026, proceeds from the Listing consistent with the manner described in the Prospectus.

Corporate Governance Highlights and Other Information (Continued)

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company was in compliance with the minimum public float at the level of at least 25% of the total number of issued Shares as required under the Listing Rules throughout the six months ended 30 June 2026 and as at the date of this Interim Report. As at 30 June 2026, the Company's public float was approximately 27% of the issued share capital of the Company.

BOARD COMMITTEES

The Board has received appropriate delegation of its functions and powers and has established appropriate Board committees, with specific written terms of reference in order to manage and monitor specific aspects of the Group's affairs. The terms of reference of the Board committees are posted on the websites of the Company and the Stock Exchange and are available to the Shareholders upon request. The Board and the Board committees are provided with all necessary resources including the advice of external auditors, external legal advisers and other independent professional advisors as needed.

Audit Committee

The Company has set up an audit committee on 27 May 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and of the CG Code. The terms of reference were updated on 30 November 2018 to reflect changes to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group, maintain an appropriate relationship with the Company's auditors and provide advice and comments to the Board.

The audit committee consists of three members: Mr. John Davison, an Independent Non-executive Director; Ms. Janet Yang, an Independent Non-Executive Director; and Mr. Richard Gelfond, a Non-executive Director. Mr. John Davison is the Chair of the audit committee.

The audit committee members have reviewed this Interim Report, including the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2026. The Interim Report, including the unaudited condensed consolidated interim financial information of the Group, for the six months ended 30 June 2026 have also been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Remuneration Committee

The Company has set up a remuneration committee on 27 May 2015 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and of the CG Code. The terms of reference were updated on 22 February 2023 to reflect changes to the Listing Rules. The primary duties of the remuneration committee are to assist the Board in determining the policy and structure for the remuneration of Directors and senior management, evaluating the performance of Directors and senior management, reviewing and/or approving incentive schemes and Directors' service contracts (as the case may be) and fixing the remuneration packages for all Directors and senior management. The remuneration packages of all Directors and senior management were determined by the remuneration committee in accordance with the committee's written terms of reference, and with the delegated authority of the Board. Determination of such matters is based on the Group's performance and the Directors' and senior management members' respective contributions to the Group.

Corporate Governance Highlights and Other Information (Continued)

The remuneration committee consists of three members: Ms. Yue-Sai Kan, an Independent Non-executive Director; Mr. John Davison, an Independent Non-executive Director; and Mr. Robert Lister, a Non-executive Director. Ms. Yue-Sai Kan is the Chair of the remuneration committee.

Nomination Committee

The Company has set up a nomination committee on 27 May 2015 with written terms of reference in compliance with the CG Code. The terms of reference were updated on 29 December 2025 to reflect changes to the Listing Rules. The primary duties of the nomination committee are to identify, screen and recommend to the Board appropriate candidates to serve as Directors of the Company and to oversee the process for evaluating the performance of the Board. In reviewing the composition of the Board, the nomination committee considers the skills, knowledge and experience and also the desirability of maintaining a balanced composition of executive and non-executive Directors (including independent non-executive Directors).

The nomination committee consists of three members: Mr. Richard Gelfond, a Non-executive Director; Mr. Peter Loehr, an Independent Non-executive Director; and Ms. Yue-Sai Kan, an Independent Non-executive Director. Mr. Richard Gelfond is the Chair of the nomination committee.

Pursuant to the Director Nomination Policy and the Board Diversity Policy adopted by the Company in November 2018, in selecting candidates, the Board and the nomination committee should consider a large number of factors including but not limited to character and integrity, independence, diversity, gender, age, cultural and educational background, competencies, skills, experience, availability of service to the Company, tenure and the Board's anticipated needs in order to achieve a diverse Board with directors from different backgrounds with varying perspectives, professional experience, education and skills. In addition, the nomination committee reports on the composition of the Board from the perspective of diversity, and sets and reviews measurable objectives for the implementation of the Board Diversity Policy. The nomination committee is satisfied that the composition of the Board is sufficiently diverse.

CONNECTED TRANSACTIONS

Continuing Connected Transactions Subject to Reporting and Announcement Requirements

During the six months ended 30 June 2026, the Group has continued to engage in certain transactions with IMAX Corporation (its controlling shareholder) which constitute connected transactions under the Listing Rules.

IMAX Corporation is considered a "connected person" under the Listing Rules by virtue of it being the holding company (an "associate" as defined in the Listing Rules) of IMAX Barbados (which, holding more than 10% of the Company's share capital, is a substantial shareholder and "connected person" of the Group). Pursuant to the Listing Rules, any member of IMAX Corporation is considered an "associate" of IMAX Barbados and a "connected person" of the Group. Any transaction between the Group and IMAX Corporation or IMAX Barbados is, accordingly, a connected transaction.

During the six months ended 30 June 2026, the following non-exempt connected transactions continued to occur between the Group and IMAX Corporation. Such transactions are subject to the reporting and announcement requirements, but exempt from the independent Shareholders' approval requirements, under Chapter 14A of the Listing Rules:

Corporate Governance Highlights and Other Information (Continued)

1. **Personnel Secondment Agreement**

(a) *Description of the Personnel Secondment Agreement*

(i) *Subject matter*

On 11 August 2011, IMAX Shanghai Multimedia entered into the Personnel Secondment Agreement with IMAX Corporation (the “**Personnel Secondment Agreement**”) commencing on 11 August 2011 and expiring on 28 October 2036. Under the Personnel Secondment Agreement, IMAX Corporation agreed to successively make several employees available to IMAX Shanghai Multimedia.

The Personnel Secondment Agreement was amended on 21 September 2015, 25 May 2016 and 26 May 2016.

Please also refer to the Company’s announcement dated 28 February 2018 for further details.

(ii) *Term and Termination*

The Personnel Secondment Agreement has a term of 25 years and can be terminated by either party by providing a written notice to the other party.

Under the requirements of the Listing Rules, the Personnel Secondment Agreement should have a fixed term and should be for a duration of no longer than three years except in special circumstances where the nature of the transaction requires it to be of a longer duration.

The Directors believe that it is appropriate for the Personnel Secondment Agreement to have a 25-year term as the secondment of relevant employee(s) from IMAX Corporation to IMAX Shanghai Multimedia will be beneficial for the development of the business of the Group given their relevant industry experience and knowledge.

(iii) *Fees*

IMAX Shanghai Multimedia shall reimburse IMAX Corporation for the cost of all wages and benefits with respect to the seconded employees in proportion to the time actually spent by such employees on matters related to IMAX Shanghai Multimedia. The fees payable under the Personnel Secondment Agreement also include the share-based compensation awarded to the seconded employees.

(b) *Annual Caps, Transaction Amount, and Listing Rules Requirements*

The Company did not expect any personnel secondment arrangement for the year of 2026. Therefore, the Company did not set an annual cap for 2026 under the Personnel Secondment Agreement.

No fee was charged to the Group by IMAX Corporation under the Personnel Secondment Agreement during the six months ended 30 June 2026.

The Company will re-comply with the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules, where and if applicable, including the requirements for the setting of new monetary annual caps for the maximum aggregate fees payable under the Personnel Secondment Agreement for an additional three-year period before any personnel secondment arrangement takes place in the future.

Corporate Governance Highlights and Other Information (Continued)

2. **Trademark License Agreements**

(a) *Description of the Trademark License Agreements*

(i) *Subject matter*

On 28 October 2011, each of IMAX Shanghai Multimedia and IMAX Hong Kong entered into the separate trademark license agreements with IMAX Corporation (the “**Trademark License Agreements**”) for a renewable term of 25 years each commencing on 28 October 2011, pursuant to which IMAX Corporation agreed to grant the exclusive right in Chinese Mainland to IMAX Shanghai Multimedia and the exclusive right in Hong Kong, Macau and Taiwan to IMAX Hong Kong to use the “IMAX”, “IMAX 3D” and “THE IMAX EXPERIENCE” marks, related logos and such other marks as IMAX Corporation may approve from time to time in connection with their theatre and films businesses in the respective territories.

Under the Trademark License Agreements, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall have the right to sublicense the rights granted to them solely: (i) to third parties that lease, own or operate IMAX theatres pursuant to an agreement approved by IMAX Corporation; and (ii) to other third parties and affiliates of each of IMAX Shanghai Multimedia and IMAX Hong Kong approved in each case by IMAX Corporation.

If the Escrow Documents are released under the terms of the Contingency Agreements, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall be granted a right to use the marks and logos in connection with the manufacture and assembly of IMAX digital xenon projection systems, IMAX laser-based digital projection systems and nXos2 audio systems, in addition to their existing right to use the trademarks pursuant to the Trademark License Agreements.

The Trademark License Agreements were amended on 21 September 2015.

(ii) *Term*

Subject to the following paragraph, each of the Trademark License Agreements has a term of 25 years commencing on 28 October 2011, and shall be renewable at the election of IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, for an additional term of 25 years on the basis of a fair market royalty rate determined by a qualified, neutral third party consultant, which shall not exceed 6% of all applicable gross revenues.

If the Escrow Documents are released under the terms of the Contingency Agreements, the term of the Trademark License Agreements shall be 12 years from the date of release.

Under the requirements of the Listing Rules, the Trademark License Agreements should be for a duration of no longer than three years except in special circumstances where the nature of the transaction requires them to be of a longer duration.

Corporate Governance Highlights and Other Information (Continued)

The Directors believe that it is appropriate for the Trademark License Agreements to have a 25-year renewable term for the following reasons:

- (a) the 25-year term of the Trademark License Agreements is inherently beneficial to the Company as it is only under the trademark licenses that we can use the “IMAX” brand to carry on the IMAX theatre business in Greater China;
- (b) the 25-year term of the Trademark License Agreements provides comfort and protection to us, enabling us to plan and invest over the longer term;
- (c) the 25-year term of the Trademark License Agreements also provides comfort and protection to our exhibitor partners as it is sufficiently long to cover existing arrangements with our exhibitor partners that span upwards of 12 years from installation plus a potential renewal; and
- (d) it is in accordance with normal business practice for trademark license agreements to be of such duration.

(iii) Termination

Each of the Trademark License Agreements is subject to limited termination provisions. Each Trademark License Agreement will automatically and immediately terminate if: (i) the Technology License Agreement (as defined below) entered into between the same persons as are parties to the Trademark License Agreement and effective from the same date, terminates or expires; (ii) IMAX Shanghai Multimedia or IMAX Hong Kong (as applicable) is ordered or adjudged bankrupt; or (iii) the assets of any of such parties are appropriated by any government.

In addition, IMAX Corporation shall have the right to terminate a Trademark License Agreement in the event that: (i) IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, is in material breach of the relevant Trademark License Agreement or any of the other inter-company agreements entered into between the respective parties, or (ii) if IMAX Shanghai Multimedia or IMAX Hong Kong challenges the validity of IMAX Corporation’s ownership of any of the licensed trademarks, in either case, after serving a notice of its intention to terminate the relevant Trademark License Agreement and subject to IMAX Shanghai Multimedia or IMAX Hong Kong not having cured such breach within 30 days from the receipt of such notice.

IMAX Shanghai Multimedia and IMAX Hong Kong may also serve a notice on IMAX Corporation to terminate the Trademark License Agreement if IMAX Corporation breaches any of the material terms of the relevant Trademark License Agreement and is unable to cure the breach within 30 days from the receipt of such notice.

The rights granted by IMAX Shanghai Multimedia and IMAX Hong Kong: (i) to third parties that lease, own or operate IMAX theatres pursuant to an agreement approved by IMAX Corporation; and (ii) to other third parties and affiliates of each of IMAX Shanghai Multimedia and IMAX Hong Kong approved in each case by IMAX Corporation, shall survive termination and expiry of the Trademark License Agreements.

Corporate Governance Highlights and Other Information (Continued)

(iv) Fees

During their initial term, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall pay 2% of its gross revenue generated from their respective theatre and films businesses as royalty fees to IMAX Corporation on a quarterly basis. If the Trademark License Agreements are to be renewed, the royalty rate to be applied during the renewed term shall be determined by a qualified, neutral third party consultant based on the fair market value of the rights granted to IMAX Shanghai Multimedia and IMAX Hong Kong under the Trademark License Agreements, but in any case shall not exceed 6% of each of their gross revenue.

IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have also agreed that the fees payable under the Trademark License Agreements will be adjusted, including retrospectively, to the extent an adjustment is necessary to ensure that the payments are on an arm's length basis as determined by a court of competent jurisdiction or a government or taxing authority, or as mutually agreed by IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong.

(b) Annual Caps and Transaction Amount

The cap for the royalties payable under the Trademark License Agreements will be determined by reference to the formulae for determining such royalties as described above.

It is not possible for the Directors to provide any meaningful estimates of a monetary cap as it would involve making assumptions regarding the future performance of the Group over a period of up to 21 years.

The Directors have also considered whether the absence of a monetary cap should be approved by the Shareholders after three years or a longer period, and have concluded that this would not be appropriate or in the interests of the Shareholders since it would give rise to greater uncertainty as to whether the Trademark License Agreements will be in place for the whole of their terms. The Directors do not consider that it would be in the interests of the Shareholders for the Trademark License Agreements to have a term which is shorter than their terms, given the importance of the IMAX trademarks to the businesses of the Group. In addition, as noted above, it is market practice for trademark license agreements to have durations of extended periods.

Approximately US\$806,000 was charged to the Group by IMAX Corporation under the Trademark License Agreements during the six months ended 30 June 2026.

(c) Listing Rules Requirements

As the highest relevant percentage ratio in respect of the annual caps of each of the Trademark License Agreements will be, on an annual basis, more than 0.1% but less than 5%, and as the Trademark License Agreements are on normal commercial terms, they will be exempt pursuant to Rule 14A.76(2)(a) of the Listing Rules from the independent Shareholders' approval requirements but will be subject to the reporting and, save for the waiver set out in "– Waivers – Waiver from Requirements to Obtain Approval of Independent Shareholders and Make Announcements" in the Company's 2025 annual report dated 9 March 2026, announcement requirements under Chapter 14A of the Listing Rules.

Corporate Governance Highlights and Other Information (Continued)

If the Trademark License Agreements are renewed upon the expiry of the initial 25-year term, the Company will be required to comply with all the applicable reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules at that time in respect of the renewal, subject to any waivers which may be granted by the Stock Exchange from strict compliance with any of the applicable requirements.

If the Escrow Documents are released under the terms of the Contingency Agreements and the 12-year term of the exclusive trademark license of the IMAX brand granted pursuant to the Trademark License Agreements falls outside of the initial 25-year term of such agreements, the Company will be required to comply with all the applicable reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the portion of the term of the Trademark License Agreements that falls outside of the initial 25-year term of such agreements, subject to any waivers which may be granted by the Stock Exchange from strict compliance with any of the applicable requirements.

3. **Technology License Agreements**

(a) *Description of the Technology License Agreements*

(i) *Subject matter*

On 28 October 2011, each of IMAX Shanghai Multimedia and IMAX Hong Kong entered into separate technology license agreements with IMAX Corporation (the “**Technology License Agreements**”) for a renewable term of 25 years commencing on 28 October 2011, pursuant to which IMAX Corporation agreed to grant the exclusive right in Chinese Mainland to IMAX Shanghai Multimedia and the exclusive right in Hong Kong, Macau and Taiwan to IMAX Hong Kong to use the technology relating to the equipment and services provided by IMAX Corporation to each of IMAX Shanghai Multimedia and IMAX Hong Kong pursuant to the Equipment Supply Agreements (defined below) and Services Agreements (as defined below), solely in connection with the marketing, sale, rental, lease, operation and maintenance of such equipment and services.

Under the Technology License Agreements, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall have the right to sublicense the rights granted to them solely (i) to third parties that lease, own or operate IMAX theatres pursuant to an agreement approved by IMAX Corporation; and (ii) to other third parties and affiliates of each of IMAX Shanghai Multimedia and IMAX Hong Kong approved in each case by IMAX Corporation.

If the Escrow Documents are released under the terms of the Contingency Agreements, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall be granted a right to use the technology in connection with the manufacture and assembly of IMAX digital xenon projection systems, IMAX laser-based digital projection systems and nXos2 audio systems in the United States, Canada or European Union, in addition to their existing right to use the technology pursuant to the Technology License Agreements.

The Technology License Agreements were amended on 21 September 2015.

Corporate Governance Highlights and Other Information (Continued)

(ii) *Term*

Subject to the following paragraph, each of the Technology License Agreements has a term of 25 years commencing on 28 October 2011, and shall be renewable at the election of IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, for an additional term of 25 years on the basis of a fair market royalty rate determined by a qualified, neutral third party consultant, which shall not exceed 9% of all applicable gross revenues.

If the Escrow Documents are released under the terms of the Contingency Agreements, the term of the Technology License Agreements shall be 12 years from the date of release.

Under the requirements of the Listing Rules, the Technology License Agreements should be for a duration of no longer than three years except in special circumstances where the nature of the transaction requires them to be of a longer duration.

The Directors believe that it is appropriate for the Technology License Agreements to have a 25-year renewable term for the same reasons set out in the section headed “Connected Transactions – Continuing Connected Transactions Subject to Reporting and Announcement Requirements – 2. Trademark License Agreements” above.

(iii) *Termination*

Each of the Technology License Agreements is subject to limited termination provisions. Each Technology License Agreement will automatically and immediately terminate if: (i) the Trademark License Agreement entered into between the same persons as are parties to the Technology License Agreement and effective from the same date, terminates or expires; (ii) IMAX Shanghai Multimedia and IMAX Hong Kong (as applicable) is ordered or adjudged bankrupt; or (iii) if the assets of any of such parties are appropriated by any government.

IMAX Corporation shall have the right to terminate a Technology License Agreement in the event that (i) IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, is in material breach of the relevant Technology License Agreement or any of the other inter-company agreements entered into between the respective parties; or (ii) if IMAX Shanghai Multimedia or IMAX Hong Kong challenges the validity or IMAX Corporation’s ownership of any of the licensed technology, in each case, after serving a notice of its intention to terminate the relevant Technology License Agreement and subject to IMAX Shanghai Multimedia or IMAX Hong Kong not having cured such breach within 30 days from the receipt of such notice.

IMAX Shanghai Multimedia and IMAX Hong Kong may also serve a notice on IMAX Corporation to terminate the Technology License Agreement if IMAX Corporation breaches any of the material terms of the relevant Technology License Agreement and is unable to cure the breach within 30 days from the receipt of such notice.

Corporate Governance Highlights and Other Information (Continued)

The rights granted by IMAX Shanghai Multimedia and IMAX Hong Kong: (i) to third parties that lease, own or operate IMAX theatres pursuant to an agreement approved by IMAX Corporation; and (ii) to other third parties and affiliates of each of IMAX Shanghai Multimedia and IMAX Hong Kong approved in each case by IMAX Corporation, shall survive termination and expiry of the Technology License Agreements.

(iv) *Fees*

During their initial 25-year term, each of IMAX Shanghai Multimedia and IMAX Hong Kong shall pay 3% of its gross revenue generated from their respective theatre and films businesses as royalty fees to IMAX Corporation on a quarterly basis. If the Technology License Agreements are to be renewed, the royalty rate to be applied during the renewed term shall be determined by a qualified, neutral third party consultant based on the fair market value of the rights granted to IMAX Shanghai Multimedia and IMAX Hong Kong under the Technology License Agreements, but in any case shall not exceed 9% of each of their gross revenue.

IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have also agreed that the fees payable under the Technology License Agreements will be adjusted, including retrospectively, to the extent an adjustment is necessary to ensure that the payments are on an arm's length basis as determined by a court of competent jurisdiction or a government or taxing authority, or as mutually agreed by IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong.

(b) *Annual Caps and Transaction Amount*

The cap for the royalties payable under the Technology License Agreements will be determined by reference to the formulae for determining such royalties as described above. For the same reasons as set out under the section headed "Connected Transactions – Continuing Connected Transactions Subject to Reporting and Announcement Requirements – 2. Trademark License Agreements" above, the Directors believe that it is not appropriate to set a fixed monetary cap and that it would be fair and reasonable and in the interests of the Shareholders as a whole for the royalties payable under the Technology License Agreements to be calculated by reference to a formulae.

Approximately US\$1,209,000 was charged to the Group by IMAX Corporation under the Technology License Agreements during the six months ended 30 June 2026.

(c) *Listing Rules Requirements*

As the highest relevant percentage ratio in respect of the annual caps of each of the Technology License Agreements will be, on an annual basis, more than 0.1% but less than 5% and as the Technology License Agreements are on normal commercial terms, they will be exempt pursuant to Rule 14A.76(2)(a) of the Listing Rules from the independent shareholders' approval requirements but will be subject to the reporting and, save for the waiver set out in "– Waivers – Waiver from Requirements to Obtain Approval of Independent Shareholders and Make Announcements" in the Company's 2025 annual report dated 9 March 2026, announcement requirements under Chapter 14A of the Listing Rules.

Corporate Governance Highlights and Other Information (Continued)

If the Technology License Agreements are renewed upon the expiry of the initial 25-year term, the Company will be required to comply with all the applicable reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules at that time in respect of the renewal, subject to any waivers which may be granted by the Stock Exchange from strict compliance with any of the applicable requirements.

If the Escrow Documents are released under the terms of the Contingency Agreements and the 12-year term of the exclusive technology license of the IMAX technology granted pursuant to the Technology License Agreements falls outside of the initial 25-year term of such agreements, the Company will be required to comply with all the applicable reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the portion of the term of the Technology License Agreements that falls outside of the initial 25-year term of such agreements, subject to any waivers which may be granted by the Stock Exchange from strict compliance with any of the applicable requirements.

4. **DMR Services Agreements**

(a) *Description of the DMR Services Agreements*

(i) *Subject matter*

On 28 October 2011, each of IMAX Shanghai Multimedia and IMAX Hong Kong entered into separate DMR services agreements with IMAX Corporation (the "**DMR Services Agreements**"). The DMR Services Agreements provide us with Greater China DMR Films for release across the IMAX theatre network in Greater China. Pursuant to the DMR Services Agreements, IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have agreed that:

- (a) if IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, intends to enter into a DMR production services agreement with a distributor in their respective territories for the conversion of Greater China DMR Films and the release of such films to IMAX theatres in their respective territories, IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, shall seek prior approval from IMAX Corporation to enter into such agreement in order for IMAX Corporation to ensure that the nature and content of such films would not potentially damage the IMAX brand, and IMAX Corporation shall perform the DMR conversion services in consideration for a conversion fee;
- (b) if IMAX Corporation directly enters into an arrangement to distribute the Greater China DMR Film in regions outside of Greater China, IMAX Corporation shall pay to IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, 50% of the portion of box office in respect of the Greater China DMR Films received by IMAX Corporation attributable to the exploitation of such films in regions outside of Greater China; and
- (c) at the request of IMAX Corporation, IMAX Shanghai Multimedia and IMAX Hong Kong, as applicable, shall grant the distribution rights to the Greater China Original Films in regions outside of Greater China to IMAX Corporation and also assign the right to retain any distribution fees attributable to the exploitation of such films in regions outside of Greater China to IMAX Corporation.

The DMR Services Agreements were subsequently amended on 7 April 2014 and on 21 September 2015.

Corporate Governance Highlights and Other Information (Continued)

(ii) *Term and termination*

Each of the DMR Services Agreements has a term of 25 years commencing on 28 October 2011, and shall be renewable at the election of IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, for an additional term of 25 years. Each of the DMR Services Agreements may be terminated upon any of the following:

- (a) mutual agreement of the parties;
- (b) bankruptcy or insolvency of IMAX Corporation, or the bankruptcy or insolvency of IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, or the appropriation of the assets of either party by any government, where termination shall be automatic and immediate;
- (c) at the election of IMAX Hong Kong or IMAX Shanghai Multimedia, as applicable, if there is a material breach of the DMR Services Agreement by IMAX Corporation;
- (d) at the election of IMAX Corporation if there is a material breach of the DMR Services Agreement by IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, or any other inter-company agreements entered into between IMAX Corporation and IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable;
- (e) expiration or termination of either Trademark License Agreement (which, for the avoidance of doubt, shall bring about the termination of both DMR Services Agreements); or
- (f) on release of the Escrow Documents.

Under the requirements of the Listing Rules, the DMR Services Agreements should have a fixed term and should be for a duration of no longer than three years except in special circumstances where the nature of the transaction requires them to be of a longer period.

The Directors believe that it is in the interests of the Group for the DMR Services Agreements to have 25-year renewable terms as it will ensure that the Group is able to continue to obtain DMR conversion services from IMAX Corporation that enable it to release Greater China DMR Films, which will provide the Group with an ongoing source of revenue with long term certainty of cost.

(iii) *Fees*

The fees payable under the DMR Services Agreements are as follows:

- (a) IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, shall pay to IMAX Corporation a conversion fee in respect of the conversion of the Greater China DMR Films which equals the actual costs of the DMR conversion services plus 10% of all such actual costs;

Corporate Governance Highlights and Other Information (Continued)

- (b) IMAX Corporation shall pay to IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, 50% of the portion of box office in respect of the Greater China DMR Films received by IMAX Corporation attributable to the exploitation of such films in regions outside of Greater China; and
- (c) IMAX Corporation shall pay to IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, 50% of the distribution fees attributable to the exploitation of the Greater China Original Films in regions outside of Greater China, if IMAX Corporation elects to obtain the distribution rights to such films in regions outside of Greater China.

The Company and IMAX Corporation have conducted a detailed comparable analysis to ensure that the fees payable under the DMR Services Agreements are on arm's length and reflect normal commercial terms. See "Connected Transactions – Confirmation From The Directors" in the Prospectus for further details. The cost plus 10% fee payable for DMR conversion services was agreed between the parties to the DMR Services Agreements in April 2014, which amended certain terms of the DMR Services Agreements. The fee originally payable under the DMR Services Agreements was cost plus 15%, which was agreed on an arm's length basis between the parties at the time of their entry into the DMR Services Agreements. Accordingly, the Directors consider that the percentage used in the formulae for determining the conversion fees payable is on commercial terms or better, fair and reasonable and in the interests of the Shareholders as a whole.

IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have also agreed that the fees payable under the DMR Services Agreements will be adjusted, including retrospectively, to the extent an adjustment is necessary to ensure that the payments are on an arm's length basis as determined by a court of competent jurisdiction or a government or taxing authority, or as mutually agreed by IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong.

(b) Annual Caps and Transaction Amount

The cap for the fees payable under the DMR Services Agreements will be determined by reference to the formulae for determining the fees payable pursuant to the DMR Services Agreements as described above.

The conversion fees payable under the DMR Services Agreements are dependent on the actual costs of the conversion services and the amount of Greater China DMR Films which will have to be converted into IMAX format for exhibition in IMAX theatres in Greater China. It will not be possible for the Directors to provide any meaningful estimates of a monetary cap as it would involve making assumptions regarding the demand for IMAX format Greater China DMR Films in Greater China and conversion costs over a period of up to 21 years.

For the six months ended 30 June 2026, the DMR conversion fees charged to the Group by IMAX Corporation were approximately US\$499,000. The number of Greater China DMR Films converted was 10.

For the six months ended 30 June 2026, no Greater China DMR Films were released in regions outside of Greater China and the distribution fees received/receivable by the Group from IMAX Corporation were US\$ nil. No Greater China Original Films were released outside Greater China, and the distribution fees received/receivable by the Group from IMAX Corporation were US\$ nil.

Corporate Governance Highlights and Other Information (Continued)

(c) *Listing Rules Requirements*

As the highest relevant percentage ratio in respect of the annual caps of each of the DMR Services Agreements is expected to be, on an annual basis, more than 0.1% but less than 5% and as the DMR Services Agreements are on normal commercial terms, they will be exempt pursuant to Rule 14A.76(2)(a) of the Listing Rules from the independent shareholders' approval requirements but will be subject to the reporting and, save for the waiver set out in "– Waivers – Waiver from Requirements to Obtain Approval of Independent Shareholders and Make Announcements" in the Company's 2025 annual report dated 9 March 2026, announcement requirements under Chapter 14A of the Listing Rules.

If the DMR Services Agreements are renewed upon the expiry of the initial 25-year term, the Company will be required to comply with all the applicable reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules at that time in respect of the renewal, subject to any waivers which may be granted by the Stock Exchange from strict compliance with any of the applicable requirements.

5. **Services Agreements**

(a) *Description of the Services Agreements*

(i) *Subject matter*

On 1 January 2014, each of IMAX Shanghai Multimedia and IMAX Hong Kong entered into the services agreements with IMAX Corporation for an indefinite term commencing on 1 January 2014 (the "**Services Agreements**"), pursuant to which IMAX Corporation agreed to provide certain services to each of IMAX Shanghai Multimedia and IMAX Hong Kong at our election, including (a) finance and accounting services, (b) legal services, (c) human resources services, (d) IT services, (e) marketing services, (f) theatre design services, (g) theatre project management services, and (h) theatre support services.

The Services Agreements were subsequently amended on 7 April 2014, 21 September 2015, 23 February 2017, 19 December 2019, 22 February 2023, 3 December 2023 and 27 February 2024, pursuant to which each of them shall have a term of three years expiring on 31 December 2026.

On 29 December 2025, IMAX Corporation (on the one hand) and each of IMAX Shanghai Multimedia and IMAX Hong Kong (on the other hand) have entered into the Amendment Agreements to the Services Agreements, pursuant to which the scope of services to be provided by IMAX Corporation has been expanded, and the range of services subject to variable service fees has been broadened. All other principal terms of the Services Agreements remain unchanged. In addition, the prescribed annual caps for the maximum aggregate fees payable under the Services Agreements for each of the years ending 31 December 2025 and 2026 have been revised to HK\$20.8 million respectively. Please also refer to the Company's announcement dated 29 December 2025 for further details.

Corporate Governance Highlights and Other Information (Continued)

(ii) *Term and Termination*

Each of the Services Agreements has a three-year term commencing on 1 January 2024 unless terminated upon any of the following:

- (a) mutual agreement of the parties;
- (b) bankruptcy or insolvency of IMAX Corporation or IMAX Shanghai Multimedia (in the case of the Services Agreement entered into between IMAX Corporation and IMAX Shanghai Multimedia) or IMAX Hong Kong (in the case of the Services Agreement entered into between IMAX Corporation and IMAX Hong Kong) or the appropriation of the assets of either party to the Services Agreements by any government, where termination shall be automatic and immediate;
- (c) at the non-breaching party's election, material breach of the Services Agreements by either party;
- (d) expiration or termination of the Trademark License Agreements entered into between the same persons as are parties to the Services Agreements; or
- (e) on release of the Escrow Documents.

(iii) *Fees*

The total service fees payable under the Services Agreements by IMAX Shanghai Multimedia and IMAX Hong Kong are calculated on the following basis:

- (a) **Variable service fees:** with respect to the IT services, marketing services, theatre design services, theatre project management services, theatre support services and services for IMAX Enhanced and other new businesses, IMAX Shanghai Multimedia and IMAX Hong Kong shall pay to IMAX Corporation on a monthly basis an amount equal to 110% of the actual costs plus general overhead for the provision of such services; and
- (b) **Fixed service fees:** IMAX Shanghai Multimedia and IMAX Hong Kong shall pay to IMAX Corporation on a monthly basis with respect to the finance and accounting services, legal services and human resources services, a total amount of US\$50,000.

The fixed service fees shall be adjusted annually by IMAX Corporation in accordance with the U.S. consumer price index.

The fixed service fees stated above are based on the level of services currently being provided by IMAX Corporation to IMAX Shanghai Multimedia and IMAX Hong Kong. If the level of services increases or decreases materially, the parties have agreed to negotiate in good faith a new fixed services fee.

Corporate Governance Highlights and Other Information (Continued)

IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have also agreed that the fees payable under the Services Agreements will be adjusted, including retrospectively, to the extent an adjustment is necessary to ensure that the payments are on an arm's length basis as determined by a court of competent jurisdiction or a government or taxing authority, or as mutually agreed by IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong.

(b) *Annual Caps and Transaction Amounts*

In accordance with Rule 14A.53 of the Listing Rules, we have set the annual cap for the maximum aggregate fees payable under the Services Agreements at HK\$10.2 million, HK\$20.8 million and HK\$20.8 million (as revised) for each of the years ending 31 December 2024, 2025 and 2026. This annual cap has been calculated on the basis of: (i) the historical transaction amounts under the Services Agreements; (ii) the anticipated increase in service requirements arising from the expanded scope of services under the Services Agreements and the inclusion of new business initiatives; (iii) the business development plans of the Group; (iv) the expected increase in the cost of theatre system maintenance; and (v) the flexibility of having a buffer for the Company to cater for any unexpected increase in the variable service fees payable under the Services Agreements.

Approximately US\$760,000 was charged to the Group by IMAX Corporation under the Services Agreements during the six months ended 30 June 2026.

(c) *Listing Rules Requirements*

As the highest relevant percentage ratio in respect of the annual caps of each of the Services Agreements, as expected for each of FY2024, FY2025 and FY2026, will be, on an annual basis, more than 0.1% but less than 5% and they are on normal commercial terms, the Services Agreements 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.

At the end of FY2026, the Company will re-comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, where and if applicable, including the requirements for the setting of new monetary annual caps for the maximum aggregate fees payable under the Services Agreements for an additional period.

6. **IMAX Shanghai Services Agreement**

(a) *Description of the IMAX Shanghai Services Agreement*

(i) *Subject matter*

On 12 May 2015, IMAX (Shanghai) Theatre Technology Services Co., Ltd. ("**IMAX Shanghai Services**") entered into the services agreement ("**IMAX Shanghai Services Agreement**") with IMAX Corporation for a renewable term of two years commencing on 1 January 2014, pursuant to which IMAX Shanghai Services agreed to provide certain services to IMAX Corporation for its theatre operations in regions outside of Greater China including (i) provision of regular scheduled preventative maintenance services to IMAX theatres, (ii) provision of emergency technical services to IMAX theatres, (iii) provision of a 24-hour telephone help-line and remote technical support to IMAX theatre exhibitors, (iv) provision of quality audit and presentation quality services, and (v) provision of special screening support.

Corporate Governance Highlights and Other Information (Continued)

The IMAX Shanghai Services Agreement was subsequently amended on 23 February 2017.

(ii) *Term and termination*

The term for the IMAX Shanghai Services Agreement shall be for two years commencing on 1 January 2014 and shall be automatically renewed for successive one-year periods unless one of the parties provides a written notice not to renew at least 30 days prior to the expiration of the then-effective term.

The IMAX Shanghai Services Agreement may be terminated, without cause, by either party upon written notice.

(iii) *Fees*

The service fees payable by IMAX Corporation under the IMAX Shanghai Services Agreement shall be 110% of the monthly actual cost incurred by IMAX Shanghai Services for the provision of the relevant services and replacement parts. The service fees shall be paid by IMAX Corporation to IMAX Shanghai Services on a monthly basis. IMAX Corporation also agreed to make an advance payment of no more than the total service fees for the previous six months in accordance with the request of IMAX Shanghai Services.

IMAX Corporation and IMAX Shanghai Services have agreed that, if necessary, the service fees payable under the IMAX Shanghai Services Agreement will be reviewed and may be adjusted by the parties in writing to ensure that the service fees payable remain on an arm's length basis.

(b) *Annual Caps and Transaction Amount*

In accordance with Rule 14A.53 of the Listing Rules, we have set the annual cap for the maximum aggregate fees payable under the IMAX Shanghai Services Agreement at HK\$4,000,000 for each of the years ending 31 December 2026, 2027 and 2028. This annual cap has been calculated on the basis of: (i) the historical transaction amounts under the IMAX Shanghai Services Agreement; (ii) the business development plans of the Group; (iii) the expected increase in the cost of theatre system maintenance payable by IMAX Corporation; and (iv) the flexibility of having a buffer for the Company to cater for any unexpected increase in the usage of the theatre services provided under the IMAX Shanghai Services Agreement.

Approximately US\$103,000 was charged to IMAX Corporation by the Group under the IMAX Shanghai Services Agreement during the six months ended 30 June 2026.

Corporate Governance Highlights and Other Information (Continued)

(c) *Listing Rules Requirements*

As the highest relevant percentage ratio in respect of the annual caps of the IMAX Shanghai Services Agreement, as expected for FY2026, FY2027 and FY2028, will be, on an annual basis, more than 0.1% but less than 5% and it is on normal commercial terms, the IMAX Shanghai Services Agreement 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.

At the end of FY2028, the Company will re-comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, where and if applicable, including the requirements for the setting of new monetary annual caps for the maximum aggregate fees payable under the IMAX Shanghai Services Agreement for an additional three-year period.

7. **Enhanced Business Agreement**

(a) *Description of the Enhanced Business Agreement*

(i) *Subject matter*

On 25 July 2022, the Company, IMAX Shanghai Multimedia, IMAX Hong Kong and IMAX Shanghai Culture entered into the enhanced business agreement with IMAX Corporation, which was amended and restated by the amended and restated enhanced business agreement dated 9 January 2025 (the “**Enhanced Business Agreement**”) entered into by the Company, IMAX Shanghai Multimedia, IMAX Hong Kong and IMAX Corporation. Pursuant to the Enhanced Business Agreement, the parties agreed that:

- (1) IMAX Shanghai Multimedia and IMAX Hong Kong shall be entitled to use the relevant IMAX trademarks (including the “IMAX Enhanced” and “IMAX” marks) (the “**Trademarks**”) and the IMAX technology (including the DTS/IMAX format technology) (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 certain royalties to IMAX Corporation, comprising in aggregate 5% of certain revenues and other compensation received by IMAX Shanghai Multimedia and IMAX Hong Kong and/or any other member of the Group in connection with the Enhanced Business (the “**Enhanced Business Trademark Royalties**”);
- (3) in consideration for the use of the Technology in connection with the Enhanced Business, IMAX Shanghai Multimedia shall pay certain royalties to IMAX Corporation, comprising in aggregate 5% of certain revenues and other compensation received by IMAX Shanghai Multimedia and IMAX Hong Kong and/or any other member of the Group in connection with the Enhanced Business (the “**Enhanced Business Technology Royalties**”, and together with the Enhanced Business Trademark Royalties, the “**Enhanced Business Royalties**”);

Corporate Governance Highlights and Other Information (Continued)

- (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 in connection with the Enhanced Business (the **"Revenue Sharing"**); and
- (5) the existing DMR Services Agreements and Services Agreements shall apply to the Enhanced Business and IMAX Corporation shall provide DMR conversion services and other services to IMAX Shanghai Multimedia and IMAX Hong Kong for the development of the Enhanced Business in Greater China under equivalent terms as the existing DMR Services Agreements and Services Agreements.

Please refer to the Company's announcements dated 26 July 2022 and 9 January 2025 for further details.

(ii) *Term and Termination*

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

(iii) *Fees*

The total fees payable under the Enhanced Business Agreement are calculated on the following basis:

- (1) Enhanced Business Trademark Royalties: 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 territories 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);
- (2) Enhanced Business Technology Royalties: 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 territories 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); and
- (3) Revenue Sharing: Within thirty (30) days after the end of each financial year, IMAX Corporation shall pay to IMAX Shanghai Multimedia an amount equal to: (a) 25% of all Existing Agreement Renewal Proceeds; and (b) 100% of all New Deal/Renewal Proceeds.

Corporate Governance Highlights and Other Information (Continued)

(b) Annual Caps and Transaction Amounts

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 (1) 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; (2) 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; and (3) 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.

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 fees payable under the Enhanced Business Agreement.

Approximately US\$32,000 and US\$32,000 were charged to the Group by IMAX Corporation for the Enhanced Business Trademark Royalties and Enhanced Business Technology Royalties under the Enhanced Business Agreement during the six months ended 30 June 2026, respectively. Approximately US\$720,000 was received/receivable by the Group from IMAX Corporation for the Revenue Sharing under the Enhanced Business Agreement during the six months ended 30 June 2026.

(c) Listing Rules Requirements

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.

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.

At the end of FY2027, the Company will re-comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, where and if applicable, including the requirements for the setting of new monetary annual caps for the maximum aggregate fees payable under the Enhanced Business Agreement for an additional three-year period.

Corporate Governance Highlights and Other Information (Continued)

8. Re-release Services Agreements*(a) Description of the Re-release Services Agreements**(i) Subject matter*

On 19 February 2025, each of IMAX Shanghai Multimedia and IMAX Hong Kong has entered into separate re-release services agreements with IMAX Corporation (the “**Re-release Services Agreements**”), pursuant to which the parties agreed that:

- (1) IMAX Corporation shall provide to each of IMAX Shanghai Multimedia and IMAX Hong Kong conversion and post-production services for the potential re-release of IMAX format Hollywood films, IMAX Original Films, Greater China DMR Films or Greater China Original Films to IMAX theatres in their respective territories; and
- (2) in consideration for the provision of such services, IMAX Shanghai Multimedia and IMAX Hong Kong shall each pay IMAX Corporation certain service fees.

Please refer to the Company’s announcement dated 19 February 2025 for further details.

(ii) Term and Termination

Each of the Re-release Services Agreements has a term of three (3) years commencing on 1 January 2025, and shall be renewable for an additional period of three (3) years, on the same terms and conditions, upon written notice by IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable.

(iii) Fees

The service fees payable under the Re-release Services Agreements are calculated on the following basis: IMAX Hong Kong and IMAX Shanghai Multimedia shall each pay to IMAX Corporation (i) the actual costs of the conversion and post-production services plus (ii) ten percent (10%) of all such actual cost (the “**Service Fees**”).

The parties also agreed that the terms under the Re-release Services Agreements are determined with reference to the fees charged by independent third party service providers under similar circumstances or conditions as of the date of the Re-release Services Agreements for the same type of services (the “**Arm’s Length Principle**”).

IMAX Corporation and each of IMAX Shanghai Multimedia, and IMAX Hong Kong have also agreed that the Service Fees shall be subject to adjustment to the extent necessary to ensure compliance with the Arm’s Length Principle.

Corporate Governance Highlights and Other Information (Continued)

(b) Annual Caps and Transaction Amounts

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 Service Fees payable under the Re-release Services Agreements at US\$150,000, US\$150,000 and US\$150,000 for each of the years ending 31 December 2025, 2026 and 2027, respectively.

The annual caps for the Re-release Services Agreements were determined after taking into account the following factors: (a) the business development plans of IMAX Corporation and the Group, (b) the expected number of films to be converted for re-release in IMAX theatres in their respective territories, and (c) the flexibility of having a buffer for the Company to cater for any unexpected increase in the conversion and post-production services under the Re-release Services Agreements.

Approximately US\$10,000 were charged to the Group by IMAX Corporation under the Re-release Services Agreements during the six months ended 30 June 2026.

(c) Listing Rules Requirements

As the highest relevant percentage ratio in respect of the maximum annual cap of the aggregate Service Fees payable by each of IMAX Shanghai Multimedia and IMAX Hong Kong to IMAX Corporation under the Re-release Services Agreements 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 Service Fees 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.

At the end of FY2027, the Company will re-comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, where and if applicable, including the requirements for the setting of new monetary annual caps for the maximum aggregate fees payable under the Re-release Services Agreements for an additional three-year period.

Continuing Connected Transactions Subject to Reporting, Announcement and Independent Shareholders' Approval Requirements Subject to Waivers Granted

The Group has entered into the following continuing connected transactions which will be subject to the reporting and, save for the waiver granted by the Stock Exchange as set out in "– Waivers – Waiver from Requirements to Obtain Approval of Independent Shareholders and Make Announcements" in the Company's 2025 annual report dated 9 March 2026, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules:

Corporate Governance Highlights and Other Information (Continued)

1. **Equipment Supply Agreements**

(a) *Description of the Equipment Supply Agreements*

(i) *Subject matter*

On 28 October 2011, each of IMAX Shanghai Multimedia and IMAX Hong Kong entered into separate equipment supply agreements with IMAX Corporation (the “**Equipment Supply Agreements**”), pursuant to which IMAX Corporation agreed to provide each of IMAX Shanghai Multimedia and IMAX Hong Kong with certain equipment produced by IMAX Corporation in relation to the theatre systems, including projection systems, sound systems, screens, 3D polarised viewing glasses, glasses cleaning machines and other IMAX products or equipment, for sale or lease in Chinese Mainland by IMAX Shanghai Multimedia and in Hong Kong, Macau and Taiwan by IMAX Hong Kong.

The Equipment Supply Agreements were subsequently amended on 7 April 2014 and on 21 September 2015.

(ii) *Term*

The Equipment Supply Agreements have a term of 25 years commencing from 28 October 2011, and shall be renewable at the election of IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, for an additional term of 25 years, commencing immediately upon the expiration of the initial term.

Under the requirements of the Listing Rules, the Equipment Supply Agreements should be for a duration of no longer than three years except in special circumstances where the nature of the transaction requires them to be of a longer period.

The Directors believe that it is appropriate for the Equipment Supply Agreements to have a 25-year renewable term so that the term of such agreements will be in line with those of the Trademark License Agreements and the Technology License Agreements. Given the importance of the Equipment Supply Agreements to the businesses of the Group, a 25-year renewable term will be able to provide the Group with long term certainty of supply and cost, which is in the interests of the Company and the Shareholders as a whole.

(iii) *Termination*

The Equipment Supply Agreements are subject to limited termination provisions. Either IMAX Corporation, or IMAX Shanghai Multimedia and IMAX Hong Kong, as applicable, may serve a notice on the other party to terminate the respective Equipment Supply Agreement if: (a) the other party is ordered or adjudged bankrupt or the assets of the other party are appropriated by any government; (b) the other party is in default of its material obligations under the Equipment Supply Agreement or (save for IMAX Corporation) the other intercompany agreements and continues to be in default 30 days after a written notice of such default has been served onto it; or (c) the Escrow Documents are released.

Corporate Governance Highlights and Other Information (Continued)

(iv) *Fees*

The purchase price payable under the Equipment Supply Agreements shall be an amount equal to the actual cost for the production of the relevant equipment and the general overhead associated with the production process plus an extra 10%.

The Company and IMAX Corporation have conducted detailed comparable analysis to ensure that the fees payable under the Equipment Supply Agreements are on arm's length and reflect normal commercial terms. See "Connected Transactions – Confirmation From The Directors" in the Prospectus for further details. The purchase price payable under the Equipment Supply Agreements of cost plus 10% was agreed between the parties to the Equipment Supply Agreements in April 2014, which amended certain terms of the Equipment Supply Agreements. The purchase price originally payable under the Equipment Supply Agreements was cost plus 15%, which was agreed on an arm's length basis between the parties at the time of their entry into the Equipment Supply Agreements. Accordingly, the Directors consider that the percentage used in the formulae for determining the purchase price payable is on commercial terms or better, fair and reasonable and in the interests of the Shareholders as a whole.

IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have also agreed that the fees payable under the Equipment Supply Agreements will be adjusted, including retrospectively, to the extent an adjustment is necessary to ensure that the payments are on an arm's length basis as determined by a court of competent jurisdiction or a government or taxing authority, or as mutually agreed by IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong.

(b) *Annual Caps and Transaction Amount*

The cap for the fees payable under the Equipment Supply Agreements will be determined by reference to the formulae for determining the purchase price payable pursuant to the Equipment Supply Agreements as described above.

The fees payable under the Equipment Supply Agreements are dependent on the costs of the relevant equipment to be supplied by IMAX Corporation to the Group. It will not be possible for the Directors to provide any meaningful estimates of a monetary cap as it would involve making assumptions regarding the level of demand for the IMAX equipment for our businesses in Greater China over a period of up to 21 years. The Directors therefore believe that it is not appropriate to set a fixed monetary cap and that it would be fair and reasonable and in the interests of the Shareholders as a whole for the fees payable under the Equipment Supply Agreements to be calculated by reference to a formulae.

The number of IMAX theatre systems installed pursuant to the Equipment Supply Agreements for the six months ended 30 June 2026 was 17, and the purchase price paid/payable to IMAX Corporation by the Group was approximately US\$4,123,000.

Corporate Governance Highlights and Other Information (Continued)

(c) *Listing Rules Requirements*

As the highest relevant percentage ratio in respect of the annual caps of each of the Equipment Supply Agreements will be, on an annual basis, more than 5% and the total consideration is expected to exceed HK\$10,000,000, the Equipment Supply Agreements would be, in the absence of the grant of a waiver by the Stock Exchange set out in “– Waivers – Waiver from Requirements to Obtain Approval of Independent Shareholders and Make Announcements” in the Company’s 2025 annual report dated 9 March 2026, subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

If the Equipment Supply Agreements are renewed upon the expiry of the initial 25-year term, the Company will be required to comply with all the applicable reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules at that time in respect of the renewal, subject to any waivers which may be granted by the Stock Exchange from strict compliance with any of the applicable requirements.

2. **Master Distribution Agreements**

(a) *Description of the Master Distribution Agreements*

(i) *Subject matter*

On 28 October 2011, each of IMAX Shanghai Multimedia and IMAX Hong Kong entered into the master distribution agreements with IMAX Corporation (the “**Master Distribution Agreements**”). The Master Distribution Agreements provide us with Hollywood films for release across the IMAX theatre network in Greater China. Pursuant to the Master Distribution Agreements, IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have agreed that:

- (a) if IMAX Corporation intends to distribute an IMAX format Hollywood film in Chinese Mainland and/or in Hong Kong, Macau and Taiwan, each of IMAX Shanghai Multimedia and IMAX Hong Kong, as applicable, shall pay to IMAX Corporation certain fees related to the conversion of such IMAX format Hollywood film in consideration for the receipt of the portion of the box office attributable to the release of such IMAX format Hollywood films in their respective territories; and
- (b) if IMAX Corporation intends to distribute an IMAX Original Film in Chinese Mainland and/or in Hong Kong, Macau and Taiwan, IMAX Corporation shall grant to each of IMAX Shanghai Multimedia and IMAX Hong Kong, as applicable, the distribution rights of such IMAX Original Films in their respective territories and shall assign to each of IMAX Shanghai Multimedia and IMAX Hong Kong the right to retain any distribution fees attributable to the exploitation of such IMAX Original Films in their respective territories, in consideration for the payment of 50% of such distribution fees by IMAX Shanghai Multimedia and IMAX Hong Kong, as applicable. IMAX Corporation also retains all other revenue attributable to the exploitation of any IMAX Original Film in Greater China.

The Master Distribution Agreements were subsequently amended on 7 April 2014 and on 21 September 2015.

Corporate Governance Highlights and Other Information (Continued)

(iii) *Term and Termination*

Each of the Master Distribution Agreements has a term of 25 years commencing on 28 October 2011, and shall be renewable at the election of IMAX Shanghai Multimedia or IMAX Hong Kong for an additional term of 25 years. Each of the Master Distribution Agreements may be terminated upon any of the following:

- (a) mutual agreement of the parties;
- (b) bankruptcy or insolvency of IMAX Corporation, or IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, or the appropriation of the assets of either party by any government, where termination shall be automatic and immediate;
- (c) at the election of IMAX Hong Kong or IMAX Shanghai Multimedia, as applicable, in the event of a material breach of the Master Distribution Agreement by IMAX Corporation;
- (d) at IMAX Corporation's election, in the event of a material breach by IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable, of the Master Distribution Agreement or any of the other inter-company agreements entered into between IMAX Corporation and either of IMAX Shanghai Multimedia or IMAX Hong Kong, as applicable;
- (e) the expiration or termination of either Trademark License Agreement (which, for the avoidance of doubt, shall bring about the termination of both Master Distribution Agreements); or
- (f) upon release of the Escrow Documents.

Under the requirements of the Listing Rules, the Master Distribution Agreements should have a fixed term and should be for a duration of no longer than three years except in special circumstances where the nature of the transaction requires them to be of a longer period.

The Directors believe that it is in the interests of the Group for the Master Distribution Agreements to have 25-year renewable terms as it will ensure that the Group is able to continue to obtain IMAX format Hollywood films and IMAX Original Films for release in Greater China, which will provide the Group with an ongoing source of revenue with long term certainty of cost.

Corporate Governance Highlights and Other Information (Continued)

(iii) Fees

The fees payable to IMAX Corporation for the conversion of IMAX format Hollywood films in Chinese Mainland and in Hong Kong, Macau and Taiwan, as applicable, are as follows:

- (a) for each IMAX format Hollywood film in 2D format and 2.5 hours or less in length, an amount equal to the product of US\$150,000 and the IMAX China Theatre Percentage (in the case of the Master Distribution Agreement entered into between IMAX Corporation and IMAX Shanghai Multimedia) or the IMAX Hong Kong Theatre Percentage (in the case of the Master Distribution Agreement entered into between IMAX Corporation and IMAX Hong Kong) as determined at the time such payment is incurred;
- (b) for each IMAX format Hollywood film in 3D format and 2.5 hours or less in length, an amount equal to the product of US\$200,000 and the IMAX China Theatre Percentage or the IMAX Hong Kong Theatre Percentage (as the case may be) as determined at the time such payment is incurred;
- (c) for each IMAX format Hollywood film greater than 2.5 hours in length, whether in 2D or 3D format, a sum to be specified by IMAX Corporation in its sole and reasonable discretion provided that such amount shall not exceed the amounts specified above in paragraphs (a) and (b) calculated on a pro rata basis for the excess of 2.5 hours in length of the film;
- (d) in addition, in connection with any 3D conversions, IMAX Shanghai Multimedia and IMAX Hong Kong shall pay to IMAX Corporation an additional amount equal to the product of the actual costs plus general overhead for 3D conversions, the IMAX China Theatre Percentage or the IMAX Hong Kong Theatre Percentage (as the case may be) and the percentage that all IMAX theatres using IMAX theatre systems in Greater China represents of all IMAX theatres worldwide, both as determined at the time such payment is incurred; and
- (e) notwithstanding (a), (b) and (c) above, if all or substantially all of the IMAX theatres to which the IMAX format Hollywood film is distributed are in Chinese Mainland, Hong Kong, Macau and/or Taiwan, then each of IMAX Shanghai Multimedia and IMAX Hong Kong, as applicable, shall pay IMAX Corporation the product of (A) 110% of the actual costs of the DMR conversion services in respect of such IMAX film, and (B) the IMAX China Theatre Percentage or the IMAX Hong Kong Theatre Percentage (as the case may be).

Corporate Governance Highlights and Other Information (Continued)

In relation to the additional amount payable for 3D conversions pursuant to paragraph (d) above, the IMAX DMR process includes digital re-mastering of the image and audio of conventional films, but it does not include the conversion of a 2D film to a 3D film. All 2D and 3D IMAX films converted under the Master Distribution Agreements during the years were converted from underlying 2D films and 3D films respectively; no 2D films were converted into 3D films. The process of converting a 2D film into a 3D film is time – consuming and costly and IMAX Corporation has not carried out a 2D film to 3D film conversion since 2010, nor is it currently anticipated that IMAX Corporation will provide this service in the near future. However, given the long-term nature of the Master Distribution Agreements, this provision was included to address the possibility that IMAX Corporation develops technology in the future to undertake 2D film to 3D film conversions in a fast and cost-effective manner such that IMAX Corporation may actively pursue the provision of such a service.

The 110% of actual costs fee basis described in paragraph (e) above is intended to address a situation where an IMAX format Hollywood film is distributed into Greater China and none, or only a handful of, IMAX theatres outside Greater China (the Master Distribution Agreements do not quantify the number of IMAX theatres that would need to release the film outside Greater China to preserve practical flexibility). In this event, the fees are calculated on the basis that IMAX Corporation does not expect to receive a significant amount of revenue in respect of that film outside Greater China to offset the cost of the DMR conversion, therefore it is appropriate for the Group to pay the full conversion fee required under the DMR Services Agreement. During the years ended 31 December 2024 and 2025, as well as for the six months ended 30 June 2026, there were no films to which this fee basis applied, and the Group does not expect this fee basis to apply to a significant number of films in the future.

In consideration of the conversion fees paid to IMAX Corporation by IMAX Shanghai Multimedia and IMAX Hong Kong, IMAX Corporation shall pay the portion of the box office attributable to the exploitation of such IMAX films in Chinese Mainland received by IMAX Corporation pursuant to any relevant DMR production services agreements to IMAX Shanghai Multimedia and those attributable to their exploitation in Hong Kong, Macau and Taiwan to IMAX Hong Kong.

In relation to the distribution of IMAX Original Films, IMAX Shanghai Multimedia and IMAX Hong Kong shall each pay to IMAX Corporation 50% of the distribution fees attributable to the exploitation of such IMAX Original Films in their respective territories. IMAX Shanghai Multimedia and IMAX Hong Kong, as the case may be, shall each remit to IMAX Corporation all revenue (including but not limited to film rentals) associated with the exploitation of any IMAX Original Films in Chinese Mainland or Hong Kong, Macau and Taiwan, as the case may be.

The Company and IMAX Corporation have conducted detailed comparable analysis to ensure that the fees payable under the Master Distribution Agreements are on an arm's length and reflect normal commercial terms.

Corporate Governance Highlights and Other Information (Continued)

See “Connected Transactions – Confirmation From The Directors” in the Prospectus for further details. The fees payable to and by the Company to IMAX Corporation under the Master Distribution Agreements were determined on an arm’s length basis between the parties at the time of their entry into the Master Distributions Agreements with the following considerations in mind:

- in relation to the fixed fees payable by the Company for the conversion of IMAX films under the Master Distribution Agreements, since these are fixed, they are expected to become increasingly less significant to the Group over time compared to the revenue generated from Hollywood films as the IMAX theatre network continues to expand and as a result of increases in ticket prices, both of which would increase the aggregate Greater China IMAX box office for those films, in turn increasing the Group’s revenue; and
- in relation to the percentage of Greater China box office payable to the Group for the release of IMAX films (i.e. the 9.5% of box office fee typically paid on Hollywood films and 12.5% of box office fee typically paid on Greater China DMR Films), this is a fee effectively negotiated with the relevant studios rather than IMAX Corporation, which does not receive any part of that fee itself and merely passes through to the Group the portion of box office it receives which is attributable to the exploitation of IMAX films in Greater China. The higher box office percentage paid by studios producing Greater China DMR Films is generally consistent with that earned by IMAX Corporation outside of Greater China and the lower percentage for Hollywood films reflects the reduced overall amount that Hollywood studios generally earn for their films in Greater China as compared to the U.S. and other parts of the world.

Accordingly, the Directors consider that the monetary amount of fees per film used in the formulae for determining the fees payable is on commercial terms or better, fair and reasonable and in the interests of the Shareholders as a whole.

IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong have also agreed that the fees payable under the Master Distribution Agreements will be adjusted, including retrospectively, to the extent an adjustment is necessary to ensure that the payments are on an arm’s length basis as determined by a court of competent jurisdiction or a government or taxing authority, or as mutually agreed by IMAX Corporation and each of IMAX Shanghai Multimedia and IMAX Hong Kong, as applicable.

(b) Annual Caps and Transaction Amount

The cap for the fees payable under the Master Distribution Agreements will be determined by reference to the formulae for determining such fees as described above.

The fees payable under the Master Distribution Agreements are dependent on the number of IMAX films distributed in Greater China. It will not be possible for the Directors to provide any meaningful estimates of a monetary cap as it would involve making assumptions regarding the number of IMAX films distributed in Greater China over a period of up to 21 years.

Corporate Governance Highlights and Other Information (Continued)

For the six months ended 30 June 2026, the number of IMAX format Hollywood films distributed in Greater China for which the Company paid/payable conversion fees under the Master Distribution Agreements was 16. The conversion fees paid/payable by the Group to IMAX Corporation was US\$2,457,000 and the revenue received/receivable by the Group from IMAX Corporation pursuant to the Master Distribution Agreements amounted to US\$3,629,000.

For the six months ended 30 June 2026, the number of IMAX Original Films distributed by IMAX Corporation into Greater China for which distribution fees were paid/payable by the Company under the Master Distribution Agreements was nil and the distribution fee paid/payable by the Group to IMAX Corporation was US\$ nil.

(c) Listing Rules Requirements

As the highest relevant percentage ratio in respect of the annual caps of each of the Master Distribution Agreements will be, on an annual basis, more than 5% and the total consideration is expected to exceed HK\$10,000,000, the Master Distribution Agreements would, in the absence of the grant of a waiver by the Stock Exchange set out in “– Waivers – Waiver from Requirements to Obtain Approval of Independent Shareholders and Make Announcements” in the Company’s 2025 annual report dated 9 March 2026, be subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

If the Master Distribution Agreements are renewed upon the expiry of the initial 25-year term, the Company will be required to comply with all the applicable reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules at that time in respect of the renewal subject to any waivers which may be granted by the Stock Exchange from strict compliance with any of the applicable requirements.

Exempt Connected Transactions

In addition to the above-mentioned continuing connected transactions, our continuing connected transactions for the six months ended 30 June 2026 include the DMR Software License Agreement, and Tool and Equipment Supply Contract (each as described in “Connected Transactions – Exempt Connected Transactions” in the Prospectus), which are exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Corporate Governance Highlights and Other Information (Continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 30 June 2026, the interests of the Directors and the chief executive of the Company in the Shares and debentures of the Company and any interests in shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which; (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO); (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Shares of the Company

Name of Director or Chief Executive Officer	Number of Shares	Nature of Interest	Approximate Percentage
Daniel Manwaring	947,361(L) ⁽¹⁾	Beneficial Owner	0.28%
Jiande Chen	542,985(L) ⁽²⁾	Beneficial Owner	0.16%
John Davison	739,185(L)	Beneficial Owner	0.22%
Yue-Sai Kan	719,767(L)	Beneficial Owner	0.21%
Janet Yang	284,659(L)	Beneficial Owner	0.08%
Peter Loehr	613,519(L)	Beneficial Owner	0.18%

(L) Long position

Notes:

(1) Of which 535,371 are RSUs and/or PSUs.

(2) Of which 30,927 are RSUs and/or PSUs.

(b) Long Position in Shares of Associated Corporations

Name of Director or Chief Executive Officer	Interest in common shares	Nature of Interest	Approximate Percentage
Richard Gelfond	3,432,315(L) ⁽¹⁾	Beneficial Owner	6.26%
Robert Lister	403,707(L) ⁽²⁾	Beneficial Owner	0.74%
Natasha Fernandes	174,944(L) ⁽³⁾	Beneficial Owner	0.32%
Daniel Manwaring	99,060(L) ⁽⁴⁾	Beneficial Owner	0.18%

(L) Long position

Notes:

(1) Of which 2,667,313 are options, restricted share units and/or performance share units of IMAX Corporation.

(2) Of which 198,832 are restricted share units and/or performance share units of IMAX Corporation.

(3) Of which 119,348 are restricted share units and/or performance share units of IMAX Corporation.

(4) Of which 86,697 are restricted share units and/or performance share units of IMAX Corporation.

Corporate Governance Highlights and Other Information (Continued)

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive of the Company have an interest in the Shares or debentures of the Company or any interests in the shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which; (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO); (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

As at 30 June 2026, neither the Directors nor chief executive of the Company have any short position in either the Shares or in the debentures of the Company, or in shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, the Company had been notified of the following substantial shareholders' interests and short positions in the Shares and underlying Shares of the Company, which have been recorded in the register of substantial shareholders required to be kept by the Company pursuant to section 336 of Part XV of the SFO. These interests are in addition to those disclosed above in respect of the Directors and chief executive officer of the Company.

Interests and Long Positions in Shares of the Company

Name of Shareholder	Capacity	Number of Shares held or interested	Approximate Percentage of interest (%)
IMAX Corporation	Interest in controlled corporation ⁽¹⁾	243,262,600(L)	71.57
IMAX Barbados	Beneficial interest	243,262,600(L)	71.57

(L) Long position

Note:

(1) 243,262,600 Shares are directly held by IMAX Barbados, which is a wholly-owned subsidiary of IMAX Corporation. Under the SFO, IMAX Corporation is deemed to be interested in the Shares held by IMAX Barbados.

Save as disclosed above, according to the register kept by the Company under Section 336 of the SFO, there was no other person who had a substantial interest or short positions in the Shares or underlying Shares of the Company as at 30 June 2026.

REMUNERATION POLICY

As at 30 June 2026, the Group had approximately 90 employees. All of the employees were based in Greater China.

Corporate Governance Highlights and Other Information (Continued)

The Company generally formulates employees' remuneration based on one or more elements such as salaries, bonuses, long-term incentives and benefits, subject to applicable rules and regulations. Through its remuneration policies, the Company aims to attract and retain talent, to motivate performance and achievement and to reward superior performance. To achieve this, the Company has established an incentive system that links remuneration with the annual performance of the Group, taking into account the Company's performance, as well as the objectives of individual departments.

Remuneration of Directors and senior management of the Group is reviewed by the Company's remuneration committee against the Company's goals and objectives.

The Company has previously provided long-term incentive awards to senior management through the grants of options to senior management under its Long Term Incentive Plan, further details of which are set out below. The Company expects to continue to make grants of options, RSUs and/or PSUs under its Share Option Scheme, RSU Scheme and PSU Scheme in the future to Directors, senior management and other employees.

LONG TERM INCENTIVE PLAN

The Company adopted a long term incentive plan (the "**LTIP**") in October 2012 to aid the Group in recruiting and retaining selected employees, directors and consultants and to motivate them to exert their best efforts on behalf of the Company and its subsidiaries through the granting of equity awards. The LTIP is an omnibus plan that permits the establishment of further sub-plans (the "**Sub-Plans**"). Any Sub-Plans are separate and independent from the LTIP.

As at the date of this Interim Report, the LTIP has a total of three Sub-Plans, namely:

- (i) the Share Option Scheme, which allows the Company to grant options over new Shares to participants;
- (ii) the RSU Scheme, which allows the Company to grant awards involving new or existing Shares to participants; and
- (iii) the PSU Scheme, which allows the Company to grant awards involving only existing Shares to participants.

As of 1 January 2026 and 30 June 2026, the number of new Shares that may be allotted and issued by the Company in respect of any share schemes of the Company which are governed by Chapter 17 of the Listing Rules was 32,108,653 and 31,410,798, respectively. The number of Shares that may be issued in respect of options and awards granted under the LTIP and other Sub-Plans during the six months ended 30 June 2026 is 697,855. The dilutive effect of such is 0.2%, being the number of Shares that may be issued divided by the weighted average number of Shares (excluding treasury shares) for the same period.

During the six months ended 30 June 2026, the Company did not grant any options pursuant to the LTIP to any employee participants, related entity participants or service providers. As of 30 June 2026, there were no outstanding shares underlying options granted pursuant to the LTIP to certain directors, senior management and employees of the Group at no consideration.

During the Reporting Period, no options under the LTIP lapsed or were cancelled.

Corporate Governance Highlights and Other Information (Continued)

SUB-PLAN: THE SHARE OPTION SCHEME

Pursuant to the LTIP, on 21 September 2015, the Company adopted the Post-IPO Share Option Scheme (the “**Share Option Scheme**”). The terms of the Share Option Scheme have been amended on 7 June 2023 to comply with the provisions of new Chapter 17 of the Listing Rules.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in our Company.

Participants of the Share Option Scheme

On and subject to the terms of the Share Option Scheme and the Listing Rules, the Board may, at its discretion, grant options to (i) a Director (including executive Directors, non-executive Directors and independent non-executive Directors); (ii) a director of the Company’s subsidiaries; and (iii) an employee of the Group, who the Board considers, in its absolute discretion, have contributed or will contribute to the Group (the “**Participants**”).

Scheme Mandate Limit

The maximum aggregate number of new Shares available for offers under the Share Option Scheme shall be calculated in accordance with the following formula:

$$X = A - B - C$$

where:

X = the maximum aggregate number of new Shares available for offers under the Share Option Scheme;

A = the total number of Shares that may be allotted and issued by the Company in respect of (i) options under the Share Option Scheme and (ii) the share awards and/or options over new Shares granted by the Company or any of its subsidiaries (the “**Share Grants**”) under any other share option/award scheme of the Company which is governed by Chapter 17 of the Listing Rules (the “**Other Scheme**”), being (a) 33,959,314 which is 10 per cent. of the Shares in issue on the date of the Company’s general meeting on 7 June 2023, or (b) 10 per cent. of the Shares in issue as at the New Approval Date (the “**Scheme Mandate Limit**”);

B = the maximum aggregate number of new Shares that have been or may be allotted and issued by the Company to satisfy the options already granted under the Share Option Scheme (which in the event that there has been a New Approval Date, shall only include those new Shares which have been or may be allotted and issued by the Company to satisfy options that have been granted since that most recent New Approval Date (as defined below)); and

Corporate Governance Highlights and Other Information (Continued)

C = the maximum aggregate number of new Shares which have been or may be allotted and issued by the Company to satisfy the Share Grants already made under any Other Scheme.

The Scheme Mandate Limit may be renewed (a) every three years subject to prior Shareholders' approval; or (b) within a three-year period with the relevant persons specified in the Listing Rules abstaining from voting on the relevant resolution, with the approval of the Shareholders in general meeting, and in each case, in accordance with the requirements of the Listing Rules. In any event, the total number of new Shares which may be allotted and issued by the Company in respect of options under the Share Option Scheme and Share Grants under any Other Schemes following the date of approval of the renewed limit (the **"New Approval Date"**) under the limit as renewed must not exceed 10 per cent. of the Shares in issue as at the New Approval Date. New Shares allotted and issued by the Company in respect of options under the Share Option Scheme and Share Grants under any Other Schemes (including those outstanding, lapsed or vested, exercised or encashed) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of new Shares available for options under the Share Option Scheme following the New Approval Date under the limit as renewed.

As of 1 January 2026, there were outstanding 531,805 Shares (representing approximately 0.156% of the then issued share capital of the Company) underlying options granted pursuant to the Share Option Scheme. During the six months ended 30 June 2026, the Company did not grant any options pursuant to the Share Option Scheme to any employee participants, related entity participants or service providers. As of 30 June 2026, there were outstanding 242,584 Shares (representing approximately 0.07% of the then issued share capital of the Company) underlying options granted pursuant to the Share Option Scheme. Details of the options granted pursuant to the Share Option Scheme to the grantees are set out below:

				Number of Shares under the options				
				Outstanding	Granted	Exercised	Lapsed/ cancelled	
				during the	during the	during the	during the	
				six months	six months	six months	six months	
				ended	ended	ended	ended	Outstanding
				at 1 January	30 June	30 June	30 June	at 30 June
Name of Grantee ⁽⁶⁾	Date of Grant	Exercise Price	Vesting Period	2026	2026	2026	2026	2026
Directors								
Jiande Chen	7 March 2019	HK\$20.71	Four years from date of grant ⁽¹⁾	149,966	—	—	149,966	—
Jim Athanasopoulos ⁽⁴⁾	1 August 2019	HK\$18.24	Three years from date of grant ⁽²⁾	210,883	—	—	—	210,883

Corporate Governance Highlights and Other Information (Continued)

Name of Grantee ⁽⁶⁾	Date of Grant	Exercise Price	Vesting Period	Number of Shares under the options				
				Outstanding at 1 January 2026	Granted during the six months ended 30 June 2026	Exercised during the six months ended 30 June 2026	Lapsed/ cancelled during the six months ended 30 June 2026	Outstanding at 30 June 2026
Mei-Hui (Jessie) Chou ⁽⁵⁾	7 March 2019	HK\$20.71	Four years from date of grant ⁽¹⁾	107,119	—	—	107,119	—
Employees	7 March 2019	HK\$20.71	Four years from date of grant ⁽¹⁾	32,136	—	—	32,136	—
Employees	1 August 2019	HK\$18.24	Four years from date of grant ⁽³⁾	31,701	—	—	—	31,701
Total				531,805	—	—	289,221	242,584

Notes:

- (1) The vesting schedule is as follows: 20%, 25%, 25% and 30% on each of 7 March 2020, 7 March 2021, 7 March 2022 and 7 March 2023, respectively.
- (2) The vesting schedule is as follows: 25%, 35% and 40% on each of 1 August 2020, 1 August 2021 and 1 August 2022, respectively.
- (3) The vesting schedule is as follows: 20%, 25%, 25% and 30% on each of 1 August 2020, 1 August 2021, 1 August 2022 and 1 August 2023, respectively.
- (4) Mr. Jim Athanasopoulos resigned as an executive Director of the Company with effect from 23 April 2025.
- (5) Ms. Mei-Hui (Jessie) Chou retired as an executive Director of the Company with effect from 27 February 2024.
- (6) No grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued shares over the 12-month period, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.

The closing price of the shares on 6 March 2019 and 31 July 2019, being the trading date immediately before the relevant date of the grant, was HK\$20.80 and HK\$18.02, respectively.

Corporate Governance Highlights and Other Information (Continued)

As of 30 June 2026, the maximum aggregate number of new Shares available for offers under the Share Option Scheme was 31,410,798, representing approximately 9.24% of the issued share capital of the Company as at the date of this Interim Report.

During the six months ended 30 June 2026, 289,221 options under the Share Option Scheme lapsed, and no options were cancelled.

Maximum Entitlement of Each Participant

Any offer to a Participant who is a Director, chief executive officer or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of the option in question).

Where an offer to a Participant who is a substantial Shareholder or an independent non-executive Director (or any of their respective associates) would result in the aggregate number of Shares issued and to be issued in respect of (i) all options under the Share Option Scheme and (ii) Share Grants under Other Schemes, to such individual in the 12-month period (up to and including the offer date) to exceed 0.1 per cent. of the Shares in issue on the offer date, such further offer shall be subject to prior approval by the Shareholders in general meeting with the individual, his/her associates and all core connected persons of the Company abstaining from voting in favour of the resolution relating to such offer at such general meeting.

Where any offer to a Participant would result in the aggregate number of Shares issued and to be issued in respect of (i) all options under the Share Option Scheme and (ii) Share Grants under Other Schemes, to such individual in the 12-month period (up to and including the offer date) to exceed 1 per cent. of the Shares in issue on the offer date, such further offer shall be subject to prior approval by the Shareholders in general meeting with such individual and his/her close associates (or associates if the individual is a connected person) abstaining from voting.

The Remuneration Committee may in its sole and absolute discretion determine the maximum entitlement of each Participant having regard to their respective functions and roles within the Group and the relevant limits under the Listing Rules.

Exercise Period

Subject to any restrictions applicable under the Listing Rules, an option may be exercised by the grantee at any time during the exercise period to be determined by the Board and notified to the grantee in the notice of grant, in accordance with the terms of the Share Option Scheme and the terms on which the option was granted, which shall expire no later than 10 years from the offer date.

Corporate Governance Highlights and Other Information (Continued)

Vesting Period

The vesting period for options ranges from two years to eight years. The vesting period may not be shorter than 12 months unless otherwise determined by the Board (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) in respect of Participants and where the offer is made:

- (a) to grantees to replace the share awards they forfeited when leaving the previous employer or company which engaged them;
- (b) to grantees whose employment or engagement is terminated due to death, ill health, serious injury, disability or retirement or upon the occurrence of any out of control event;
- (c) later than it should have been made due to administrative and compliance reasons and the vesting period is shortened in order to put the grantees in the same position as they would have been in had the offer been made earlier; and
- (d) with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months.

Performance Targets

The options under the Share Option Scheme are not subject to any performance targets. However, the Board may at its discretion specify the terms on which options are granted.

Acceptance of an Offer

An offer is accepted when the Company receives from the grantee the duplicate notice of grant duly executed by the grantee and a remittance of the sum of HK\$1.00 or such other amount in any other currency as may be determined by the Board as consideration for the grant of an option. Such remittance is not refundable in any circumstances. To the extent that the offer is not accepted within the time period and in the manner specified in the offer, the offer will be deemed to have been irrevocably declined and will lapse.

Determination of the Exercise Price

The exercise price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the offer date, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Business Days immediately preceding the offer date; and
- (c) the nominal value of the Shares.

Corporate Governance Highlights and Other Information (Continued)

Term of the Share Option Scheme

The Share Option Scheme (as amended) shall be valid and effective from 7 June 2023, being the date of approval of the proposed amendments to the Share Option Scheme by Shareholders, and shall expire on the tenth anniversary thereof or such earlier date as the Share Option Scheme is terminated in accordance with the terms thereof.

SUB-PLAN: THE RESTRICTED SHARE UNIT SCHEME

Pursuant to the LTIP, on 21 September 2015, the Company adopted the RSU Scheme. The terms of the RSU Scheme have been amended on 7 June 2023 to comply with the provisions of new Chapter 17 of the Listing Rules.

Purpose of the RSU Scheme

The purpose of the RSU Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

Participants of the RSU Scheme

On and subject to the terms of the RSU Scheme and the Listing Rules the Board may, at its discretion, make a grant to any Participants.

Scheme Mandate Limit

The maximum aggregate number of new Shares available for grants under the RSU Scheme shall be calculated in accordance with the following formula:

$$X = A - B - C$$

where:

X = the maximum aggregate number of new Shares available for grants under the RSU Scheme;

A = the Scheme Mandate Limit;

B = the maximum aggregate number of new Shares that have been or may be allotted and issued by the Company to satisfy the RSUs already granted under the RSU Scheme (which in the event that there has been a New Approval Date, shall only include those new Shares which have been or may be allotted and issued by the Company to satisfy RSUs that have been granted since that most recent New Approval Date); and

C = the maximum aggregate number of new Shares which have been or may be allotted and issued by the Company to satisfy the Share Grants already made under any Other Scheme.

As of 30 June 2026, the maximum aggregate number of new Shares available for grants under the RSU Scheme was 31,410,798, representing approximately 9.24% of the issued share capital of the Company as at the date of this Interim Report.

Corporate Governance Highlights and Other Information (Continued)

As of 1 January 2026, there were outstanding 1,629,661 Shares (representing approximately 0.479% of the then issued share capital of the Company) underlying RSUs granted pursuant to the RSU Scheme. During the six months ended 30 June 2026, the Company had granted an aggregate number of 1,362,392 RSUs to directors, senior management and employees of the Group representing 0.401% of the issued share capital of the Company, 20,082 RSUs have been cancelled and no RSU has expired or lapsed. As of 30 June 2026, there were outstanding 1,565,654 Shares (representing approximately 0.461% of the then issued share capital of the Company) underlying RSUs granted pursuant to the RSU Scheme. Details of the RSUs outstanding are set out below:

			Number of Shares under RSUs				
				Granted	Vested	Lapsed/ cancelled	
			Outstanding	during the	during the	during the	
			at 1 January	six months	six months	six months	
			2026 ⁽¹⁰⁾	ended	ended	ended	Outstanding
Name of Grantee ⁽⁹⁾	Date of Grant	Vesting Period	2026 ⁽¹⁰⁾	30 June	30 June	30 June	at 30 June
			2026 ⁽¹¹⁾	2026 ⁽¹²⁾	2026 ⁽¹³⁾	2026 ⁽¹³⁾	2026 ⁽¹⁰⁾
Directors							
Daniel Manwaring	7 March 2023	Three years from date of grant ⁽¹⁾	151,546	–	151,546	–	–
	9 March 2026	Three years from date of grant ⁽⁶⁾	–	178,457	–	–	178,457
Jiande Chen	7 June 2023	Three years from date of grant ⁽²⁾	41,774	–	41,774	–	–
	7 June 2024	Three years from date of grant ⁽⁴⁾	61,845	–	30,918	–	30,927
	11 June 2026	Vested on 11 June 2026	–	97,216	97,216	–	–
Mei-Hui (Jessie) Chou ⁽⁸⁾	7 March 2023	Three years from date of grant ⁽¹⁾	52,258	–	52,258	–	–
John Davison	11 June 2026	Vested on 11 June 2026	–	97,216	97,216	–	–
Yue-Sai Kan	11 June 2026	Vested on 11 June 2026	–	97,216	97,216	–	–
Janet Yang	11 June 2026	Vested on 11 June 2026	–	97,216	97,216	–	–
Peter Loehr	11 June 2026	Vested on 11 June 2026	–	97,216	97,216	–	–

Corporate Governance Highlights and Other Information (Continued)

			Number of Shares under RSUs				
				Granted	Vested	Lapsed/ cancelled	
				during the	during the	during the	
				six months	six months	six months	
			Outstanding	ended	ended	ended	Outstanding
			at 1 January	30 June	30 June	30 June	at 30 June
Name of Grantee ⁽⁹⁾	Date of Grant	Vesting Period	2026 ⁽¹⁰⁾	2026 ⁽¹¹⁾	2026 ⁽¹²⁾	2026 ⁽¹³⁾	2026 ⁽¹⁰⁾
Senior Management							
Karl Yuan	7 March 2023	Three years from date of grant ⁽¹⁾	31,356	–	31,356	–	–
	7 March 2024	Three years from date of grant ⁽³⁾	84,783	–	42,385	–	42,398
	7 March 2025	Three years from date of grant ⁽⁵⁾	98,690	–	32,893	–	65,797
	9 March 2026	Three years from date of grant ⁽⁶⁾	–	107,074	–	–	107,074
Yifan (Yvonne) He	7 March 2023	Three years from date of grant ⁽¹⁾	31,356	–	31,356	–	–
	7 March 2024	Three years from date of grant ⁽³⁾	84,783	–	42,385	–	42,398
	7 March 2025	Three years from date of grant ⁽⁵⁾	65,793	–	21,928	–	43,865
	9 March 2026	Three years from date of grant ⁽⁶⁾	–	71,383	–	–	71,383
Employees	7 March 2023	Three years from date of grant ⁽¹⁾	110,676	–	110,676	–	–
Employees	7 March 2024	Three years from date of grant ⁽³⁾	355,345	–	177,633	11,308	166,404
Employees	7 March 2025	Three years from date of grant ⁽⁵⁾	459,456	–	153,129	8,774	297,553
Employees	9 March 2026	Three years from date of grant ⁽⁶⁾	–	498,252	–	–	498,252
Employees	7 May 2026	Three years from date of grant ⁽⁷⁾	–	21,146	–	–	21,146
Total			1,629,661	1,362,392	1,406,317	20,082	1,565,654

Notes:

- (1) The vesting schedule is as follows: 33.33%, 33.33% and 33.34% on each of 7 March 2024, 7 March 2025, and 7 March 2026, respectively.
- (2) The vesting schedule is as follows: 33.33%, 33.33% and 33.34% on each of 7 June 2024, 7 June 2025, and 7 June 2026, respectively.

Corporate Governance Highlights and Other Information (Continued)

- (3) The vesting schedule is as follows: 33.33%, 33.33% and 33.34% on each of 7 March 2025, 7 March 2026, and 7 March 2027, respectively.
- (4) The vesting schedule is as follows: 33.33%, 33.33% and 33.34% on each of 7 June 2025, 7 June 2026, and 7 June 2027, respectively.
- (5) The vesting schedule is as follows: 33.33%, 33.33% and 33.34% on each of 7 March 2026, 7 March 2027, and 7 March 2028, respectively.
- (6) The vesting schedule is as follows: 33.33%, 33.33% and 33.34% on each of 9 March 2027, 9 March 2028, and 9 March 2029, respectively.
- (7) The vesting schedule is as follows: 33.33%, 33.33% and 33.34% on each of 7 May 2027, 7 May 2028, and 7 May 2029, respectively.
- (8) Ms. Mei-Hui (Jessie) Chou retired as an executive Director of the Company with effect from 27 February 2024.
- (9) No grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued shares over the 12-month period, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.
- (10) The purchase price for the Shares underlying the RSUs outstanding at 1 January 2026 and 30 June 2026 is nil.
- (11) The purchase price for the Shares underlying the RSUs granted during the period is nil; no performance targets are applicable to the RSUs granted during the period; the closing price of the Shares on 6 March 2026, 6 May 2026 and 10 June 2026, being the trading date immediately before the relevant date of the grant, was HK\$8.22, HK\$7.32 and HK\$8.09, respectively; the fair value of the Shares on 9 March 2026, 7 May 2026 and 11 June 2026, being the date of grant, was HK\$8.04, HK\$7.43 and HK\$8.36, respectively. Details of the accounting standard and policy adopted for Shares are set out in Note 2 to the annual financial statements for the year ended 31 December 2025.
- (12) The purchase price for the Shares underlying the RSUs vested during the period is nil; the weighted average closing price of the Shares immediately before the date of vesting was HK\$8.17.
- (13) The purchase price for the Shares underlying the RSUs cancelled during the period is nil.

Maximum Entitlement of Each Participant

Any grant to a Participant who is a Director, chief executive officer or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of the grant in question).

If a grant made to a Participant who is a Director (other than an independent non-executive Director) or the chief executive officer (or an associate of a Director or the chief executive officer) would result in the aggregate number of new Shares issued and to be issued in respect of all RSUs under the RSU Scheme and Share Grants (excluding share options) under Other Schemes, to such individual in the 12-month period (up to and including the grant date) to exceed 0.1 per cent. of the Shares in issue, such further grant must be approved by the Shareholders in general meeting with the individual, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting. The Company must send a circular to the Shareholders in the manner set out in the Listing Rules. For the avoidance of doubt, any RSUs and share grants lapsed or encashed in accordance with the terms and conditions of the RSU Scheme or Other Schemes will not count towards the 0.1 per cent. limit.

Corporate Governance Highlights and Other Information (Continued)

If a grant made to a Participant who is a substantial Shareholder or an independent non-executive Director (or any of their respective associates) would result in the aggregate number of Shares issued and to be issued in respect of all (i) RSUs under the RSU Scheme and (ii) Share Grants under Other Schemes, to such individual in the 12-month period (up to and including the grant date) to exceed 0.1 per cent. of the Shares in issue on the grant date, such further grant shall be subject to prior approval by the Shareholders in general meeting with the individual, his/her associates and all core connected persons of the Company abstaining from voting in favour of the resolution relating to such grant at such general meeting.

Where any grant to a Participant would result in the aggregate number of new Shares issued and to be issued in respect of all (i) RSUs under the RSU Scheme and (ii) Share Grants under Other Schemes, to such individual in the 12-month period (up to and including the grant date) to exceed 1 per cent. of the Shares in issue on the grant date, such further grant shall be subject to prior approval by the Shareholders in general meeting with such individual and his/her close associates (or associates if the individual is a connected person) abstaining from voting.

The Remuneration Committee may in its sole and absolute discretion determine the maximum entitlement of each Participant having regard to their respective functions and roles within the Group and the relevant limits under the Listing Rules.

Vesting Period

The vesting period for RSUs ranges from two years to eight years. The vesting period for RSUs satisfied by new Shares may not be shorter than 12 months unless otherwise determined by the Board (and the Remuneration Committee in respect of grants of RSUs to the Directors and/or senior management) in respect of Participants and where the grant is made:

- (a) to grantees to replace the share awards they forfeited when leaving the previous employer or company which engaged them;
- (b) to grantees whose employment or engagement is terminated due to death, ill health, serious injury, disability or retirement or upon the occurrence of any out of control event;
- (c) later than it should have been made due to administrative and compliance reasons and the vesting period is shortened in order to put the grantees in the same position as they would have been in had the grant been made earlier; and
- (d) with a mixed or accelerated vesting schedule such as where the RSUs may vest evenly over a period of 12 months.

Corporate Governance Highlights and Other Information (Continued)

The Board (and the Remuneration Committee in respect of grants of RSUs to the Directors and/or senior management) are of the view that the discretion in allowing a shorter vesting period in each of the circumstances as detailed above is appropriate and in line with the requirements under the Listing Rules and market practice. Such discretion gives the Company more flexibility to provide competitive remuneration package to reward exceptional performers and grant RSUs in exceptional circumstances where justified, which is in line with the purpose of the RSU Scheme.

Acceptance of an Offer

A grant is accepted when the Company receives from the grantee the duplicate notice of grant duly executed by the grantee and, if applicable and as specified in the notice of grant, a remittance of the sum of HK\$1.00 or such other amount in any other currency as may be determined by the Board as consideration for the grant of the RSU. Such remittance is not refundable in any circumstances. To the extent that the grant is not accepted within the time period and in the manner specified by the Company, the grant will be deemed to have been irrevocably declined and it shall lapse with immediate effect.

Term of the RSU Scheme

The RSU Scheme (as amended) shall be valid and effective from 7 June 2023, being the date of approval of the proposed amendments of the RSU Scheme by Shareholders and shall expire on the tenth anniversary thereof or such earlier date as the RSU Scheme is terminated in accordance with the terms thereof.

SUB-PLAN: THE PERFORMANCE SHARE UNIT SCHEME

Pursuant to the LTIP, on 12 March 2020, the Company adopted the PSU Scheme pursuant to which it may grant performance share units, and the PSU Scheme was amended on 28 April 2023. As the PSU Scheme does not involve the grant of share awards or options over new Shares, the rules of the PSU Scheme are not subject to the provisions of the new Chapter 17 of the Listing Rules.

Please refer to the Company's announcements dated 12 March 2020 and 28 April 2023 in relation to the adoption and amendment of the PSU Scheme for further details.

Purpose of the Performance Share Unit Scheme

The purpose of the PSU Scheme is to drive performance within the Group by focusing on core key performance indicators that align with the Group's overall performance, to engage, attract and retain skilled and experienced personnel, required by the Company within the competitive landscape and with a focus on cost containment and affordability, and to incorporate service provisions to reward dedicated long-service employees so as to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

Corporate Governance Highlights and Other Information (Continued)

Participants of the Performance Share Unit Scheme

The Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company's subsidiaries, the employees and consultants of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group, provided that any participant shall only be entitled to receive PSUs if the participant may do so in compliance with applicable law.

As of 30 June 2026, there were outstanding 707,405 PSUs (representing approximately 0.208% of the then issued share capital of the Company) granted pursuant to the PSU Scheme to directors, senior management and employees of the Group. Details of the PSUs outstanding are set out below:

Name of Grantee ⁽¹⁾	Date of Grant	Vesting Period	Number of Shares under PSUs				Outstanding at 30 June 2026 ⁽⁵⁾⁽¹²⁾
			Outstanding at 1 January 2026 ⁽⁵⁾⁽¹²⁾	Granted	Vested	Lapsed/ cancelled	
				during the	during the	during the	
				six months ended 30 June 2026 ⁽⁵⁾⁽¹³⁾	six months ended 30 June 2026	six months ended 30 June 2026 ⁽⁵⁾⁽¹⁴⁾	
Directors							
Daniel Manwaring	7 March 2023	Three years from date of grant ⁽¹⁾	151,515	–	151,515 ⁽⁶⁾	–	–
	9 March 2026	Three years from date of grant ⁽⁴⁾	–	178,457	–	–	178,457
Mei-Hui (Jessie) Chou ⁽¹⁰⁾	7 March 2023	Three years from date of grant ⁽¹⁾	52,247	–	52,247 ⁽⁷⁾	–	–
Senior Management							
Yifan (Yvonne) He	7 March 2023	Three years from date of grant ⁽¹⁾	31,348	–	31,348 ⁽⁸⁾	–	–
	7 March 2024	Three years from date of grant ⁽²⁾	42,389	–	–	–	42,389
	7 March 2025	Three years from date of grant ⁽³⁾	65,793	–	–	–	65,793
	9 March 2026	Three years from date of grant ⁽⁴⁾	–	71,383	–	–	71,383
Employees	7 March 2023	Three years from date of grant ⁽¹⁾	78,370	–	78,370 ⁽⁹⁾	–	–
Employees	7 March 2024	Three years from date of grant ⁽²⁾	127,170	–	–	–	127,170
Employees	7 March 2025	Three years from date of grant ⁽³⁾	115,137	–	–	–	115,137
Employees	9 March 2026	Three years from date of grant ⁽⁴⁾	–	107,076	–	–	107,076
Total			663,969	356,916	313,480	–	707,405

Notes:

- (1) The PSUs granted 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.
- (2) The PSUs granted will vest in whole or in part promptly following the public disclosure of the Company's financial statements for the year of 2026 based on fulfillment of relevant performance conditions over a three-year performance period commencing on 1 January 2024 and ending on 31 December 2026.
- (3) The PSUs granted will vest in whole or in part promptly following the public disclosure of the Company's financial statements for the year of 2027 based on fulfillment of relevant performance conditions over a three-year performance period commencing on 1 January 2025 and ending on 31 December 2027.

Corporate Governance Highlights and Other Information (Continued)

- (4) The PSUs granted will vest in whole or in part promptly following the public disclosure of the Company's financial statements for the year of 2028 based on fulfillment of relevant performance conditions over a three-year performance period commencing on 1 January 2026 and ending on 31 December 2028.
- (5) Where the average annual EBITDA growth of the Company over a performance period is greater than 12.5%, the grantees will be entitled to up to a maximum of 100% additional PSUs relevant to such performance period which will vest upon grant.
- (6) 113,636 additional PSUs were granted and vested as the average annual EBITDA growth of the Company over the performance period is greater than 12.5%.
- (7) 39,185 additional PSUs were granted and vested as the average annual EBITDA growth of the Company over the performance period is greater than 12.5%.
- (8) 23,511 additional PSUs were granted and vested as the average annual EBITDA growth of the Company over the performance period is greater than 12.5%.
- (9) 58,780 additional PSUs were granted and vested as the average annual EBITDA growth of the Company over the performance period is greater than 12.5%.
- (10) Ms. Mei-Hui (Jessie) Chou retired as an executive Director of the Company with effect from 27 February 2024.
- (11) No grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued shares over the 12-month period, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.
- (12) The purchase price for the Shares underlying the PSUs outstanding at 1 January 2026 and 30 June 2026 is nil.
- (13) The purchase price for the Shares underlying the PSUs granted during the period is nil; the closing price of the Shares on 6 March 2026, being the trading date immediately before the relevant date of the grant, was HK\$8.22; the fair value of the Shares on 9 March 2026, being the date of grant, was HK\$8.04. Details of the accounting standard and policy adopted for Shares are set out in Note 2 to the annual financial statements for the year ended 31 December 2025.
- (14) The purchase price for the Shares underlying the PSUs cancelled during the period is nil.

Acceptance of an Offer

A grant is accepted when the Company receives from the participant the duplicate notice of grant duly executed by the participant and, if applicable and as specified in the notice of grant, a remittance of the sum of HK\$1.00 or such other amount in any other currency as may be determined by the Board as consideration for the grant of the PSU. Such remittance is not refundable in any circumstances. To the extent that the grant is not accepted within the time period and in the manner specified by the Company, the grant will be deemed to have been irrevocably declined and it shall lapse with immediate effect. A grant shall remain open for acceptance by the participant for such time to be determined by the Board, provided that no such grant shall be open for acceptance after the expiry of the term of the PSU Scheme or after the participant to whom the grant is made has ceased to be a participant.

Term of the Performance Share Unit Scheme

Subject to the early termination of the PSU Scheme pursuant to the terms thereof, the PSU Scheme is effective for a period of 10 years commencing on the date of adoption on 12 March 2020.

CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Mr. Daniel Manwaring's remuneration for the years 2026-2028 includes a base salary of US\$636,540 per annum, a target bonus equal to 45% of his annual base salary at the discretion of the Company, an annual equity award under share schemes of IMAX Corporation and the Company with an aggregate grant date monetary value of US\$750,000, US\$700,000 and US\$700,000 for each of the years 2026, 2027 and 2028, respectively, and an annual allowance of US\$244,200.

With effect from 5 August 2026, Mr. Jiande Chen's remuneration will include an annual fee of US\$75,000, as well as an annual equity award under RSU Scheme of the Company with an aggregate grant date monetary value of US\$100,000.

Report on Review of Interim Financial Information

To the Board of Directors of IMAX China Holding, Inc.

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 72 to 120, which comprises the condensed consolidated interim statement of financial position of IMAX China Holding, Inc. (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2026 and the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 23 July 2026

Condensed Consolidated Interim Financial Information

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (In thousands of U.S. dollars)

	Notes	Six months ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)
Revenues	7	34,449	57,802
Cost of sales	8	(16,032)	(17,702)
Gross profit	7	18,417	40,100
Selling, general and administrative expenses	8	(7,183)	(6,994)
Other operating expenses	8	(2,049)	(3,011)
(Provisions) reversals of net impairment losses on financial assets	8	(1,055)	55
Other income		257	46
Other gains – net	9	899	–
Operating profit		9,286	30,196
Interest income		1,019	857
Interest expense	10	(22)	(29)
Profit before income tax		10,283	31,024
Income tax expense	11	(2,179)	(7,131)
Profit for the period attributable to owners of the Company		8,104	23,893
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Change in foreign currency translation adjustments		8,161	1,393
Other comprehensive income:		8,161	1,393
Total comprehensive income for the period, attributable to owners of the Company		16,265	25,286
Profit per share attributable to owners of the Company – basic and diluted (expressed in U.S. dollars per share):			
From profit for the period – basic	12	0.02	0.07
From profit for the period – diluted	12	0.02	0.07

(The accompanying notes are an integral part of this condensed consolidated interim financial information.)

Condensed Consolidated Interim Financial Information (Continued)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(In thousands of U.S. dollars)

	Notes	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	66,416	66,357
Other assets	14	363	769
Deferred tax assets	16	4,188	3,150
Variable consideration receivables from contracts		6,544	5,766
Financing receivables		50,337	50,725
		127,848	126,767
Current assets			
Other assets	14	633	573
Contract acquisition costs		407	388
Film assets		32	114
Inventories		5,852	5,989
Prepayments		3,493	3,641
Variable consideration receivables from contracts		1,932	1,404
Financing receivables		29,017	29,537
Trade and other receivables	15	77,501	79,620
Cash and cash equivalents		143,900	129,861
		262,767	251,127
Total assets		390,615	377,894

Condensed Consolidated Interim Financial Information (Continued)

		As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
	Notes		
LIABILITIES			
Non-current liabilities			
Accruals and other liabilities	19	474	634
Deferred revenue	21	9,560	9,466
Deferred tax liabilities	16	12,521	12,521
		22,555	22,621
Current liabilities			
Trade and other payables	18	14,691	15,759
Accruals and other liabilities	19	6,553	8,271
Income tax liabilities		916	1,796
Deferred revenue	21	13,163	13,454
		35,323	39,280
Total liabilities		57,878	61,901
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	34	34
Share premium and reserves	17	230,416	221,776
Retained earnings		102,287	94,183
Total equity		332,737	315,993
Total equity and liabilities		390,615	377,894

(The accompanying notes are an integral part of this condensed consolidated interim financial information.)

The condensed consolidated interim financial information on pages 72 to 120 was approved by the board of directors on 23 July 2026 and was signed on its behalf.

Daniel Wade Manwaring
Director

Natasha Fernandes
Director

Condensed Consolidated Interim Financial Information (Continued)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(In thousands of U.S. dollars)

	Share Capital	Share Premium	Treasury Shares	Capital Reserves	Statutory Surplus Reserves	FVOCI Reserve	Retained Earnings	Exchange Reserve	Total Equity
Balance as at 1 January 2026	34	262,221	(885)	(27,627)	5,838	(4,000)	94,183	(13,771)	315,993
Comprehensive income									
Profit for the period	–	–	–	–	–	–	8,104	–	8,104
Foreign currency translation	–	–	–	–	–	–	–	8,161	8,161
Total comprehensive income	–	–	–	–	–	–	8,104	8,161	16,265
Restricted share units and performance stock units vested	–	1,269	885	(2,154)	–	–	–	–	–
Acquisition of shares for settlement of restricted share units and performance stock units	–	–	(543)	–	–	–	–	–	(543)
China long-term incentive plan	–	–	–	1,022	–	–	–	–	1,022
Total transactions with owners, recognised directly in equity	–	1,269	342	(1,132)	–	–	–	–	479
Balance as at 30 June 2026 (unaudited)	34	263,490	(543)	(28,759)	5,838	(4,000)	102,287	(5,610)	332,737

Condensed Consolidated Interim Financial Information (Continued)

	Share Capital	Share Premium	Treasury Shares	Capital Reserves	Statutory Surplus Reserves	FVOCI Reserve	Retained Earnings	Exchange Reserve	Total Equity
Balance as at 1 January 2025	34	262,944	(433)	(27,529)	5,750	(4,000)	56,590	(19,252)	274,104
Comprehensive income									
Profit for the period	–	–	–	–	–	–	23,893	–	23,893
Foreign currency translation	–	–	–	–	–	–	–	1,393	1,393
Total comprehensive income	–	–	–	–	–	–	23,893	1,393	25,286
Transfer to statutory surplus reserve	–	–	–	–	88	–	(88)	–	–
Restricted share units and performance stock units vested	–	1,301	230	(1,531)	–	–	–	–	–
Acquisition of shares for settlement of restricted share units and performance stock units	–	–	(508)	–	–	–	–	–	(508)
China long-term incentive plan	–	–	–	1,012	–	–	–	–	1,012
Shares buy-back	–	–	(1,443)	–	–	–	–	–	(1,443)
Shares buy-back transaction costs	–	–	(11)	–	–	–	–	–	(11)
Shares cancelled	–	(1,454)	1,454	–	–	–	–	–	–
Total transactions with owners, recognised directly in equity	–	(153)	(278)	(519)	88	–	(88)	–	(950)
Balance as at 30 June 2025 (unaudited)	34	262,791	(711)	(28,048)	5,838	(4,000)	80,395	(17,859)	298,440

(The accompanying notes are an integral part of this condensed consolidated interim financial information.)

Condensed Consolidated Interim Financial Information (Continued)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(In thousands of U.S. dollars)

		Six months ended 30 June	
	Notes	2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities			
Cash provided by operations	22	20,926	27,061
Income taxes paid		(5,328)	(7,766)
Net cash provided by operating activities		15,598	19,295
Cash flows from investing activities			
Investment in equipment under joint revenue sharing arrangements		(3,824)	(3,181)
Purchase of property, plant and equipment		(79)	(6)
Net cash used in investing activities		(3,903)	(3,187)
Cash flows from financing activities			
Settlement of share-based payments		(543)	(508)
Principal elements of lease payments		(257)	(247)
Payment for shares buy-back		–	(1,454)
Net cash used in financing activities		(800)	(2,209)
Effects of exchange rate changes on cash		3,144	224
Increase in cash and cash equivalents during period		14,039	14,123
Cash and cash equivalents, beginning of period		129,861	80,049
Cash and cash equivalents, end of period		143,900	94,172

(The accompanying notes are an integral part of this condensed consolidated interim financial information.)

Condensed Consolidated Interim Financial Information (Continued)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Tabular amounts in thousands of U.S. dollars unless otherwise stated)

1. General information

IMAX China Holding, Inc. (the “Company”) was incorporated in the Cayman Islands on 30 August 2010, as an exempted company with limited liability under the laws of the Cayman Islands. The ultimate holding company of the Company is IMAX Corporation (the “Controlling Shareholder”), incorporated in Canada. The Company’s registered office is located at Post Office Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104.

The Company is an investment holding company, and its subsidiaries (together the “Group”) are principally engaged in the entertainment industry specialising in digital film technologies in Chinese Mainland, Hong Kong, Taiwan and Macau (“Greater China”).

The Group refers to all the theatres using the IMAX theatre system in Greater China as “IMAX theatres”.

The Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 October 2015.

The condensed consolidated interim financial information is presented in United States dollars (“US\$” or “\$”), unless otherwise stated.

2. Summary of material accounting policy information

The material accounting policies applied in the preparation of the condensed consolidated interim financial information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 (“IAS 34”), “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (“IFRS Accounting Standards”).

The preparation of condensed consolidated interim financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial information are disclosed in note 5.

Condensed Consolidated Interim Financial Information (Continued)

2. Summary of material accounting policy information (Continued)

(b) Summary of significant accounting policies

Except as described in note 3, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements.

Taxes on income during the six months ended 30 June 2026 and 2025 are accrued using the tax rate that would be applicable to expected total annual profits.

3. New accounting standards and accounting changes

A number of new, or amended, standards became applicable for the annual reporting period commencing on 1 January 2026. The Group did not have to change its accounting policies, or make retrospective adjustments, as a result of adopting these standards.

		Applicable to reporting periods commencing on or after the given date
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments, Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026

Certain new accounting standards and interpretations have been published that are not mandatory for the financial reporting periods commencing on or after 1 January 2026 and have not been early adopted by the Group.

		Applicable to reporting periods commencing on or after the given date
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IAS 28	Amendments to the Fair Value Option	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

Condensed Consolidated Interim Financial Information (Continued)

3. New accounting standards and accounting changes (Continued)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Except for the above-mentioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

4. Financial risk

(a) Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the directors of the Company. The directors provide principles for an overall risk management, as well as policies covering specific areas.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no changes in the risk management policies since the last year end.

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(a) Financial risk management objectives (Continued)

(i) Market risk

Foreign exchange risk

The Group operates in Greater China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US\$ and Chinese Yuan Renminbi (“RMB”). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the functional currency of each of the Group entities.

The Group’s transactions are mainly denominated in US\$, RMB and Hong Kong dollars (“HK\$”). The majority of assets and liabilities are denominated in US\$, RMB and HK\$ and there are no significant assets and liabilities denominated in other currencies.

If the US\$ had strengthened/weakened by 10% against the RMB while all other variables had been held constant, the Group’s net result for the six months ended 30 June 2026 would have been approximately \$0.4 million worse/better (30 June 2025: \$0.4 million), for various financial assets and liabilities denominated in USD in the subsidiaries, whose functional currency is RMB.

Interest rate risk

The Group does not carry any borrowings which are exposed to interest rate risk.

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(a) Financial risk management objectives (Continued)

(ii) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, trade and other receivables, financing receivables, variable consideration receivables from contracts, amounts due from related companies and deposits in other assets. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

For the six months ended 30 June 2026, 44.7% (30 June 2025: 58.0%) of the Group's revenue was derived from its customers comprising 10% or more of total revenue. See note 7(b) for each significant customer's revenue by segment. As at 30 June 2026, the Group had concentration of credit risk as 71.1% (31 December 2025: 65.8%) of the total trade and other receivables due from the Group's largest two customers (31 December 2025: three).

The Group considers the probability of default upon initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtors;
- significant increases in credit risk on other financial instruments of the same debtors; and
- significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors and changes in the operating results of the debtors.

The Group has policies in place to ensure that receivables with credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. The credit period granted to the customers and the credit quality of these customers are assessed, which takes into account their financial position, past experience and available forward-looking information.

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(a) Financial risk management objectives (Continued)

(ii) Credit risk (Continued)

For trade receivables (including trade receivables from third parties, trade receivables from IMAX Corporation and accrued trade receivables), financing receivables and variable consideration receivables from contracts, management performs an initial credit evaluation prior to entering into an arrangement with a customer and then regularly monitors the credit quality of each customer through an analysis of collections history and aging. The Group classifies its customers into four categories to indicate the credit quality worthiness for internal purposes only:

Good standing — theatre continues to be in good standing with the Group as the client's payments and reporting are up-to-date.

Credit watch — theatre operator has begun to demonstrate a delay in payments, has been placed on the Group's credit watch list for continued monitoring, but active communication continues with the Group. Depending on the size of outstanding balance, length of time in arrears and other factors, transactions may need to be approved by management. These financing receivables are considered to be in better condition than those receivables related to theatres in the "Pre-approved transactions" category, but not in as good of condition as those receivables in "Good standing".

Pre-approved transactions only — theatre operator is demonstrating a delay in payments with little or no communication with the Group. All service or shipments to the theatre must be reviewed and approved by management. These financing receivables are considered to be in better condition than those receivables related to theatres in the "All transactions suspended" category, but not in as good of condition as those receivables in "Credit watch". Depending on the individual facts and circumstances of each customer, finance income recognition may be suspended if management believes the receivable to be impaired.

All transactions suspended — theatre is severely delinquent, non-responsive or not negotiating in good faith with the Group. Once a theatre is classified as "All transactions suspended", the theatre is placed on non-accrual status and all revenue recognitions related to the theatre are stopped.

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of these receivables. The Group develops its estimate of credit losses by class of receivable and customer type through a calculation that utilises historical loss rates which are then adjusted by considering forward looking factors including specific receivables that are judged to have a higher than normal risk profile after taking into account credit quality classifications, as well as macro-economic and industry risk factors.

The credit risk on deposits with banks is limited because deposits are in banks with sound credit ratings and management does not expect any loss from non-performance by these counterparties.

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(a) Financial risk management objectives (Continued)

(ii) Credit risk (Continued)

During the six months ended 30 June 2026, the Group recorded an allowance for expected credit losses of approximately \$1.1 million (2025: a net recovery of allowance for expected credit losses of approximately less than \$0.1 million), reflecting an overall reduction in the credit quality of certain theatre related trade and other receivables, financing receivables and variable consideration receivables from contracts. Management's judgements regarding expected credit losses are based on the facts available to management and involve estimates about the future. As a result, the Group's judgments and associated estimates of expected credit losses may ultimately prove, with the benefit of hindsight, to be incorrect. The Group will continue to monitor economic trends and conditions and portfolio performance and adjust its allowance for expected credit losses accordingly.

The following table summarizes the movement in allowance for expected credit losses that has been recognised for the respective financial assets:

	Trade and other receivables	Financing receivables	Variable consideration receivables from contracts	Total
As at 1 January 2025	7,696	1,944	–	9,640
(Decrease) increase in allowance for expected credit losses	(22)	(46)	13	(55)
Exchange differences	26	7	–	33
As at 30 June 2025 (unaudited)	7,700	1,905	13	9,618
As at 1 January 2026	8,116	2,226	14	10,356
Increase (decrease) in allowance for expected credit losses	358	711	(14)	1,055
Exchange differences	211	64	–	275
As at 30 June 2026 (unaudited)	8,685	3,001	–	11,686

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(a) Financial risk management objectives (Continued)

(ii) Credit risk (Continued)

Trade and other receivables:

Trade receivables from third parties and trade receivables from IMAX Corporation

The expected credit loss provision as at 30 June 2026 and 31 December 2025 was determined as follows for trade receivables:

30 June 2026 (unaudited)	0 – 30 days	31 – 60 days	61 – 90 days	Over 90 days	Total
Expected loss rate	1.4%	3.0%	3.4%	10.9%	
Gross carrying amount					
– trade receivables	8,150	1,639	2,162	69,818	81,769
Loss allowance	114	49	73	7,585	7,821

31 December 2025 (audited)	0 – 30 days	31 – 60 days	61 – 90 days	Over 90 days	Total
Expected loss rate	2.3%	3.9%	4.8%	10.9%	
Gross carrying amount					
– trade receivables	9,799	5,858	3,101	61,470	80,228
Loss allowance	225	228	149	6,672	7,274

The Group recorded an allowance for expected credit losses of approximately \$0.3 million for the six months ended 30 June 2026 (2025: a net recovery of allowance for expected credit losses of less than \$0.1 million).

Accrued trade receivables

The gross amount of accrued trade receivables as of 30 June 2026 was approximately \$4.4 million (31 December 2025: \$7.5 million). Management recorded an allowance for expected credit losses of less than \$0.1 million for the six months ended 30 June 2026 (2025: less than \$0.1 million).

The credit risk on amounts due from related companies is limited and the Group does not expect any losses from non-performance by the counterparties of amounts due from related companies and no loss allowance provision was recognised.

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(a) Financial risk management objectives (Continued)

(ii) Credit risk (Continued)

Financing receivables

The following tables provide information on the Group's financing receivables by credit quality indicator as of 30 June 2026 and 31 December 2025:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Investment in finance leases:		
Gross carrying amount	29,849	29,759
Expected loss rate	0.1%	0.2%
Loss allowance	24	55
Financed sales receivables:		
Gross carrying amount	52,506	52,729
Expected loss rate	5.7%	4.1%
Loss allowance	2,977	2,171

The ability of the Group to collect its financing receivable balances is heavily dependent on the viability and solvency of individual theatre operators, which is significantly influenced by consumer behavior and general economic conditions. Theatre operators may experience financial difficulties that could cause them to be unable to fulfill their payment obligations to the Group.

The Group considers financing receivables in the credit quality classification of "Credit watch", "Pre-approved transactions only" and "All transactions suspended" with potential collection concerns. The Group recorded an allowance for expected credit losses for financing receivables of \$0.7 million for the six months ended 30 June 2026 (2025: less than \$0.1 million). Management's judgments regarding expected credit losses are based on the facts available to management and involve estimates about the future.

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(a) Financial risk management objectives (Continued)

(ii) Credit risk (Continued)

Variable consideration receivables from contracts

The ability of the Group to collect its variable consideration receivables is heavily dependent on the viability and solvency of individual theatre operators, which is significantly influenced by consumer behavior and general economic conditions. Theatre operators may experience financial difficulties that could cause them to be unable to fulfill their payment obligations to the Group. The gross amount of the variable consideration receivables as of 30 June 2026 was approximately \$8.5 million (31 December 2025: \$7.2 million). Based on management's assessment, the Group recorded a net recovery of allowance for expected credit losses for variable consideration receivables of less than \$0.1 million for the six months ended 30 June 2026 (2025: an allowance for expected credit losses of less than \$0.1 million).

(iii) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient committed borrowing facilities from banks.

The Group's financial liabilities, specifically trade and other payables and accruals and other liabilities, in relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date, are disclosed in notes 18 and 19.

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group considers its capital structure as the aggregate of total equity and long-term debt less cash and short-term deposits. The Group manages its capital structure and makes adjustments to it in order to have funds available to support the business activities which the Board of Directors intends to pursue in addition to maximising the return to shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business.

Condensed Consolidated Interim Financial Information (Continued)

4. Financial risk (Continued)

(b) Capital management (Continued)

In order to carry out current operations and pay for administrative costs, the Group will spend its existing working capital and raise additional amounts as needed. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Group, is reasonable.

(c) Fair value estimation

See note 6 for disclosures of the fair value estimation of the Group's financial assets and liabilities.

5. Critical accounting estimates and judgements

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that applied to the Group's Annual Report 2025.

6. Financial instruments

(a) Financial instruments

The Group's financial instruments at the following year/period-ends are comprised of the following:

30 June 2026 (unaudited)

	Financial assets at amortised cost
Assets as per statement of financial position	
Net financed sales receivable	49,529
Net investment in finance leases	29,825
Variable consideration receivables from contracts	8,476
Trade and other receivables	77,501
Other assets – deposits	626
Cash and cash equivalents	143,900
	309,857

Condensed Consolidated Interim Financial Information (Continued)

6. Financial instruments (Continued)

(a) Financial instruments (Continued)

	Liabilities at amortised cost
Liabilities as per statement of financial position	
Trade and other payables	14,691
Accruals and other liabilities	6,055
	20,746
31 December 2025 (audited)	
	Financial assets at amortised cost
Assets as per statement of financial position	
Net financed sales receivable	50,558
Net investment in finance leases	29,704
Variable consideration receivables from contracts	7,170
Trade and other receivables	79,620
Other assets – deposits	607
Cash and cash equivalents	129,861
	297,520
	Liabilities at amortised cost
Liabilities as per statement of financial position	
Trade and other payables	15,759
Accruals and other liabilities	6,182
	21,941

Condensed Consolidated Interim Financial Information (Continued)

6. Financial instruments (Continued)

(b) Fair value measurements

The Group has classified its financial instruments into three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The carrying value of the Group's cash and cash equivalents, trade and other receivables, trade and other payables and accruals and other liabilities due within one year approximate fair values due to the short-term maturity of these instruments.

Cash and cash equivalents are comprised of cash and interest-bearing investments with original maturity dates of 90 days or less. Cash and cash equivalents are recorded at cost, which approximates fair value as at 30 June 2026 and 31 December 2025, respectively.

The estimated fair values of the net financed sales receivable, net investment in finance leases, variable consideration receivables from contracts and lease liabilities are estimated based on discounting future cash flows at currently available interest rates with comparable terms as at 30 June 2026 and 31 December 2025, respectively.

Condensed Consolidated Interim Financial Information (Continued)

6. Financial instruments (Continued)

(b) Fair value measurements (Continued)

	As at 30 June 2026 (Unaudited)		As at 31 December 2025 (Audited)	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Net financed sales receivable	49,529	49,873	50,558	50,939
Net investment in finance leases	29,825	29,825	29,704	29,704
Variable consideration receivables from contracts	8,476	8,476	7,170	7,170
Lease liabilities	866	866	1,070	1,070

There were no significant transfers within Level 1, Level 2 and Level 3 during the six months ended 30 June 2026 (30 June 2025: none). When a determination is made to classify an asset or liability within Level 3, the determination is based upon the significance of the unobservable inputs to the overall fair value measurement.

7. Revenue and segment information

Management, including the Group's executive directors, assesses segment performance based on segment revenues, gross margins and film performance. Selling, general and administrative expenses, other operating expenses, reversals of net impairment losses on financial assets, other income, other gains – net, interest income, interest expense and income tax expense are not allocated to the segments.

The Group has the following reportable segments:

- (i) Content Solutions, which principally includes the digital remastering of films and other content into IMAX formats for distribution to the IMAX network.
- (ii) Technology Products and Services, which includes results from the sale or lease of IMAX Systems, as well as from the maintenance of IMAX Systems. To a lesser extent, the Technology Products and Services segment also earns revenue from certain ancillary theatre business activities, including after-market sales of IMAX System parts and 3D glasses.

The Group's activities that do not meet the criteria to be considered a reportable segment are reported within All Other.

Inter-segment profits are eliminated upon consolidation, as well as for the disclosures below.

Transactions between the other segments are not significant.

Condensed Consolidated Interim Financial Information (Continued)

7. Revenue and segment information (Continued)

(a) Operating Segments

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Revenue		
Content Solutions	6,265	20,801
Technology Products and Services	26,177	36,230
Subtotal for reportable segments	32,442	57,031
All Other	2,007	771
Total	34,449	57,802
Gross profit		
Content Solutions	4,687	19,197
Technology Products and Services	12,009	20,686
Subtotal for reportable segments	16,696	39,883
All Other	1,721	217
Total gross profit	18,417	40,100
Selling, general and administrative expenses	(7,183)	(6,994)
Other operating expenses	(2,049)	(3,011)
(Provisions) reversals of net impairment losses on financial assets	(1,055)	55
Other income	257	46
Other gains – net	899	–
Interest income	1,019	857
Interest expense	(22)	(29)
Profit before income tax	10,283	31,024

The Group's operating assets and liabilities are located in Greater China. All revenue earned by the Group is generated by the activities of IMAX theatres operating in Greater China.

Condensed Consolidated Interim Financial Information (Continued)

7. Revenue and segment information (Continued)

(a) Operating Segments (Continued)

The following table summarizes revenue recognised under IFRS 15 and IFRS 16, respectively.

	Six months ended 30 June			
	Recognised under IFRS 15		Recognised under IFRS 16	
	2026	2025	2026	2025
Revenue				
Content Solutions				
Film Remastering	6,265	20,801	–	–
	6,265	20,801	–	–
Technology Products and Services				
System Sales	5,278	6,721	–	–
System Rentals	–	–	6,148	14,442
Maintenance	13,320	13,345	–	–
Finance Income	1,431	1,722	–	–
	20,029	21,788	6,148	14,442
Subtotal for reportable segments	26,294	42,589	6,148	14,442
All Other	2,007	771	–	–
Total	28,301	43,360	6,148	14,442

Of the revenue recognised under IFRS 15, approximately \$21.7 million for the six months ended 30 June 2026 (2025: \$36.6 million) were recognised over time, while approximately \$6.6 million were recognised at a point in time (2025: \$6.8 million).

Condensed Consolidated Interim Financial Information (Continued)

7. Revenue and segment information (Continued)

(a) Operating Segments (Continued)

Of the system rentals accounted for under IFRS 16, approximately \$5.3 million for the six months ended 30 June 2026 (2025: \$12.6 million) were from revenues under operating leases and approximately \$0.8 million for the six months ended 30 June 2026 (2025: \$1.8 million) were from revenues under finance leases.

The selling profit for the Group's finance leases was \$0.5 million for the six months ended 30 June 2026 (2025: \$0.7 million).

(b) Significant customers

Revenue from the Group's significant customers (individually defined as greater than 10% of total revenues) as reported in segments are as follows:

Customer A

Revenues of approximately \$11.0 million during the six months ended 30 June 2026 (30 June 2025: \$17.9 million) are derived from a single external customer. These revenues are attributable to Content Solutions and Technology Products and Services.

Customer B

Revenues of \$4.5 million during the six months ended 30 June 2026 (30 June 2025: \$2.8 million) are derived from a related party. These revenues are attributable to Content Solutions and All Other.

Customer C

Revenues of \$nil during the six months ended 30 June 2026 (30 June 2025: \$15.7 million) are derived from a single external customer. These revenues are attributable to Content Solutions.

No other single customer comprises more than 10% of total revenues during the six months ended 30 June 2026 or 2025.

Condensed Consolidated Interim Financial Information (Continued)

8. Expenses by nature

A breakdown of the Group's expenses by nature is provided in the table below:

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Depreciation, including joint revenue sharing arrangements and film costs	7,072	6,999
Employee salaries and benefits	5,530	5,075
Theatre maintenance fees	4,273	3,856
Advertising and marketing expenses	2,052	2,003
Technology and trademark fees	2,034	2,994
Cost of theatre system sales and finance leases	1,607	3,598
Share-based compensation expenses	1,360	1,197
Professional fees	704	634
Travel and transportation expenses	185	194
Utilities and maintenance expenses	66	32
Net lease expenses (recovery) (note)	(117)	91
Other film (recoveries) costs	(141)	7
Foreign exchange (gains) losses	(65)	1
Increase (decrease) in allowance for expected credit losses	1,055	(55)
Recoveries of write-downs	(41)	(26)
Other costs	286	554
Other expenses	269	305
Auditor's remuneration		
– Non-audit services	11	30
– Audit services	179	163
Total cost of sales, selling, general and administrative expenses, other operating expenses and provisions (reversals) of net impairment losses on financial assets	26,319	27,652

Note:

Lease expenses are net of rent subsidy and exclude rental expenses under right-of-use assets.

Condensed Consolidated Interim Financial Information (Continued)

9. Other gains – net

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Non-refundable payments for agreement termination (note)	899	–

Note:

For the six months ended 30 June 2026, during the period of time between the signing of the IMAX System arrangements and the installation of the IMAX Systems, a customer did not meet its payment obligations and after multiple unsuccessful attempts at collection, the Group terminated the arrangements with the customer under the default provisions and retained the amounts paid by the customer for the uninstalled IMAX Systems. The Group concluded that the customer's likelihood of exercising its remaining rights was remote and recognised the retained amounts as other gains.

10. Interest expense

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Interest on lease liabilities	22	29

Condensed Consolidated Interim Financial Information (Continued)

11. Income tax expense

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Current income tax:		
Current tax on profits for the period	3,085	7,595
Adjustments in respect of prior years	6	10
Total current income tax	3,091	7,605
Deferred income tax (note 16):		
Origination of deductible temporary differences and losses	(912)	(474)
Total deferred income tax	(912)	(474)
Income tax expense	2,179	7,131

Income tax expense for the six months ended 30 June 2026 and 2025 is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

Condensed Consolidated Interim Financial Information (Continued)

12. Profit per share

Reconciliations of the numerator and denominator of the basic and diluted per-share computations are comprised of the following:

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Profit for the period	8,104	23,893
Weighted average number of common shares (in '000s):		
Issued and outstanding, beginning of period	339,114	340,268
Weighted average number of shares increased during the period	386	126
Weighted average number of shares used in computing basic profit per share	339,500	340,394
Adjustments for:		
Restricted share units	806	1,214
Performance stock units	317	429
Weighted average number of shares used in computing diluted profit per share	340,623	342,037

Condensed Consolidated Interim Financial Information (Continued)

13. Property, plant and equipment

	Theatre System Components	Office and Production Equipment	Right-of-use Assets	Leasehold Improvements	Construction in Process	Total
As at 1 January 2026 (audited)						
Cost	142,042	3,419	1,863	368	2,236	149,928
Accumulated depreciation and impairment	(80,141)	(2,592)	(816)	(22)	–	(83,571)
Net book amount	61,901	827	1,047	346	2,236	66,357
Six months ended 30 June 2026 (unaudited)						
Opening net book amount	61,901	827	1,047	346	2,236	66,357
Exchange differences	2,093	22	24	9	8	2,156
Additions	–	79	–	–	4,397	4,476
Transfers	3,500	–	–	–	(3,500)	–
Disposals	(38)	–	–	–	–	(38)
Depreciation charge	(6,095)	(190)	(194)	(56)	–	(6,535)
Closing net book amount	61,361	738	877	299	3,141	66,416
As at 30 June 2026 (unaudited)						
Cost	146,805	3,607	1,923	386	3,141	155,862
Accumulated depreciation and impairment	(85,444)	(2,869)	(1,046)	(87)	–	(89,446)
Net book amount	61,361	738	877	299	3,141	66,416
As at 1 January 2025 (audited)						
Cost	139,424	3,421	1,822	560	3,737	148,964
Accumulated depreciation and impairment	(74,440)	(2,397)	(411)	(112)	–	(77,360)
Net book amount	64,984	1,024	1,411	448	3,737	71,604
Six months ended 30 June 2025 (unaudited)						
Opening net book amount	64,984	1,024	1,411	448	3,737	71,604
Exchange differences	682	10	7	2	3	704
Additions	–	6	–	–	3,078	3,084
Transfers	4,507	–	–	–	(4,507)	–
Transfer out	(30)	–	–	–	–	(30)
Disposals	(109)	–	–	–	–	(109)
Depreciation charge	(6,017)	(190)	(195)	(55)	–	(6,457)
Closing net book amount	64,017	850	1,223	395	2,311	68,796
As at 30 June 2025 (unaudited)						
Cost	138,929	3,440	1,830	564	2,311	147,074
Accumulated depreciation and impairment	(74,912)	(2,590)	(607)	(169)	–	(78,278)
Net book amount	64,017	850	1,223	395	2,311	68,796

The recognised right-of-use assets all relate to the type of leased properties.

Condensed Consolidated Interim Financial Information (Continued)

14. Other assets

The Group's other assets balance is comprised of the following:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Deposits	410	425
Prepayments to IMAX Corporation (note 25(b))	223	148
Other assets, current	633	573
Prepayments to IMAX Corporation (note 25(b))	147	587
Deposits over one year	216	182
Other assets, non-current	363	769
Other assets	996	1,342

Condensed Consolidated Interim Financial Information (Continued)

15. Trade and other receivables

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Trade receivables:		
Trade receivables from third parties	35,009	31,194
Less: allowance for expected credit losses of trade receivables from third parties	(7,821)	(7,274)
Trade receivables from third parties – net	27,188	23,920
Trade receivables from IMAX Corporation (note 25(b))	46,760	49,034
Accrued trade receivables	4,390	7,508
Less: allowance for expected credit losses of accrued trade receivables	(864)	(842)
Accrued trade receivables – net	3,526	6,666
Total trade receivables	77,474	79,620
Other receivables:		
Amount due from a Director (note 25(b))	27	–
Total other receivables	27	–
Total trade and other receivables	77,501	79,620

The fair value of trade and other receivables approximates the carrying value.

Condensed Consolidated Interim Financial Information (Continued)

15. Trade and other receivables (Continued)

The aging analysis of the trade receivables, including receivables from IMAX Corporation, based on invoice date is as follows:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
0 – 30 days	8,150	9,799
31 – 60 days	1,639	5,858
61 – 90 days	2,162	3,101
Over 90 days	69,818	61,470
	81,769	80,228

No interest income was intended to be charged and therefore accrued for the overdue receivable balances as of 30 June 2026 (31 December 2025: \$nil).

16. Deferred income tax

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Deferred income tax assets		
Opening balance	3,150	2,670
Exchange differences	126	82
Credited to profit or loss (note 11)	912	398
Closing balance	4,188	3,150
Deferred income tax liabilities		
Opening and closing balance	12,521	12,521

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves

(a) *Share capital*

	Number of shares		Share capital	
	2026	2025	2026 US\$	2025 US\$
Ordinary shares of US\$0.0001 each				
Authorised				
At beginning and end of six months ended	625,625,000	625,625,000	62,562.50	62,562.50
	Number of shares		Share capital	
	2026	2025	2026 US\$	2025 US\$
Issued and fully paid				
At beginning of 1 January	339,887,221	340,687,122	33,988.72	34,068.71
Share cancellation (note 17(b))	–	(1,495,900)	–	(149.59)
Number of shares as at 30 June (unaudited)	339,887,221	339,191,222	33,988.72	33,919.12

The holders of common shares are entitled to receive dividends if, as and when declared by the directors of the Group. The holders of the common shares are entitled to one vote for each common share held at all meetings of the shareholders.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(b) Treasury shares

For the six months ended 30 June:

	Notes	Number of shares		US\$'000	
		2026	2025	2026	2025
Treasury shares					
At beginning of period		1,468,829	1,097,496	885	433
Acquisition of shares by the Trust	(i)	486,080	473,400	543	508
Vested restricted share units and performance stock units settled from treasury shares		(772,830)	(224,179)	(885)	(230)
Vested restricted share units settled from issued shares		(695,999)	(678,663)	–	–
Shares bought back on-market	(ii)	–	1,495,900	–	1,443
Buy-back transaction costs	(ii)	–	–	–	11
Shares cancelled	(ii)	–	(1,495,900)	–	(1,454)
At end of period		486,080	668,054	543	711

Notes:

- (i) These shares are shares in IMAX China Holding, Inc. that are held by Computershare Hong Kong Trustees Limited (the "Trust") for the purpose of issuing shares under China Long-Term Incentive Plan. Shares issued to employees are recognised on a first-in-first-out basis.
- (ii) During the six months ended 30 June 2025, the Company conducted shares buy-back pursuant to a general mandate granted by the shareholders to the directors of the Company during the Annual General Meeting.

During the six months ended 30 June 2025, 1,495,900 shares were purchased back by the Company from the market and were cancelled. The shares were acquired at an average price of \$0.96, excluding commission, with prices ranging from \$0.86 to \$1.08.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(c) Share-based payments

IMAX Corporation issued share-based compensation to eligible Group employees under IMAX Corporation's 2013 Long-Term Incentive Plan and the China Long-Term Incentive Plan, as described below.

On 11 June 2013, IMAX Corporation's shareholders approved the IMAX 2013 Long-Term Incentive Plan ("IMAX LTIP") at IMAX Corporation's Annual and Special Meeting. Awards to employees under the IMAX LTIP may consist of stock options, restricted share units ("RSUs"), performance stock units ("PSUs") and other awards.

A separate China Long-Term Incentive Plan (the "China LTIP") was adopted by the Group in October 2012. Each stock option issued prior to the IPO ("China IPO Option"), stock options issued after the IPO ("China Option"), RSU ("China RSUs"), performance stock units ("China PSUs") or cash settled share-based payment ("CSSBP") issued under the China LTIP represents an opportunity to participate economically in the future growth and value creation of the Company.

The compensation expense recorded in the condensed consolidated interim statement of comprehensive income for these plans was approximately \$1.4 million during the six months ended 30 June 2026 (30 June 2025: \$1.2 million).

i) China Long-Term Incentive Plan ("China LTIP")

(i) Stock Options

China Options Summary

The China Options vest between a three – and four-year period beginning on the date of grant. The China Options have a maximum contractual life of 7 years. No China Options were granted after 2019.

During the six months ended 30 June 2026, the Group recorded an expense of \$nil (30 June 2025: \$nil) related to China Options issued under the China LTIP. Stock options are no longer granted under the Group's previously approved plan.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(c) **Share-based payments (Continued)**

i) *China Long-Term Incentive Plan ("China LTIP") (Continued)*

(i) *Stock Options (Continued)*

China Options Summary (Continued)

The following table summarizes certain information in respect of China Options activity in the Group:

For the six months ended 30 June:

	Number of Shares		Weighted Average Exercise Price Per Share	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Options outstanding, beginning of period	531,805	841,497	2.50	2.70
Expired	(289,221)	(187,232)	2.64	3.12
Options outstanding, end of period	242,584	654,265	2.33	2.58
Options exercisable, end of period	242,584	654,265	2.33	2.58

As at 30 June 2026, the weighted average remaining contractual life of options outstanding is 0.1 years (31 December 2025: 0.4 years).

(ii) *Restricted Share Units*

China RSUs under China LTIP

China RSUs have been granted to employees of the Group under the IMAX China LTIP. Each China RSU represents a contingent right to receive one common share of the Company and its economic equivalent of one common share of the Company. China RSUs were not issued before 2015. The grant date fair value of each China RSU is equal to the share price of the Company's stock at the grant date. The Group recorded an expense of approximately \$0.9 million for the six months ended 30 June 2026 (30 June 2025: \$0.9 million) related to China RSU grants issued to employees in the plan. The annual termination probability assumed for the six months ended 30 June 2026 was nil (30 June 2025: nil).

RSUs granted under the China LTIP vest between immediately and three years. Vesting of the RSUs is subject to continued employment or service with the Group or IMAX Corporation.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(c) **Share-based payments (Continued)**

i) *China Long-Term Incentive Plan ("China LTIP") (Continued)*

(ii) *Restricted Share Units (Continued)*

China RSUs under China LTIP Summary

The following table summarizes certain information in respect of China RSUs activity under the China LTIP:

For the six months ended 30 June:

	Number of Awards		Weighted Average Grant Date Fair Value Per Share	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
RSUs outstanding, beginning of period	1,629,661	2,103,668	1.06	1.05
Granted	1,362,392	1,097,339	1.04	1.09
Vested and settled	(920,237)	(902,842)	1.07	1.11
Vested and unsettled	(486,080)	(505,161)	1.07	1.05
Forfeited	(20,082)	–	1.00	–
RSUs outstanding, end of period	1,565,654	1,793,004	1.03	1.04

(iii) *Performance Stock Units*

China PSUs under China LTIP

During the six months ended 30 June 2020, the Group expanded its share-based compensation program to include performance stock units ("PSUs"). The Group grants PSU awards which vest based on a combination of employee service and the achievement of certain Adjusted EBITDA targets. These awards vest over a three-year performance period. The fair value of PSUs with Adjusted EBITDA targets is equal to the closing price on the date of grant.

The amount and timing of compensation expense recognised for PSUs with Adjusted EBITDA targets is dependent upon management's assessment of the likelihood of achieving these targets. If, as a result of management's assessment, it is projected that a greater number of PSUs will vest than previously anticipated, a life-to-date adjustment to increase compensation expense is recorded in the period such determination is made. Conversely, if, as a result of management's assessment, it is projected that a lower number of PSUs will vest than previously anticipated, a life-to-date adjustment to decrease compensation expense is recorded in the period that such determination is made. The expense recognised in the six months ended 30 June 2026 and 2025 includes adjustments reflecting management's estimate of the number of Adjusted EBITDA PSUs expected to vest.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(c) **Share-based payments (Continued)**

i) *China Long-Term Incentive Plan ("China LTIP") (Continued)*

(iii) *Performance Stock Units (Continued)*

China PSUs under China LTIP (Continued)

During the six months ended 30 June 2026, the Group recorded an expense of approximately less than \$0.1 million (2025: \$0.1 million) related to China PSUs issued under the China LTIP.

The following table summarizes the activity in respect of PSUs issued under the China LTIP for the six months ended 30 June:

For the six months ended 30 June:

	Number of Shares		Weighted Average Grant Date Fair Value Per Share	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
PSUs outstanding, beginning of period	663,969	776,549	1.10	1.08
Granted (note i)	592,028	(112,580)	1.09	0.96
Vested and settled (note i)	(548,592)	–	1.18	–
PSUs outstanding, end of period	707,405	663,969	1.02	1.10

Notes:

- (i) During the six months ended 30 June 2026, the number of shares granted includes 235,112 additional shares, at a weighted average grant date fair value of \$1.18, as PSUs granted in 2023 with Adjusted EBITDA targets vested at 175% on account of full achievement of the targets. During the six months ended 30 June 2025, the number of shares granted includes the cancellation of 293,510 shares, at a weighted average grant date fair value of \$1.37, as PSUs granted in 2022 with Adjusted EBITDA targets vested at zero according to performance vesting criteria.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(c) **Share-based payments (Continued)**

ii) *IMAX LTIP*

(i) *Restricted Share Units*

RSUs under IMAX LTIP

RSUs have been granted to employees of the Group under the IMAX LTIP. Each RSU represents a contingent right to receive one common share of IMAX Corporation and its economic equivalent of one common share of IMAX Corporation. The grant date fair value of each RSU is equal to the share price of IMAX Corporation's stock at the grant date or the average closing price of IMAX Corporation's common share for five days prior to the date of grant. The Group recorded an expense of approximately \$0.2 million for the six months ended 30 June 2026 (30 June 2025: \$0.1 million) related to RSU grants issued to employees in the plan. The annual termination probability assumed for the six months ended 30 June 2026 was nil (30 June 2025: nil).

RSUs granted under the IMAX LTIP vest minimum one year, with a carve-out for an aggregate of no more than 5% of the total number of common shares authorised for issuance under the plan that may vest on a shorter schedule. Vesting of the RSUs is subject to continued employment or service with the Group or IMAX Corporation.

RSUs under IMAX LTIP Summary

The following table summarizes certain information in respect of RSUs activity under the IMAX LTIP:

For the six months ended 30 June:

	Number of Awards		Weighted Average Grant Date Fair Value Per Share	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
RSUs outstanding, beginning of period	28,819	22,228	20.82	16.87
Granted	5,072	14,000	36.96	25.00
Vested	(12,075)	(7,409)	20.01	16.87
RSUs outstanding, end of period	21,816	28,819	25.02	20.82

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(c) Share-based payments (Continued)

ii) IMAX LTIP (Continued)

(iii) Performance Stock Units

PSUs under IMAX LTIP

IMAX Corporation grants two types of PSUs award, one which vests based on a combination of employee service and the achievement of certain Adjusted EBITDA targets and one which vests based on a combination of employee service and the achievement of total shareholder return ("TSR") targets. The achievement of these targets is assessed over a three-year performance period, with vesting ranging from 0% to 200% of the initial Adjusted EBITDA PSU award or 200% of the initial TSR PSU award, depending upon actual performance.

For the 2026 grants, the grant date fair value of Adjusted EBITDA PSUs is determined using the volume-weighted average price of IMAX Corporation's common shares on the New York Exchange for the sixty calendar days prior to the date of grant. The grant date fair value for TSR PSUs is determined using a Monte Carlo Model, influenced by share price and various assumptions, such as market conditions and expected share price volatility over the term of the awards.

The compensation expense attributable for each type of PSU is recognised on a straight-line basis over the requisite service period. If, as a result of management's assessment, it is projected that a greater or lesser number of PSUs will vest than previously anticipated, a life-to-date adjustment to increase or decrease compensation expense is recorded in the period that such determination is made. The expense recognised in the six months ended 30 June 2026 and 2025 includes adjustments reflecting management's estimate of the number of Adjusted EBITDA PSUs expected to vest.

During the six months ended 30 June 2026, the Group recorded an expense of \$0.2 million (30 June 2025: \$0.1 million) related to PSUs issued under the IMAX LTIP.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(c) **Share-based payments (Continued)**

ii) *IMAX LTIP (Continued)*

(ii) *Performance Stock Units (Continued)*

PSUs under IMAX LTIP (Continued)

The following table summarizes the activity in respect of PSUs issued under the IMAX LTIP for the six months ended 30 June:

For the six months ended 30 June:

	Number of Shares		Weighted Average Grant Date Fair Value Per Share	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
PSUs outstanding, beginning of period	33,739	20,558	21.49	18.24
Granted	4,420	13,181	42.41	26.54
PSUs outstanding, end of period	38,159	33,739	23.91	21.49

(d) **Reserves**

The Group's reserves and movement therein for the current and prior periods are presented in the condensed consolidated interim statement of changes in equity.

Share premium

The application of the share premium account is governed by Section 34(2) of the Companies Act (2013 Revision) of the Cayman Islands. Under the Companies Act of the Cayman Islands, the funds in the share premium account of the Company are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of the business. The Company distributed a dividend of \$nil out of share premium for the six months ended 30 June 2026 (30 June 2025: \$nil).

Capital reserve

The Group's capital reserve represents the net contributions from the Controlling Shareholder and share-based payment expenses.

Condensed Consolidated Interim Financial Information (Continued)

17. Share capital and reserves (Continued)

(d) Reserves (Continued)

Statutory surplus reserves

The PRC laws and regulations require companies registered in the PRC to provide certain statutory reserves, which are to be appropriated from the net profit (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. PRC companies are required to appropriate 10% of statutory net profits to statutory surplus reserves, upon distribution of their post-tax profits. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the companies, to expand the companies' production operations, or to increase the capital of the companies. In addition, in accordance with the Law of the PRC on Enterprises with Foreign Investments and the stipulated provisions of the articles of association of wholly-owned foreign subsidiaries in the PRC, appropriation from net profit (after offsetting accumulated losses brought forward from prior years) should be made by these companies to their respective reserves. The percentage of net profit to be appropriated to the reserves is not less than 10% of the net profit. When the balance of the reserves reaches 50% of the registered capital, further transfer needs not be made. Furthermore, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the Board of Directors. During the six months ended 30 June 2026, \$nil statutory surplus reserves were appropriated (2025: less than \$0.1 million).

FVOCI reserve

The FVOCI reserve represents the changes in fair value net of tax of financial assets at FVOCI of the Group.

The Group has one preferred share investments in IMAX (Hong Kong) Holdings, Limited. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The changes in the fair value are accumulated within the FVOCI reserve. There was no change to fair value of this investment as of 30 June 2026 and 31 December 2025 based on the Group's evaluation.

Condensed Consolidated Interim Financial Information (Continued)

18. Trade and other payables

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Trade payables to third parties	739	703
Payables to IMAX Corporation (note 25(b))	13,601	14,614
Other payables	351	442
	14,691	15,759

The aging analysis of trade and other payables based on recognition date is as follows:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
0 – 30 days	4,731	4,579
31 – 60 days	577	304
61 – 90 days	870	147
Over 90 days	8,513	10,729
	14,691	15,759

As at 30 June 2026 and 31 December 2025, the carrying amounts of trade and other payables approximated their fair values due to short maturity. Trade and other payables over 90 days primarily consist of amounts due to IMAX Corporation. No interest expense was intended to be charged and therefore accrued for the overdue payable balances as of 30 June 2026 (31 December 2025: \$nil).

Condensed Consolidated Interim Financial Information (Continued)

19. Accruals and other liabilities

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Accrued marketing and advertising expenses	3,038	2,800
Lease liabilities	866	1,070
Accrued salaries and benefits	611	1,548
Accrued professional fees	579	642
Accrued selling expenses	232	54
Value added tax payable	203	867
Withholding individual income tax	158	212
Accrued legal fees	73	229
Other tax payable	–	96
Other accrued expenses	1,267	1,387
Accruals and other liabilities, total	7,027	8,905
Accruals and other liabilities, current	6,553	8,271
Accruals and other liabilities, non-current	474	634
	7,027	8,905

Maturity analysis of lease liabilities

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Not later than one year	392	436
Later than one year and not later than five years	474	634
	866	1,070

Condensed Consolidated Interim Financial Information (Continued)

20. Borrowings

The outstanding balance of bank loans as at 30 June 2026 is \$nil (31 December 2025: \$nil).

The Group has access to the following undrawn borrowing facilities as described below. The facility is subject to annual review. The increase of the facility during the six months ended 30 June 2026 was primarily due to the impact of foreign exchange fluctuations.

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Unsecured bank borrowing facility	57,261	55,486
Unsecured letter of guarantee facility	1,468	1,283
	58,729	56,769

Bank of China Facility

In July 2018, IMAX (Shanghai) Multimedia Technology Co., Ltd. ("IMAX Shanghai Multimedia"), one of the Company's wholly-owned subsidiaries in the PRC, entered into its unsecured revolving facility for up to RMB200.0 million (approximately \$29.8 million), including RMB10.0 million (approximately \$1.5 million) for letters of guarantee, to fund ongoing working capital requirements (the "Bank of China Facility"). As at 30 June 2026, the outstanding borrowings under the Bank of China Facility were \$nil (31 December 2025: \$nil) and outstanding letters of guarantee were \$nil (31 December 2025: RMB1.0 million (approximately \$0.1 million)). As at 30 June 2026, the amount available for future borrowings under the Bank of China Facility was RMB190.0 million (approximately \$27.9 million) (31 December 2025: RMB190.0 million (approximately \$27.0 million)) and the amount available for letters of guarantee was RMB10.0 million (approximately \$1.5 million) (31 December 2025: RMB9.0 million (approximately \$1.3 million)). The amount available for future borrowings under the Bank of China Facility is not subject to a standby fee.

HSBC China Facility

In June 2022, IMAX Shanghai Multimedia entered into an unsecured revolving facility for up to RMB200.0 million (approximately \$29.8 million) with HSBC Bank (China) Company Limited, Shanghai Branch to fund ongoing working capital requirements (the "HSBC China Facility"). As at 30 June 2026 the outstanding borrowings under the HSBC China Facility were \$nil (31 December 2025: \$nil) and the amount available for future borrowings under the HSBC China Facility was RMB200.0 million (approximately \$29.4 million) (31 December 2025: RMB200.0 million (approximately \$28.5 million)).

Condensed Consolidated Interim Financial Information (Continued)

21. Deferred revenue

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Theatre system deposits	14,080	12,311
Maintenance prepayments	8,643	10,609
	22,723	22,920
Deferred revenue, current	13,163	13,454
Deferred revenue, non-current	9,560	9,466
	22,723	22,920

The following table shows the amount of revenue recognised in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2026 and 2025 relating to deferred revenue brought forward:

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Upfront revenue	364	–
Maintenance revenue	5,017	4,662
Total	5,381	4,662

The unsatisfied performance obligations out of the carrying value of the Group's backlog as at 30 June 2026 was approximately \$78.6 million (31 December 2025: \$119.0 million). The decrease was primarily driven by installations along with restructuring of certain contracts resulting in cancellation of backlog for certain system locations deemed mutually to no longer be beneficial to the Group and its exhibition customers during the six months ended 30 June 2026.

Condensed Consolidated Interim Financial Information (Continued)

22. Statement of cash flow supplemental information

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Profit before income tax for the period	10,283	31,024
Adjustment for:		
Depreciation of property, plant and equipment	6,535	6,457
Amortisation of film assets	3,057	1,756
Equity settled and other non-cash compensation	1,022	1,012
Amortisation of contribution to Enhanced Business	–	505
Loss on disposal of property, plant and equipment	38	109
Provisions (reversals) of allowance for expected credit losses	1,055	(55)
Reversals of write-downs	(41)	(26)
Interest expense	22	29
Foreign exchange (gains) losses	(73)	2
Changes in working capital		
Trade and other receivables	5,981	(13,983)
Financing receivables	2,087	781
Variable consideration receivables from contracts	(1,067)	602
Film assets	(2,972)	(1,775)
Inventories	423	665
Trade and other payables	(2,170)	1,685
Accruals and other liabilities	(1,674)	270
Deferred revenue	(1,729)	(1,594)
Prepayments	187	113
Contract acquisition costs	(9)	4
Other assets	(29)	(520)
Cash provided by operations	20,926	27,061

Condensed Consolidated Interim Financial Information (Continued)

23. Commitments

(a) Capital commitments

As at the end of the current interim period, the Group's capital commitment is shown below:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Capital expenditure contracted but not provided for in the condensed consolidated interim financial information in respect of:		
Acquisition of property, plant and equipment	449	961

(b) Operating lease commitments – Group as lessee

The Group leases various offices, apartments, and warehouses under non-cancellable operating lease agreements. The operating lease commitment presented below represents the future aggregate minimum lease payments for the leases with lease terms less than one year. Leases with lease terms over one year have been recorded as lease liabilities under IFRS 16.

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Within one year	93	90

24. Contingencies and guarantees

As of 30 June 2026, the Group was not involved in significant lawsuits, claims, or proceedings.

Financial guarantees

The Group has not provided any significant financial guarantees to third parties.

Condensed Consolidated Interim Financial Information (Continued)

25. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control.

IMAX Corporation (incorporated in Canada) is the Controlling Shareholder of the Company who holds 71.57% of the Company's shares as at 30 June 2026.

IMAX (Barbados) Holding, Inc. is a subsidiary of IMAX Corporation.

The following continuing transactions were carried out with related parties:

(a) Purchases and sales of goods and services and other transactions

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Purchase of goods:		
IMAX Corporation (theatres systems)	4,123	3,768
Purchase of services:		
IMAX Corporation (film related transactions)	2,966	1,779
IMAX Corporation (management fees – legal and administration services)	760	562
Other transactions:		
IMAX Corporation (trademark and technology fees)	2,079	3,069
IMAX Corporation (charge of share-based compensation expenses)	339	184
IMAX Corporation (other purchase transactions)	34	2
Gross revenue earned from film services through IMAX Corporation (Note below)	3,629	3,255
Revenue earned from Enhanced Business through IMAX Corporation	720	722
Revenue earned from maintenance services provided to IMAX Corporation	103	41

Goods and services are bought from IMAX Corporation (the Controlling Shareholder) on a cost-plus basis. Management services, trademark and technology fees are paid to IMAX Corporation (the Controlling Shareholder) based on service and fee agreements.

Note:

The amounts shown in the table are gross amounts for transactions with IMAX Corporation. For the six months ended 30 June 2026, conversion cost of approximately \$2.5 million (2025: \$1.2 million) paid to IMAX Corporation in relation to Hollywood films is considered as a payment to customer and is net against DMR revenue earned from IMAX Corporation as presented in the revenues of condensed consolidated interim statement of comprehensive income.

Condensed Consolidated Interim Financial Information (Continued)

25. Related party transactions (Continued)

(b) *Period/Year-end balances*

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Prepayments to related parties (note 14):		
IMAX Corporation	370	735
Receivables from related parties (note 15):		
IMAX Corporation	46,760	49,034
A Director	27	–
Payables to related parties (note 18):		
IMAX Corporation	13,601	14,614

The prepayments to, receivables from and payables to related parties arise mainly from purchase, sale, service and fee transactions. The credit terms of the balances are from 15 days to 1 year. Consistent with treatment of third parties, no interest income was intended to be charged and therefore accrued for the overdue receivable balances as of 30 June 2026 (31 December 2025: \$nil).

(c) *Key management compensation*

Key management includes members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Salaries and other short-term employee benefits	713	689
Post-employment benefits	10	5
Other benefits ¹	232	235
Share-based compensation	680	487
	1,635	1,416

1 Includes perquisites such as educational reimbursements of minor children, housing, car, and relocation allowances, service fees and other expenses.

26. Dividends

No dividends in respect of the six months ended 30 June 2026 or 2025 have been proposed.

Definitions

In this Interim Report, unless the context otherwise requires, the following expressions shall have the following meanings.

“1HFY”	the first half of the financial year, six months ended 30 June
“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
“Articles of Association”	the articles of association of the Company adopted on 21 September 2015 and effective from the Listing Date, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“CG Code”	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
“Company” or “IMAX China”	IMAX China Holding, Inc., a company incorporated under the laws of the Cayman Islands with limited liability on 30 August 2010
“connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder”	shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires
“Contingency Agreements”	contingency agreements in place to guard against any failure of supply by IMAX Corporation. See “Relationship with our Controlling Shareholders” in the Prospectus for further details
“Directors”	the directors of the Company and “Director” shall be construed accordingly as a director of the Company
“EBITDA”	profit for the year with adjustments for depreciation and amortization, interest income and income tax expense
“EIT”	enterprise income tax

Definitions (Continued)

“Enhanced Business”	the business operated and marketed as “IMAX Enhanced” by IMAX Corporation, which includes the licensing program business conducted in partnership with a third party to combine IMAX digitally remastered 4K HDR content and the third-party partner’s audio encoding technologies to streaming platforms and IMAX-certified CE devices worldwide
“Escrow Documents”	the design plans, specifications and know-how necessary to enable the Group to manufacture and assemble IMAX digital xenon projection systems, IMAX laser-based digital projection systems and nXos2 audio systems itself, or subcontract the manufacturing and assembly works to third party manufacturers and to convert conventional films into IMAX films
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares upon the exercise of an option
“Existing Agreements”	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
“FY” or “financial year”	financial year ended or ending 31 December
“Global Offering”	the offering of the Shares on the Main Board of the Stock Exchange on 8 October 2015
“Greater China”	for the purposes of this document only, the Chinese Mainland, Hong Kong, Macau and Taiwan
“Group”, “we”, “our” or “us”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board
“IMAX Barbados”	IMAX (Barbados) Holding, Inc., a company incorporated in Barbados with limited liability on 18 August 2010 and a controlling shareholder of the Company

Definitions (Continued)

“IMAX Corporation” or the “Controlling Shareholder”	IMAX Corporation, a company incorporated in Canada with limited liability in 1967 and listed on the New York Stock Exchange (NYSE: IMAX) and our ultimate controlling shareholder, 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 a direct wholly-owned subsidiary of the Company
“IMAX Hong Kong Holding”	IMAX (Hong Kong) Holding, Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of IMAX Barbados
“IMAX Hong Kong Theatre Percentage”	the percentage that all IMAX theatres using IMAX theatre systems in Hong Kong, Macau and Taiwan represents of all IMAX theatres in Chinese Mainland, Hong Kong, Macau and Taiwan
“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
“IPO”	initial public offering
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on 8 October 2015
“Listing Date”	8 October 2015
“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
“Long Term Incentive Plan” or “LTIP”	the long term incentive plan adopted by the Company in October 2012
“Macau”	Macau Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules

Definitions (Continued)

“New Agreements”	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”	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: (a) any member of the Group participates in the negotiations of such renewal; (b) 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 (c) the renewal includes the licensing of a new product category which is not covered under the relevant Existing Agreement
“Prospectus”	the prospectus of the Company dated 24 September 2015
“PSU Scheme”	the performance share unit scheme adopted by the Company on 12 March 2020 and amended on 28 April 2023
“PSU(s)”	performance share unit(s)
“RMB”	Renminbi, the lawful currency of the PRC
“RSU Scheme”	the restricted share unit scheme conditionally adopted pursuant to a resolution of our sole shareholder dated 21 September 2015 and amended by shareholders at the general meeting dated 7 June 2023, the principal terms of which are summarised in the section headed “Corporate Governance Highlights and Other Information – Sub-Plan: The Restricted Share Unit Scheme” in this Interim Report
“RSU(s)”	restricted share unit(s)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share Option Scheme”	the share option scheme conditionally adopted pursuant to a resolution of our sole shareholder dated 21 September 2015 and amended by shareholders at the general meeting dated 7 June 2023, the principal terms of which are summarised in the section headed “Corporate Governance Highlights and Other Information – Sub-Plan: The Share Option Scheme” in this Interim Report

Definitions (Continued)

“Shareholder(s)”	holder(s) of Shares
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCL-IMAX Entertainment”	TCL-IMAX Entertainment Co., Limited, a company incorporated in Hong Kong with limited liability on 3 January 2014, being the joint venture company jointly owned by IMAX Hong Kong Holding and Sino Leader (Hong Kong) Limited, which is wholly owned by TCL Multimedia Technology Holdings Limited
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USD”, “US\$”, “\$” or “United States dollars”	U.S. dollars, the lawful currency of the United States of America

Glossary

This glossary contains explanations of certain terms used in this Interim Report in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

“2D”	two-dimensional
“3D”	three-dimensional
“backlog”	our backlog comprises the aggregate number of commitments for IMAX theatre installations pursuant to contracts we have entered into with exhibitors
“box office”	the gross aggregate proceeds from ticket sales received by the relevant exhibitor(s) in the relevant market(s) for the relevant type(s) of film. For example, the Greater China box office is the aggregate proceeds from ticket sales received by all exhibitors in Greater China, and the Greater China IMAX box office is the aggregate proceeds from ticket sales received by all the exhibitors in Greater China in respect of IMAX films and IMAX Original Films. We also use the concept of box office in our revenue sharing arrangements, where it refers to the aggregate proceeds from ticket sales received by exhibitors in respect of IMAX films with which we have entered into a revenue sharing arrangement
“box office revenue”	the portion of box office that is due to be paid to the Group under revenue sharing arrangements in our theatre systems business and/or arrangements with IMAX Corporation and studios in our films business, as applicable
“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
“Chinese language films”	a motion picture approved for theatrical release in Greater China which was produced by one or more Chinese producer(s) or jointly produced by one or more Chinese producer(s) and one or more foreign producer(s) and was converted into IMAX format and released to IMAX theatres in Greater China pursuant to a DMR production services agreement entered into by a distributor with IMAX Shanghai Multimedia or IMAX Hong Kong in their respective territories, and meets the requirements of the relevant laws and regulations of Greater China
“distributor”	an organisation that distributes films to exhibitors or, in Chinese Mainland, theatre circuits for exhibition at theatres

Glossary (Continued)

“DMR”	the proprietary digital re-mastering process or any other post-production process and/or technology used by IMAX Corporation in connection with the conversion of a conventional film into an IMAX film
“exhibitor”	exhibitors are theatre investment management companies which own and operate theatres; exhibitors receive copies of films from the theatre circuits but retain control over the screening schedules
“full revenue sharing arrangement”	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for a portion of that exhibitor’s box office generated from IMAX films over the term of the arrangement, and no, or a relatively small, upfront payment
“Greater China DMR Film”	a conventional Chinese language film or Other Film, which was converted into IMAX format and released to IMAX theatres in Greater China
“Greater China Original Film”	any Chinese language film invested in, produced or co-produced by IMAX Shanghai Multimedia or IMAX Hong Kong and released to IMAX theatres in Greater China, which may or may not be in IMAX format
“Hollywood films”	an imported motion picture for theatrical release in global network which has been produced by one or more foreign producer(s) and was converted into IMAX format and released to IMAX theatres pursuant to a DMR production services agreement entered into between IMAX Corporation and a distributor and the importation and release of such motion picture has been permitted in accordance with the relevant laws and regulations of Greater China
“Hollywood studio”	a studio producing Hollywood films
“hybrid revenue sharing arrangement”	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for an upfront fee that is typically half of the payment under a sales arrangement and a portion of that exhibitor’s box office generated from IMAX films over the term of the arrangement, that is typically half of that under a full revenue sharing arrangement
“IMAX digital xenon projection system”	the xenon-based digital projection system, developed, and rolled out in 2008 by IMAX Corporation
“IMAX DMR”	the proprietary digital re-mastering process or any other postproduction process and/or technology used by IMAX Corporation in connection with the conversion of a conventional film into an IMAX film

Glossary (Continued)

“IMAX film”	a film converted from a conventional film using DMR technology
“IMAX laser-based digital projection system”	the dual 4K laser-based digital projection system, developed, and rolled out at the end of 2014 by IMAX Corporation
“IMAX Original Film”	any IMAX film invested in, produced or co-produced by IMAX Corporation and released to IMAX theatres, and/or for which IMAX Corporation owns and/or controls its theatrical distribution rights
“IMAX theatre”	any movie theatre in which an IMAX screen is installed
“Other Film”	a motion picture which was converted into IMAX format and released to IMAX theatres in Greater China, excluding all Hollywood films or Chinese language films
“revenue sharing arrangement”	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for, among other things, a portion of that exhibitor’s box office generated from IMAX films over the term of the arrangement; our revenue sharing arrangements are either full revenue sharing arrangements or hybrid revenue sharing arrangements (See the separate glossary explanations for these terms)
“sales arrangement”	an arrangement with an exhibitor pursuant to which we sell that exhibitor an IMAX theatre system for a fee and the exhibitor agrees to pay us on-going royalty fees for use of the IMAX brand and technology over the term of the arrangement
“studio”	an organisation that produces films (which may include all or some of script writing, financing, production team and equipment sourcing, casting, shooting and post production), owns the copyright to the films it produces and works with distributors to release those films at theatres
“take rate”	a film studio’s share of box office generated from a particular film, after making certain tax and other deductions
“theatre circuit”	an organisation that distributes newly released films to theatres within that circuit; every theatre in Chinese Mainland must be affiliated with a theatre circuit

The image features the IMAX logo in white, bold, sans-serif capital letters, centered horizontally. The background is a deep blue with a radial pattern of fine, light blue lines emanating from a central point, creating a starburst or sunburst effect. The lines are more densely packed in the center and become more sparse towards the edges. The overall composition is clean and modern, emphasizing the brand's identity.

IMAX®