



CINEMAONE

Digicel
IMAX GEMSTONE 4DX



PROSPECTUS

As filed with the Securities and Exchange
Commission of Trinidad and Tobago
on September 14, 2018



A company incorporated in the Republic of Trinidad and Tobago under the provisions of the Companies Act Chap 81:01

Offer for sale by CinemaONE Limited (the "Offeror") of 3,088,373 Ordinary Shares in CinemaONE Limited of no par value at \$10.00 per share (minimum application of 50 Ordinary Shares or \$500.00) payable in full on application.

Approximate date of commencement of proposed sale to the public: September 17, 2018

No underwriter has been involved in the distribution including in the preparation of the Prospectus or performed any review of the contents of this Prospectus. Details as to the advisers involved in the Offering are set out on Page 12 & 13 of this Prospectus. Such advisers include KPMG (as Auditors and Valuers), First Citizens Brokerage and Advisory Services Limited (as Lead Stockbroker) and Pollonais, Blanc de La Bastide and Jacelon. (as Legal Advisers).

An application has been made to the Trinidad and Tobago Stock Exchange (TTSE) to list 100.0% of the Ordinary shares of CinemaONE Limited (of which 38% are being offered to the public.

No securities will be distributed under this Prospectus later than one (1) year and twenty (20) days after the date of issue of the receipt for the Prospectus from the Trinidad and Tobago Securities and Exchange Commission (TTSEC) in keeping with Section 83(4) of the Securities Act, 2012.

The distribution of the Ordinary shares to the public will be made subject to obtaining the relevant approvals from the Trinidad and Tobago Securities and Exchange Commission and the Trinidad and Tobago Stock Exchange.

The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

Director Approval

This Prospectus has been seen and approved by the Directors of CinemaONE Limited (the "Company" or "CinemaONE") and by the Directors of Giant Screen Entertainment Holdings Limited ("GSEHL"), and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

No securities will be allotted or issued on the basis of this Prospectus later than 1 year and 20 days after the date of issue of the receipt for the Prospectus.

"Section 129 of The Securities Act, 2012, as amended, and the by-laws thereunder, provide purchasers with the right to withdraw from an agreement to purchase securities. This

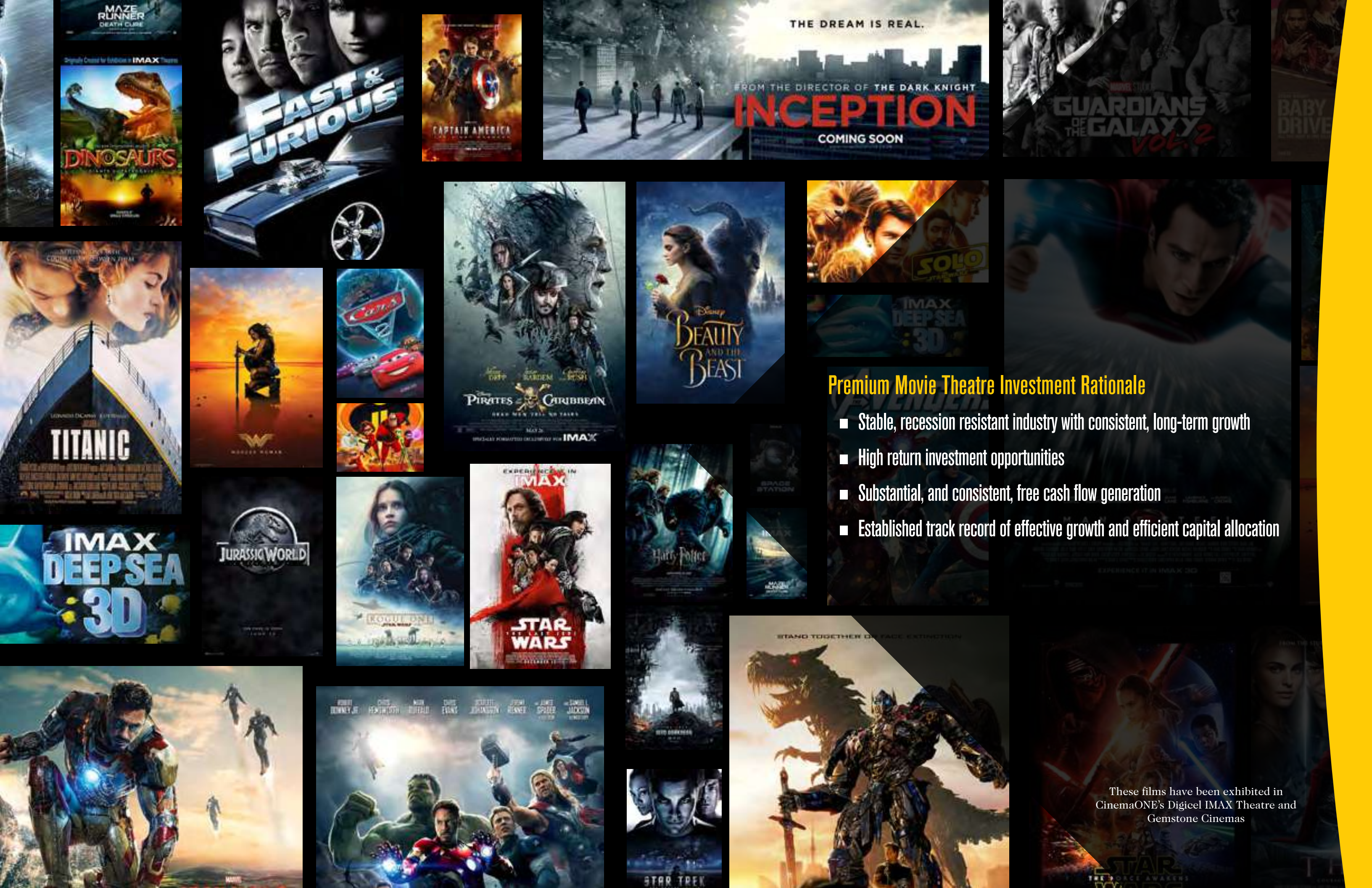
right may be exercised within two business days after receipt of a Prospectus and any amendment. Section 139(1) of the Securities Act 2012 further provides a purchaser with remedies for rescission and damages if the Prospectus or any amendment contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation. The purchaser should refer to the Securities Act, 2012, as amended, and the by-laws thereunder, for the particulars of these rights or consult with a legal adviser."

Market Data and Industry Information

Unless otherwise indicated, information in this Prospectus concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including information from independent industry analysts, local and regional affiliates of major Hollywood motion picture distributors, the National Association of Theatre Owners in the United States (NATO) including its international affiliates, the Motion Picture Association of America (the "MPAA") and publications such as Film Journal International, *Box Office Magazine* and *Variety*, IMAX® Corporation, as well as our own estimates and research. None of the independent industry publications used in this Prospectus were prepared on our behalf, and none of the sources cited in this Prospectus have consented to the inclusion of any data from its reports, nor have we sought consent from any of them. Although we believe that the sources are reliable, we have not independently verified market industry data provided by third parties or by industry or general publications. Similarly, while we believe our internal estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented by this Prospectus, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" in this Prospectus.

The following key dates with regard to the Offer should be noted:

The Offer will open on September 17, 2018 at 9AM, and will close at 4PM on October 12, 2018 or later, at the discretion of CinemaONE, but in any event no later than one (1) year and twenty (20) days after the date of the receipt for the Prospectus. In the event that the Offer is extended, relevant announcements will be published in the daily newspapers advising of the extended dates.



Premium Movie Theatre Investment Rationale

- Stable, recession resistant industry with consistent, long-term growth
- High return investment opportunities
- Substantial, and consistent, free cash flow generation
- Established track record of effective growth and efficient capital allocation

These films have been exhibited in CinemaONE's Digicel IMAX Theatre and Gemstone Cinemas

PROSPECTUS

CINEMAONE

Digicel
IMAX GEMSTONE 4DX

**THIS IS OUR INITIAL
PUBLIC OFFERING.**

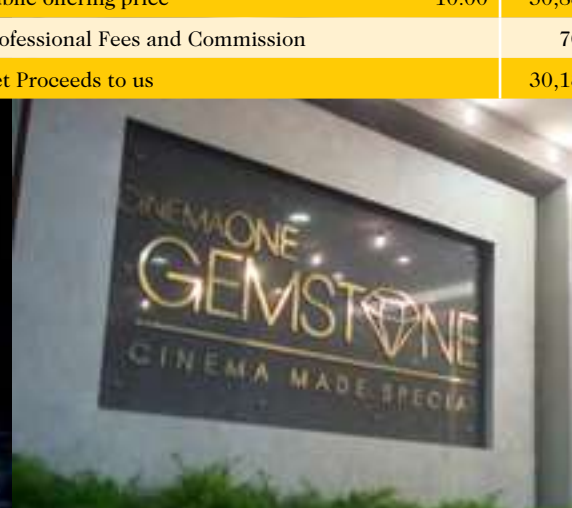
**WE ARE OFFERING 3,088,373
ORDINARY SHARES.**

We expect the public offering price of \$10.00 per share (minimum application of 50 Ordinary Shares or \$500.00). Currently, no public market exists for the shares. We intend to apply to list our Ordinary Shares on Trinidad and Tobago Stock Exchange under the symbol "CINE1."

CinemaONE has one class of outstanding shares which are Ordinary Shares.

Investing in our Ordinary Shares involves a degree of risk. See "Risk Factors" beginning on page 24.

	Per Share	Total
Public offering price	10.00	30,883,737
Professional Fees and Commission		700,000
Net Proceeds to us		30,183,737



Indicative Timetable

The Lead Stockbroker has established an Opening and Closing Date of this Offer as September 17, 2018 and October 12, 2018. The tentative listing date shall be November 14, 2018 or any other date as may be determined.

The Lead Stockbroker expects to deliver the shares to purchasers on or about October 29, 2018.

The date of this Prospectus is September 14, 2018.

1.	Commencement date for the Offer	September 17, 2018
2.	Final date for lodging applications (or later at the discretion of CinemaONE)	October 12, 2018
3.	Transfer of proceeds from the sale of the Securities Offered	October 24, 2018
4.	Expected transfer date of the Securities Offered to successful purchasers	October 29, 2018
5.	Expected electronic transfer of refunds via ACH	October 29, 2018
6.	Expected notification of allotment of securities	November 9, 2018
7.	Date of Listing on Stock Exchange	November 14, 2018

DEFINITIONS/ GLOSSARY

3D Three dimensional - a system or effect used in a movie to provide three dimensions - width, length and depth

4D Four dimensional – relating to the incorporation of environmental effects such as motion, wind, light rain, etc. into a 3D motion picture viewing experience

ACH Automatic Clearing House

CAGR Cumulative Average Growth Rate

CGV South Korean headquartered licensor of CinemaONE's 4DX patented motion picture technology

CARICRIS Caribbean Information and Credit Rating Services Limited

Central Bank Central Bank of Trinidad and Tobago

CEO Chief Executive Officer

CFO Chief Financial Officer

COO Chief Operating Officer

Companies Act Companies Act Chapter 81:01

Company CinemaONE Limited

Control Voting power which an entity holds over another entity through its direct and indirect ownership of shareholding in an entity

Control Interest Voting power arising from direct or indirect ownership in an entity

Employee Allocation The allocation of shareholding allocated to employees as described in Section 4 herein

Employees Employees of CinemaONE Limited or Giant Screen Entertainment Holdings Limited who are included on the respective Company's payroll as at the Opening Date of the Offer Period and includes non-permanent employees who are either contract employees or temporary employees with at least six (6) months of continuous service but does not include interns, trainees and consultants

Existing Shareholder Group Giant Screen Entertainment Holdings Limited

F&B Food and Beverages (including cocktails, beer and wine)

Finance Act of 2012 Part Fifteen (15) XV of the Finance Act of 2012 of the Ministry of Finance authorising fiscal incentives for SME's and the criteria for SME's listing on the Trinidad and Tobago Stock Exchange

FCBAS First Citizens Brokerage and Advisory Services Limited

Gemstone CinemaONE's luxury theater multiplex format offering in-theater dining, seat side F&B service, and recliner seats

GSEHL Giant Screen Entertainment Holdings Limited

GORTT Government of the Republic of Trinidad and Tobago

IAS International Accounting Standards

IFRS International Financial Reporting Standards

IMAX Image Maximum – acronym used by the IMAX Corporation which founded large format fifteen (15) perforation film frame, 70 mm format (15/70) motion picture projectors in 1967 and has since patented numerous related image capture and image projection technologies in film, digital and 3D formats.

IMAX DMR IMAX's proprietary Digital Media Remastering (DMR) process which up-converts conventional films to IMAX format

Individuals Individuals who are nationals of Trinidad and Tobago

Investor All persons applying for the purchase of Ordinary Shares

IPO The Initial Public Offering of CinemaONE Limited

K Thousands

M Millions

MPAA Motion Picture Association of America

Multiplex Multiple cinema screen entertainment venue

NATO National Alliance of Theatres Owners (US and International divisions)

Offer Initial Public offering of CinemaONE's shares

Offer Price TT \$10.00 per share (minimum application of 50 Ordinary Shares or \$500.00)

Ordinary Shares The Ordinary shares issued from time to time by CinemaONE

OWP One Woodbrook Place, Port of Spain, Trinidad

PAD Profit after tax available for distribution

Prospectus This Prospectus prepared in accordance with the Securities Act with respect to distribution of the Ordinary Shares

Restricted Shares Shares within the Existing Shareholder group or Employee allocation

Retention Period The period of one hundred eighty (180) days from the date on which the Securities offered are allocated to employees

Securities Act Securities Act, 2012 (as amended from time to time)

Securities Offered Ordinary shares in CinemaONE

SME Small and Medium Enterprise

TT\$ or TTD Trinidad and Tobago Dollars

TTCD The Trinidad and Tobago Central Depository

TTSE Trinidad and Tobago Stock Exchange

TTSEC Trinidad and Tobago Securities and Exchange Commission

US\$ or USD United States Dollars

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1.0 CORPORATE DIRECTORY

ISSUER

Registered Office:

CinemaONE Limited
One Woodbrook Place,
189 Tragarete Road,
Port of Spain
(T): [868-299-IMAX](tel:868-299-IMAX)
(E): investorss@cinel.biz
(W): www.cinemaonett.com

LISTING OF PERSONS INVOLVED IN THE OFFER

Lead Stockbroker

First Citizens Brokerage and Advisory Service Limited
17 Wainwright Street
St. Clair, Port of Spain
Trinidad and Tobago
(T): [868-622-3247](tel:868-622-3247)
(W): www.firstcitizenstt.com

Auditors

KPMG
Savannah East,
11 Queen's Park East,
Port of Spain
Trinidad and Tobago
(T) [868-612-KPMG](tel:868-612-KPMG)
(F) (868) 623-1084
(W): www.kpmg.com/tt

Attorneys-at-Law & Legal Advisors

Pollonais, Blanc, de la Bastide & Jacelon Attorneys-at-Law
Pembroke Court 17-19 Pembroke Street,
Port of Spain
Trinidad and Tobago
(T) [868-623-5461](tel:868-623-5461)
(F) (868) 625-8415

Valuator

KPMG
11 Queen's Park East,
Port of Spain
Trinidad and Tobago
(T) [868-612-KPMG](tel:868-612-KPMG)
(F) (868) 623-1084
(W): www.kpmg.com/tt

Principal Bankers

CIBC First Caribbean International Bank
Corporate Banking - CIBC FirstCaribbean Financial Center
74 Long Circular Road,
Maraval, Trinidad
(T) [868-628-4685](tel:868-628-4685)
(F) 868-622-4989
(W) cibcficib.com

First Citizens Bank Limited
One Woodbrook Place,
Port of Spain, Trinidad
(T): [868-628-6305](tel:868-628-6305)
(F): 623-9686
(W): www.firstcitizenstt.com

Advisor

KCL Capital Market Brokers Limited
4 Hamilton Street,
Woodbrook
(T): [223-CMBL \(2625\)](tel:223-CMBL-2625)
(F): 221-9668 Ext. 37
(W): www.cmbltt.com

Stock Exchange

Trinidad and Tobago Stock Exchange Limited
10th Floor, Nicholas Towers,
63-65 Independence Square,
Port of Spain
(T): [868-625-5107](tel:868-625-5107) Ext. 9
(F): (868) 623-0089
(W) www.stockex.co.tt

Registrar

Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Towers,
63-65 Independence Square,
Port of Spain
(T): [868-625-5107](tel:868-625-5107) Ext. 9
(F): (868) 623-0089
(W) www.stockex.co.tt

AUTHORISED STOCKBROKERS

Bourse Brokers Limited
24 Mulchan Seuchan Road,
Chaguanas
(T): POS: [868-628-9100](tel:868-628-9100)
(T): South: [868-628-9100](tel:868-628-9100)
(W): www.bourseinvestment.com
(E): admin@boursefinancial.com
Head: Mr. Subhas Ramkhelawan

Caribbean Stockbrokers Limited
29 Chacon Street,
Port of Spain
(T): [868-624-8178](tel:868-624-8178), [624-4415](tel:624-4415)
Email: cslbroke@caribstockbrokers.com,
csl@tstt.net.tt
Managing Director: Mr. Alvin Johnson

First Citizens Brokerage and Advisory Services Limited
17 Wainwright Street,
Port of Spain
(T): [868-622-3247](tel:868-622-3247)
Ground Floor, CIC Building,
Lady Hailes Ave,
San Fernando
(T): [868-657-2662](tel:868-657-2662)
Website : www.firstcitizenstt.com/fcis/wealth-management
Email: brokerage@firstcitizenstt.com
Manager – Brokerage Services : Mr. Leslie St. Louis

JMMB Securities (T&T) Limited
169 Tragarete Road,
Port of Spain
(T): POS [868-224-5662](tel:868-224-5662)
(T): South [868-224-5667](tel:868-224-5667)
Website: www.jmmbtt.com/investments
Email: infott@jmmb.com
General Manager: Ronald Carter

West Indies Stockbrokers Limited
St.Clair Place,
8 Sweet Briar Road,
St. Clair
Port of Spain
(T): [868-628-9473](tel:868-628-9473)
Website: www.wisett.com
Email: wisinfo@wisett.com
Head: Mr. Adrian Manmohan

Authorised Distributors

KCL Capital Market Brokers Limited
4 Hamilton Street,
Woodbrook
(T): [868-223-CMBL \(2625\)](tel:868-223-CMBL-2625)
(F): [868-221-9668](tel:868-221-9668) Ext. 37
(W): www.cmbltt.com

Sheppard Securities Limited
5-7 Sweet Briar Road,
St. Clair
(T): [868-222-5192](tel:868-222-5192)
(F): (868) 221-5193
(W): www.sheppard.tt

CINEMAONE

2.0 INVESTOR
WARNING

3.0 INFORMATION
SUMMARY

4.0 DETAILS OF
PUBLIC OFFERING

2.0 INVESTOR WARNING

You should rely only on the information contained in this Prospectus. Neither we nor the Lead Broker have authorized anyone to provide you with information that is different from that contained in this Prospectus. This Prospectus may only be used where it is legal to offer and sell these securities. The information in this Prospectus is only accurate as of the date of this Prospectus.

3.0 INFORMATION SUMMARY

Corporate Group Information

This Information Summary highlights key information contained in the Prospectus and may not contain all the information that may be important to prospective purchasers. Readers are advised to read the entire Prospectus prior to deciding whether to invest in the Securities Offered.

Overview of CinemaONE Limited

CinemaONE is an entertainment company based in Trinidad and Tobago. CinemaONE offers differentiated and innovative digital cinema entertainment in multiple, premium movie formats. In 2011, CinemaONE successfully launched the first large format IMAX® movie theater in the Caribbean featuring IMAX's patented, immersive 3D technology on the region's largest, giant screen. In 2016, CinemaONE continued its innovation in movie entertainment with the successful launch of its luxury, designer theater format branded

Gemstone. CinemaONE's Gemstone theater offers in-theater dining inclusive of cocktail, wine and beer service combined with convenient push button seat side service. CinemaONE's Gemstone facilities are equipped with digital projector systems, surround sound and fully reclining seats. Located in the upscale One Woodbrook Place (OWP) development in Port of Spain, Trinidad, CinemaONE offers patrons highly differentiated movie experiences.

CinemaONE has delivered successive years of profitability and in 2017 experienced its highest growth rates of between 10-20% in key financial metrics including revenue, gross profit and net profit, following the successful launch of Gemstone, its luxury theater multiplex offering which is located one floor above the Trinidad IMAX at OWP.

In 2017, CinemaONE paid dividends of TT \$2,296,693, comprising TT \$618,270 in ordinary share dividends and TT \$1,678,423 in preference share dividends.

4.0 DETAILS OF PUBLIC OFFERING

No person has been authorised to give any information or to make any representation about the Offer other than those contained in this Prospectus. If such information or representation is given or made, the information or representation must not be relied upon as having been authorised by the Directors of CinemaONE other than as set out in this Prospectus. This Prospectus is intended for use in Trinidad and Tobago. Nothing in this Prospectus constitutes an offer of securities for sale in any jurisdiction other than in the Republic of Trinidad and Tobago. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus must be treated as sent for information only and should not be copied or redistributed. If the laws of any place outside the Republic of Trinidad and Tobago are applicable to an application, the applicant must comply with all such laws and CinemaONE will not infringe on any laws outside the Republic of Trinidad and Tobago as a result of the acceptance of an application to purchase.

We intend to apply to list our Ordinary Shares on the Trinidad and Tobago Stock Exchange under the symbol "CINE1."

Critical Dates

Opening Date	September 17, 2018
Closing Date	October 12, 2018
Date for Allotment of Securities	November 9, 2018
Date of Listing	November 14, 2018

Purpose of Public Offering

Having for the last six (6) years, delivered a profitable proof of concept of a differentiated cinema experience, CinemaONE is now poised to accelerate movie screen and multiplex site expansion in order to deliver sustainable long-term growth through a range of strategies highlighted in this Prospectus.

CinemaONE's specific purpose for the IPO offer is as follows:

1. Launch the 4D movie theater experience in Port of Spain, increasing the movie screens to six (6) at CinemaONE's anchor site in the upscale One Woodbrook Place development
2. Expand CinemaONE's luxury movie theater format branded Gemstone into Gulf City Mall, San Fernando, potentially combined with another immersive, differentiated movie experience
3. Deepen customer appeal through use of high impact movie theater technologies, strong and integrated IT platforms and a myriad of social media connectivity.
4. Capture 10-15% market share in target markets and more rapidly grow the overall business
5. Emerge as the first SME listing on the TTSE and benefit from the reduced 10% corporate tax rate
6. Spread share ownership and anchor CinemaONE as a community asset within each market that CinemaONE operates.

Securities Being Offered

CinemaONE shall offer the Securities Offered at an offer price of \$10.00 per share (minimum application of 50 Ordinary Shares or \$500.00) ("Offer Price") (minimum application of 50 Ordinary Shares or \$500.00), payable in full on application for these shares. The Securities Offered are being offered to:

- i. Individual Investors;
- ii. Registered Mutual Funds, including the Trinidad and Tobago Unit Trust Corporation;
- iii. Registered Pension and other Trust Funds, Credit Unions and Cooperatives and National Enterprises Limited;
- iv. National Insurance Board of Trinidad and Tobago and other national insurance schemes of other countries; and
- v. Other Companies.

The basis of allocation is detailed in Section 4, page 19 below: Purchase Application Information - Allocations.

CinemaONE's issued share capital currently comprises 4,962,127 Ordinary Shares, representing paid up capital of \$19.1M. CinemaONE's Ordinary Shares will be increased to a maximum of 8,050,500 Ordinary Shares at or before the commencement of the IPO.



Upon completion of the Offer and assuming full subscription of the Offer, CinemaONE's effective share ownership will be as follows:

GSEHL Corporate Entity		
GSEHL Converted Shareholder Allocation <i>(To be held in institutional or individual shareholder names, at the option of the GSEHL shareholder at the time of the IPO.)</i>		
CinemaONE Employee Allocation		
SUBTOTAL GSEHL, affiliates and employees		
PUBLIC		
TOTAL		

Ordinary Shares	% Ownership
4,105,756	51%
805,050	10%
51,321	1%
4,962,127	62%
3,088,373	38%
8,050,500	100%

PURCHASE APPLICATION INFORMATION

APPLICATION FOR ORDINARY SHARES

Application to purchase ordinary shares under the Offer must be made on the application form included under Appendix One of this Prospectus ("Purchase Application Form"). Copies of the Prospectus and Purchase Application Forms are available from FCBAS or from any of the other authorized stockbrokers. Each Purchase Application Form must be completed in accordance with the terms thereof and lodged with a payment in full of \$10.00 per share (minimum application of 50 Ordinary Shares or \$500.00) with FCBAS or any other authorized stockbroker. A valid account with the TTCD is required as no paper certificates will be issued.

It is strongly recommended that persons with an existing TTCD account submit an application through their broker. Persons without a TTCD account can visit FCBAS or any of the authorized stockbrokers to open a TTCD account and submit their application. Refer to Appendix Two for a checklist of information/requirements to open a TTCD account.

A separate remittance must accompany each Purchase Application Form and any Purchase Application Form which does not comply with the requirements set out in that form may be refused. Cheques must be made payable to "FCBAS – CINE1 IPO" or to an authorized stockbroker. Applications shall not be binding if written notice of the applicant's intention to withdraw his/her application is provided to FCBAS, within two business days after submission of the application. This written notice should be addressed to and delivered to FCBAS.

The Company, reserves the full and unconditional right to accept or reject any application or to accept any application in part only. If any application is not accepted, or is accepted for less ordinary shares than those applied for, the remittance of the Offer Price or the excess amount, as the case may be, will be returned as soon as possible by electronic funds transfer Automated Clearing House ("ACH") at the risk of the applicant.

Ownership of the Securities Offered will be in dematerialized form i.e. the record of title of ownership will be maintained in electronic form by the Company in the TTCD. Therefore, it is not the intention to issue share certificates to shareholders. The processes for Acceptance of the Offer, Payment for the Ordinary Shares, Allocations and Notifications of Allocations are set out on pages 18 and 19.

THE OFFER

This Offer is made on the basis that the applicant offers to purchase from the Company at the Offer Price the number of ordinary shares indicated in their application (or any smaller number in respect of which their application is accepted) on the Terms and Conditions of application.

Once the applicant expresses interest in the purchase (by way of the application for purchase) it will be on the basis that his/her/its application cannot be revoked, provided that the applicant has not

notified the Lead Broker in writing within two business days after the submission of the application that he/she/it intends to withdraw his/her/its application, and that the cheque or draft accompanying his/her/its application will be honoured on first presentation.

If a Purchase Application Form is not completed correctly, or if the accompanying Managers' Cheque, draft or electronic payment, as applicable, is for the wrong amount, it may still be treated as valid. In these circumstances, it is FCBAS (as agent of the Company) decision as to whether to treat such an application as valid, and how to construe, amend or complete it shall be final. The applicant will not, however, be treated as having offered to purchase more ordinary shares than is indicated on its application for ordinary shares.

ACCEPTANCE OF OFFER

The Company may accept an application to purchase (if such application is received, valid, processed and not rejected) or notify the TTSE of the basis of allocation (in which case the acceptance will be on that basis). The acceptance may be in respect of the whole or any part of an application and accordingly, the number of ordinary shares in an application to purchase may be scaled down. If the Company, accepts an application to purchase (in whole or in part), there will be a binding contract under which the applicant will be required to purchase the ordinary shares in respect of which their application has been accepted.

PAYMENT FOR THE ORDINARY SHARES

This Offer is made on the basis that the applicant will undertake to pay the Offer Price for the ordinary shares in respect of which their application for purchase is accepted. The manager's cheque, personal cheque and bankers' draft accompanying an application may be presented for payment before acceptance of an application, but this will not constitute acceptance of an application either in whole or in part. Electronic payments will be accepted for amounts in excess of \$500,000 subject to appropriate anti-money laundering disclosures. Payment received will be held pending acceptance of the application and applied only upon acceptance. Following full payment of the Offer Price, FCBAS, as agent of the Company, will arrange for the ordinary shares which the applicant has agreed to purchase to be transferred to the applicant via the Trinidad and Tobago Central Depository (TTCD).

If an application is invalid, is rejected or is not accepted in full, any proceeds of the manager's cheque, personal cheque, bankers' draft or electronic payment accompanying that application (or, if an application is accepted in part, the unused balance of those proceeds) will be refunded to the applicant without interest in accordance with the Indicative timetable set out on page 7 above.

ALLOCATIONS

The allocation of the ordinary shares is expected to be announced via written communication to all applicants by November 9, 2018. If an application is successful in whole or in part, the applicant will be sent notification in writing to the address noted on the quoted TTCD account of the number of ordinary shares allocated to them. In the event of excess demand, the applicant may be allocated fewer ordinary shares than applied for, or in some cases, none at all. If an application is not accepted, all monies paid on application will be returned (without interest). If an application is accepted in part, the applicant will receive (without interest) a refund of the balance of the monies paid on application.

The application for purchase may be rejected by the Company, acting in good faith, for the reasons including, but not limited to, the following:

- ▶ If the application for purchase is incomplete;
- ▶ If the applicant's identity is fictitious and not supported by valid identification; and
- ▶ If the application for purchase, as presented, contravenes any existing law or statute.

Under no circumstances will more than 3,088,373 ordinary shares be allotted to the Public.

The right is reserved to present for payment all manager's cheques or personal cheques received but this will be avoided where practicable in respect of applications for which it is not expected to make an allocation. All cheques must be honoured on first presentation.

If the Offer is oversubscribed, allocation of shares will be made on the following basis:

- ▶ All successful applicants will receive a prorated number of shares based on the total number of shares applied for, the number of shares applied for by the respective applicant and the total number of shares set out to be allocated.

In the event that the Offer is undersubscribed, all applicants will be allocated 100% of the shares for which the applicant applied.

NOTIFICATION OF ALLOCATIONS

It is expected that the Purchase Application Forms will be processed and successful applicants for the Offer will be notified in writing of their allocations not later than November 9, 2018 together with any refund of monies received, as appropriate.

Material Aspects of Shares Being Offered

General

CinemaONE's Ordinary Shares have the right to cast one vote for each share held of record on all matters submitted to a vote of holders of ordinary shares.

Voting Rights

CinemaONE's Ordinary Shares vote on all matters which stockholders may vote, including the election of directors.

Dividends

CinemaONE's dividend policy is to distribute cash in excess of operating requirements to its shareholders, which, in each case, shall be at the discretion of its Board of Directors. In accordance with such dividend policy, CinemaONE's total annual dividend payout percentage shall be equal to a minimum of 30% and a maximum of 50% of Profit Available for Distribution ("PAD"). For purposes of the dividend policy, CinemaONE's PAD shall be defined as:

Net Profit After Tax of CinemaONE

LESS:

1. Income from Associated Companies net of taxes
2. Principal repayments on loans/transfers to sinking or debt service reserve fund
3. Transfer to reserve funds
4. Special payments
5. Exceptional items which impact cash available for distribution
6. Capital expenditure not financed by shareholders and/or via third-party financing
7. Unrealized gains

ADD:

1. Cash dividends received from associated companies
2. Depreciation
3. Exceptional Items which impact cash available for distribution
4. Unrealized losses

CinemaONE's dividend policy as described here shall be subject to:

- ▶ the solvency requirements of the Companies Act; and
- ▶ any banking or other funding covenants by which CinemaONE may be bound from time to time.

Changes to target dividend payout percentage.

The dividend payout percentage set out above will not be changed without the prior approval of a simple majority of the Directors.

Dividend rights

All of CinemaONE's Ordinary Shares shall be entitled to equal rights in respect of dividends.

Frequency of Payments to Shareholders

Subject to the above-noted requirements (including but not limited to the prior approval of the Board of Directors), CinemaONE will endeavor to pay dividends twice per year in the months of January and June. An interim dividend for the financial year may be paid based on the six (6) months financial results ended 31 March and the final dividend may be paid following the approval of the audited annual financial statements.

Currency of Payments to Shareholders.

CinemaONE shall pay dividends in TT Dollars, unless otherwise agreed by a simple majority of the Directors based on available foreign currency earnings from operations in foreign currency jurisdictions if and when such foreign operations are established.

Investment Policy

Unused funds after payment of operating expenses and dividends shall be invested in short-term investments, including, for example, repurchase agreements (collateralized by securities of GORTT and agencies or any regional/US sovereign), treasury bills, certificates of deposits and money market instruments. Securities eligible for investment shall be marketable, liquid securities which can be sold in short time frames. The CFO shall recommend investments in such financial assets. Approval for these investments must be obtained from CinemaONE's Board of Directors prior to implementation.

No Restrictions on Transfer of Shares

On April 4, 2018 we amended our Articles of Incorporation and ByLaws to remove all restrictions on the transfer of Ordinary shares in CinemaONE and to define CinemaONE as a Public Company. Within one (1) or two (2) years after the IPO and assuming that all statutory approvals have been secured, CinemaONE plans to establish an Employee Stock Ownership Plan (ESOP) which shall not account for more than five (5) percent of the Company's share capital. CinemaONE's future establishment of such an ESOP will require the approval of seventy-five (75%) of the shareholders on record at such future date. The establishment of a future ESOP differs from the Employee Allocation outlined on pages 18 and 35.

Dividend and Distribution Rights

Holders of Ordinary Shares have equal ratable rights to dividends from legally available therefore, when, as and if declared by our Board of Directors and Ordinary Shareholders are entitled to share ratably, as a single class, in all of our assets available for distribution to holders of Ordinary Shares on the liquidation, dissolution or wind-up of our affairs.

Annual General Meeting and Appointment of CinemaONE's Directors

Section 109 of the Companies Act states that the directors of a company shall call an annual meeting of shareholders, not later than eighteen (18) months after CinemaONE comes into existence, and subsequently not later than fifteen (15) months after holding the last preceding annual meeting.

According to Section 10: Annual Meetings of CinemaONE's By-Laws, the annual meeting of shareholders shall be held at such time in each year within Trinidad and Tobago for the purpose of considering the financial statements and reports required by the Companies Act to be placed before the annual meeting, electing Directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

Rights upon Dissolution or Winding-up

CinemaONE's By-Laws provide that in the event that it is wound up, its surplus assets available for distribution among the shareholders shall be applied towards repaying the amount paid up on the shares then in issue by CinemaONE to its respective shareholders. Where assets are more than sufficient to repay the whole amount paid up on such shares, the surplus shall be distributed among CinemaONE's shareholders in like proportion. The rights of Ordinary shareholders shall be the same upon dissolution or winding-up.

Eligibility for Investment for Statutory Fund Purposes

The Second Schedule of the Insurance Act, 1980 provides, among other things, that shares of a company incorporated in Trinidad and Tobago and approved by the Central Bank, will qualify as an eligible asset in which the Statutory Funds of Insurance Companies and Pension Fund Plans might invest. On August 16, 2018 CinemaONE received approval from the Central Bank of Trinidad and Tobago indicating that its Ordinary Shares are eligible for statutory fund and pension fund investments provided that the shares or part thereof are purchased, transferred or assigned no later than September 30, 2018.

Listing on Trinidad and Tobago Stock Exchange

As of the date of this Prospectus, CinemaONE intends to apply to the TTSE for a listing of its shares on the SME exchange of the TTSE.

Sale of Restricted Shares

Upon successful completion of this offering, we will have approximately 8,050,500 shares of Ordinary Shares outstanding. Of these 8,050,500 Ordinary Shares, 3,088,373 shares are being sold in this offering and will be freely tradable without restriction.

The remaining Ordinary Shares will be held by GSEHL and its existing shareholders and employees "restricted securities" as outlined in the table on page 18.

Electronic Offer, Sale and Distribution of Shares

In connection with this offering, certain of the brokers or securities dealers may distribute Prospectuses by electronic means, such as e-mail. In addition, one or more of the brokers may facilitate Internet distribution for this offering to certain of its Internet subscription customers. One or more of the brokers may allocate a limited number of shares for sale to its online brokerage customers. An electronic Prospectus is available on the Internet web site maintained by certain brokers. Other than the Prospectus in electronic format, the information on such broker's web sites is not part of this Prospectus.



Pricing

The Initial Offer Price is \$10.00 per share (minimum application of 50 Ordinary Shares or \$500.00), payable in full at the time of application. The initial public offering price has been determined through an independent valuation, and an assessment of prevailing market conditions. CinemaONE has considered a number of factors in the calculation of its IPO share price, including, inter alia:

1. An independent valuation analysis conducted by KPMG
2. The information, including audited historical financial information, as set forth in this Prospectus;
3. The history of, and the prospects for CinemaONE, and the industry in which CinemaONE competes
4. An assessment of CinemaONE's management, its past and present operations, and the prospects for, and timing of, CinemaONE's future revenues
5. The present state of CinemaONE's development, including lease offers and executed agreements for multiplex development sites
6. The overall economic prospects of Trinidad and Tobago and the Caribbean region;
7. The valuation multiples of publicly traded companies that CinemaONE believes to be comparable to its cinema exhibition operations
8. The above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.
9. The general condition of the securities markets, timing of the IPO Offer and CinemaONE's prospects and novelty as

the first SME listing on the TTSE.

CinemaONE cannot assure Investors that the Securities Offered will trade in the public market at or above the Offer Price, at any time, including during the Offer Period.

Use of Proceeds

CinemaONE's **minimum required net proceeds** for the IPO listing on the SME exchange is \$13,000,000.

Where the minimum of TT\$13,000,000 is not raised by CinemaONE prior to the Closing Date, inclusive of any extensions and such extensions not to exceed ninety (90) days from the Opening Date or commencement of the distribution, then this IPO Offer and distribution shall cease and the funds raised shall be returned to subscribers.

Projected Proceeds: CinemaONE estimates that it will receive net proceeds from this SME offering of approximately \$ 30,183,737, after deducting estimated brokerage commissions and advisory fees and other offering expenses payable by us related to this offering. For the purposes of estimating gross proceeds, we are assuming an initial public offering price of \$10.00 per share (minimum application of 50 Ordinary Shares or \$500.00).

Use of Proceeds: CinemaONE intends to use approximately \$30,183,737, which represents the net proceeds from this offering to at least triple the current screen count of CinemaONE from 6 to over 18 screens and to geographically diversify CinemaONE's operations with the launch of two additional sites. One will be located in Trinidad and Tobago and the other is intended to be developed in a US dollar denominated destination.

CinemaONE's specific Use of Proceeds is outlined below:

Use of IPO Offer Gross Proceeds	TT\$ Amount	Percentage of Total
Equity in Multiplex Expansion Site No. 1	9,777,390	31.7%
Equity in Multiplex Expansion Site No. 2	20,406,347	66.1%
Legal, Audit, and Financial Advisory Fees and Brokerage Commissions	625,000	2.0%
SME Listing Fees	34,550	0.1%
Other IPO Related Fees (Prospectus Design and Printing, Marketing and Advertising)	40,450	0.2%
TOTAL GROSS PROCEEDS	30,883,737	100.0%

The foregoing represents our intentions as to the use and allocation of the gross proceeds of this offering based upon our present plans, contractual obligations and business conditions. The amount and timing of any expenditure may vary, specifically with reference to the prioritisation of the buildout of multiplex sites and the amount of capital generated by the IPO and changes, if any, in the business climate. Pending their use, we intend to invest the proceeds in a variety of short term, capital preservation instruments which are interest-bearing and offer immediate liquidity.



CINEMAONE

5.0 RISK
FACTORS

5.0 RISK FACTORS

An investment in our Ordinary Shares involves significant risks. You should consider carefully all of the information in this Prospectus, including the risks and uncertainties described below and the financial statements and related notes included in this Prospectus, before making an investment in our Ordinary Shares. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations, prospects or liquidity. In any such case, the market price of our Ordinary Shares could decline, and you may lose all or part of your investment.

SUMMARY OF RISKS RELATED TO INVESTMENT IN CINEMAONE'S ORDINARY SHARES

CinemaONE faces a variety of risks. An outline of these risks is as follows:

- ▶ Risks Related to CinemaONE's Business and Industry – Such risks are detailed along with key mitigation strategies in the section below.
- ▶ Risks Related to Macroeconomic Conditions Facing Caribbean Region Economies – A summary of such risks are outlined on page 30.
- ▶ Risks Relating to Trading of CinemaONE Shares on the Trinidad and Tobago Stock Exchange – A summary of such risks are highlighted on page 30.
- ▶ Risks Related to CinemaONE's Corporate Structure – A summary of such risks are highlighted on page 30.



TOP TEN RISKS AND MITIGATION STRATEGIES RELATED TO CINEMAONE'S BUSINESS AND INDUSTRY

RISK ONE

A lack of motion picture production and poor performance of motion pictures would have a negative effect on film attendance

CinemaONE's ability to operate successfully depends upon the availability, diversity and appeal of motion pictures, its ability to license motion pictures and the performance of these motion pictures in CinemaONE's markets. CinemaONE licenses first-run motion pictures, the success of which depends upon their quality, as well as on the marketing efforts of the major film studios, distributors and IMAX Corporation. Poor performance of these films or disruption in the production of, or changes in, the licensing terms of the films, or a reduction in the marketing efforts of the major film studios, distributors, and IMAX Corporation would have a negative effect on film attendance and adversely affect CinemaONE's business, financial condition and results of operations. In addition, a significant change in the type and breadth of motion pictures offered by film studios may adversely affect attendance levels of various demographic bases of moviegoers, which could adversely affect CinemaONE's business, financial condition and results of operations.

Risk Mitigation:

The global motion picture industry has delivered successive decades of growth and for the first time surpassed US \$40 Billion in total box office receipts in 2017. Hollywood studios garner in excess of forty percent (40%) of their total film revenue from the theatrical release window, meaning distribution to cinema exhibition channels. As such, the theatrical release window is coveted even by new studio entrants such as Amazon Films and Netflix, both of whom are actively financing films some of which are earmarked for theatrical release to movie theaters in order to generate initial market appeal. Oscar Awards and other Film Industry Awards and Festivals, all of which comprise part of the theatrical release experience, drive rankings and increase film critic awareness and generate commercial hype. The result is an expected continual supply of high quality movie theater releases spanning a wide cross section of genres including action, adventure, comedy, drama, fantasy, horror, science fiction and others. Overall a movie's big screen theatrical release still drives the largest share of a movie title's total revenue before a movie migrates to the smaller screens of tvs, pcs, smart-phones and other smart devices.

RISK TWO

The success of CinemaONE's IMAX theater is directly related to the availability and success of IMAX DMR films for which there can be no guarantee.

An important factor affecting the growth and success of CinemaONE's IMAX theater is the availability of films for IMAX theaters and the box office performance of such films. IMAX Corporation itself produces only a small number of films and, as a result, CinemaONE relies principally on films produced by third party filmmakers and studios, in particular Hollywood movie features converted into CinemaONE's large format using IMAX DMR technology. There is no guarantee that filmmakers and studios will continue to release IMAX films, or that the films they produce will be commercially successful. The steady flow and successful box office performance of IMAX DMR releases are important to CinemaONE's financial performance. The commercial success of films released to IMAX theaters depends on a number of factors outside of CinemaONE's control, including whether the film receives critical acclaim, the timing of its release, the success of the marketing efforts of the studio releasing the film and consumer preferences. Moreover, films can be subject to delays in production or changes in release dates to the global IMAX theater network.

Risk Mitigation:

With the rapid growth of the IMAX's global theater network to 1370 theaters in over 75 countries as at December 31, 2017, IMAX has quickly emerged as a global distribution channel for blockbuster Hollywood content, especially as IMAX often delivers greater than 10% of total box office revenue from less than 2% of total screens. For the year ended December 31, 2017, IMAX licensed sixty (60) films from major global studios versus fifty-one (51) for 2016. Many "A List" or re-noun Hollywood directors including JJ Abrams (StarWars), Michael Bay (Transformers) and Christopher Nolan (Batman) are requiring that their movies be either converted to the IMAX format using IMAX's proprietary DMR format or shot natively with IMAX Movie Cameras. CinemaONE foresees a steady, if not increasing supply of premium Hollywood content for exhibition in its IMAX theater network.

RISK THREE:

CinemaONE is subject to uncertainties relating to its future expansion plans, including its ability to identify suitable site locations.

CinemaONE intends to pursue a strategy of expansion that will involve the development of new theaters in favourable locations. CinemaONE may not be able to develop theaters with desirable demographic characteristics or to either construct new theaters in the desired locations or lease the space on favourable terms. Moreover, there may be significant competition for potential site locations and development opportunities. As a result of such competition, CinemaONE may not be able to acquire attractive site locations or such development opportunities. Even if CinemaONE does identify and secure suitable sites, developing or constructing new theaters poses a number of risks, including construction cost overruns and delays. Additionally, the market potential of new theater sites cannot be precisely determined and newly constructed theaters may not perform to CinemaONE's expectations. Theaters may face competition from unexpected sources, and the markets in which such theaters are located may deteriorate over time. Furthermore, CinemaONE's expansion programme may require financing in addition to the portion of the net proceeds from its sale of shares and internally generated funds that CinemaONE would use for such purposes. CinemaONE cannot assure investors that financing will be available to it on acceptable terms.

Risk Mitigation:

The continued strength of CinemaONE's IMAX theater and expansion to a multiplex site at OWP has been the catalyst for CinemaONE being invited to participate in movie theater projects in newly planned shopping malls, existing shopping malls and stand-alone sites within Trinidad and Tobago and the general Caribbean region. As of the date of this Prospectus CinemaONE has been formally invited to enter negotiations for movie theater tenancy in eight (8) projects in Trinidad and Tobago and three (3) regional projects.

The above wide selection options for CinemaONE's future expansion plans enable CinemaONE to critically assess and compare a number of decision factors such as site demographics and average income, market appeal, traffic flow, parking, competition, lease terms, construction timelines, foreign currency generation, financial returns and payback and many other decision elements. Hence, CinemaONE can more effectively select sites with optimal market conditions, collaborative co-investment from landlords, favourable lease terms, available debt financing often from commercial banks which are backing mall development and other market drivers. Given that both Trinidad and Tobago and key regional sites remain under-screened in terms of the number of screens per inhabitant, CinemaONE expects to enjoy an attractive range of site opportunities in the medium term.

RISK FOUR

A deterioration in relationships with film distributors could adversely affect CinemaONE's ability to obtain commercially successful films

CinemaONE relies on multiple film distributors for the motion pictures shown in its theaters. The film distribution business is highly concentrated, with a few major film distributors accounting for the vast majority of the top grossing films. In general, distributors license films to exhibitors on a theater-by-theater and film-by-film basis. Consequently, CinemaONE is required to negotiate licenses for each film and for each theater. CinemaONE cannot assure investors that it will be able to negotiate favourable licensing terms for all first-run films. A deterioration in CinemaONE's relationship with any of the major international film distributors could adversely affect its ability to negotiate film licenses and its ability to obtain commercially successful films and, therefore could adversely affect CinemaONE's business, financial condition and results of operations.

Risk Mitigation:

CinemaONE's exclusive IMAX rights, expanded scale of operation and growing market share have afforded CinemaONE more negotiating leverage amongst local and regional film distributors. At present, CinemaONE is the most premium movie offering in the Trinidad and Tobago market generating the highest average ticket price per patron, which translates into greater per patron and per screen returns for movie distributors. CinemaONE has been able to capitalise on its proven capacity to drive innovation and growth into the cinema exhibition market and expects to succeed in generating more favourable terms from distributors.

RISK FIVE

CinemaONE faces competition and the introduction of new, competing products and technologies could harm CinemaONE's business.

In general, there are no significant barriers to entry into the movie exhibition industry, and this could result in an unexpected increase in the overall number of screens and excess capacity in those areas, which may harm attendance at CinemaONE's theaters. CinemaONE may also face competition in the future from international companies in the entertainment industry with new technologies and/or substantially greater capital resources to develop and support them. If CinemaONE is unable to continue to deliver a premium movie-going experience, or if other technologies surpass those of CinemaONE and the IMAX Corporation, CinemaONE may be unable to continue to develop motion picture theaters which are premium to, or differentiated from, other theater systems and exhibition auditoriums. If CinemaONE is unable to produce a premium theater experience, consumers may be unwilling to pay the price premiums associated with the cost of IMAX and Gemstone theater tickets and box office performance may decline. Declining box office performance would materially and adversely harm CinemaONE's business and prospects.

Risk Mitigation:

CinemaONE has effectively positioned itself as a first mover and early adopter of IMAX technology, 4D technology, laser projection technology, in-theater dining and other new enhancements of the movie theater experience. CinemaONE continues to foster and develop a culture of innovation both in terms of its products and services and key business processes. CinemaONE will deploy the proceeds of the IPO in a manner which will further support and defend its competitive position and enable acceleration of strategic objectives such as mall site development which will both grow the Company and potentially position it for strategic acquisitions or an attractive investment from a large multinational cinema exhibition chain seeking scale in the Caribbean region.

RISK SIX

An increase in the use of alternative film distribution channels, such as home theater video and the Internet, and other competing forms of entertainment may drive down movie theater attendance and limit ticket prices.

CinemaONE faces competition for patrons from a number of alternative motion picture distribution channels, such as home theater video, pay-per-view, cable television, DVD, syndicated and broadcast television and Internet streaming from globally recognized brands such as Amazon and Netflix. CinemaONE also competes with other forms of entertainment for its patrons' leisure time and disposable income, such as live concerts, carnival parties, amusement parks, sporting events, social media and restaurants. The expansion of such alternative entertainment could have an adverse effect on movie theater attendance in general and, therefore, upon CinemaONE's business, financial condition and results of operations.

Risk Mitigation:

"Going to the Movies" continues to be one of the most affordable forms of entertainment available and a pleasurable social event. Movie-going is comparably one of the least expensive forms of entertainment. It offers an experience that can be collectively shared or enjoyed alone in the dark solitude of a movie theater. Empirical evidence over decades has demonstrated that movie going is recession resistant. Moreover, recessionary periods with high unemployment have often witnessed spikes in attendance. See below Exhibit 2 - Brazilian Movie Attendance Growth Amidst Recession. Moreover, as also indicated below in Exhibit 1- Box Office Growth vs. Introduction of New Content Distribution Channels, the introduction of competitive technologies such as DVDs and more recently Internet streaming has not dampened the demand for out-of-home entertainment in movie theaters, which offer a unique social event that often affords strong emotional connectivity with on-screen movie themes of romance, love, adventure, outer-world fantasy and many more.

CinemaONE expects to benefit from a segment of the entertainment industry which has historically been categorised as stable, sustainable and offering long-term growth opportunities, especially given CinemaONE's focus on international markets which have significantly outpaced growth in the US and Canada over the last decade.

RISK SEVEN

CinemaONE's results of operations may fluctuate on a seasonal basis and may be unpredictable.

CinemaONE's revenues have generally been seasonal because of the manner in which major movie distributors release movies. Historically, the most marketable movies have been released during the summer and the late-November through December holiday season. In addition, the motion picture exhibition industry can also be impacted in the short term by weather factors: attendance tends to increase during those periods when the weather is less conducive to outside activities. Poor performance of these films, or a disruption in the release of films during these periods, could adversely affect CinemaONE's results for the entire fiscal year. An unexpected blockbuster film during other periods can alter the traditional seasonal trend. The timing of movie releases can therefore have a significant effect on CinemaONE's results of operations, and its results for one quarter are not necessarily indicative of the results for any other quarter.

Risk Mitigation:

Major Hollywood studios have made a concerted effort over the last five (5) years to spread their respective release schedules for major motion pictures over broader calendar year periods, in part to minimize movie studio competition. For example, this trend was witnessed with the off-peak release of successful films such as Gravity (October) Fifty Shades of Grey (February), and Dead Pool (February). CinemaONE's blockbuster results for Black Panther (February and March) which was the Company's second best film since inception demonstrates that in 2018 studios are breaking seasonality norms as a powerful movie triggers an emotional response which can drive attendance year round. CinemaONE generally believes that theater attendance has become less affected by seasonal fluctuations as films are more evenly distributed during the year and expects this trend to continue. In addition, with the introduction of more multiplex screens, CinemaONE will be more insulated from the seasonality of Hollywood blockbuster release titles as CinemaONE can successfully exhibit a mix of non-blockbuster Hollywood titles in the genres of comedy, drama and horror along with Bollywood and local movie titles.

RISK EIGHT

The loss of services of one or more members of CinemaONE's leadership team could adversely affect CinemaONE's business, results of operations and its ability to effectively pursue its business strategy.

CinemaONE's success depends upon the continued contributions of Mr. Brian Jahra its Executive Chairman and Chief Financial Officer, and Mrs. Ingrid Jahra, its Chief Executive Officer, both of whom are co-founders of CinemaONE. The loss or unavailability to CinemaONE of such officers for an extended period of time could have an adverse effect upon CinemaONE's business, financial condition and results of operations, and may prevent it from effectively pursuing its business strategy. To the extent that the services of such officers are unavailable to CinemaONE for any reason, CinemaONE will be required to hire other personnel to manage and operate CinemaONE. CinemaONE cannot assure that it would be able to identify qualified personnel to manage and operate CinemaONE or to employ such persons on acceptable terms.

Risk Mitigation:

CinemaONE is actively engaged in leadership training and succession planning using well established policies and practices being employed successfully within Trinidad and Tobago and the region's corporate sector. Active participation in international conferences is also used as a means of sensitizing identified future leaders to industry dynamics, trends and metrics. CinemaONE further expects to selectively engage consultancy services in this regard and to rely on the demonstrated expertise of its Board of Directors in the area of succession planning.

RISK TEN

We require long-term debt financing, which may not be attainable on favourable terms, and may restrict our ability to fund current and future operations and restrict our ability to enter into certain transactions.

In order to effect our business plan, we require long-term debt financing. We specifically intend to partly finance our multiplex expansion theaters through debt financing, provided that such financing is available to us on acceptable terms. Our ability to make scheduled payments of principal and interest with respect to any indebtedness we incur will depend on our ability to generate positive cash flows and on our future financial results. Our ability to generate positive cash flows is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. We cannot assure you that we will generate cash flows at levels sufficient to enable us to pay any indebtedness we incur. If our cash flows and capital resources are insufficient to fund future lease and debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance indebtedness. We may not be able to take any of these actions, and these actions may not be successful or permit us to meet any scheduled debt service obligations and these actions may be restricted under the terms of any future debt agreements.

Risk Mitigation:

CinemaONE has successfully arranged multiple debt financings to fund its expansion since inception in 2010. More importantly, the Company has received indicative offers on favourable terms to fund further strategic expansion. Such debt financing offers are contingent on CinemaONE's equity contribution ranging from 25-40% of the total project costs. As outlined in this Prospectus, the purpose of this Offer is to provide equity capital which will be used as CinemaONE's equity contribution to new multiplex site development. Indeed, CinemaONE expects to share risk with its debt providers and to reward debt capital with interest returns while CinemaONE's equity investors enjoy equity returns. CinemaONE's Board of Directors brings a further depth of experience in structured finance which augurs well for CinemaONE in its capacity to arrange debt financing, negotiate favourable debt terms, and in a worst case scenario, enter restructuring arrangements which match market conditions with senior lender expectations. CinemaONE's executive management / co-founders are structurally aligned with investors as owners seeking to minimize debt obligations while maximizing equity returns. CinemaONE views access to the capital markets for both equity and debt as a key pillar in this strategy.

RISK NINE

Terms of leases and lease renewals.

The IMAX and Gemstone Trinidad theaters are situated on properties that are leased. The leases are long term and CinemaONE may enter additional long-term leases in new multiplex theater locations, with the expected average term being 15-25 years from the date of opening of the theater. The leases provide for automatic renewal for periods of five to fifteen years, provided that CinemaONE remains in compliance with the terms of the lease. Notwithstanding compliance, there is no guarantee that CinemaONE will be able to renew these leases on commercially acceptable terms. If CinemaONE is unable to do so, the potential loss of prime theater locations could have an adverse effect on CinemaONE's business and results of operations. In addition, in certain circumstances CinemaONE may wish to close a theater but will be unable to terminate the associated lease cost-effectively, which could also have an adverse effect on CinemaONE's business and the results of its operations.

Risk Mitigation:

CinemaONE has employed a methodological approach to its long-term theater leases in which it carefully evaluates a number of decision factors, including alternative use, prior to lease execution. The Company plans to largely target shopping mall locations for its short-term theater expansion strategy in part due to the shared risk and in-depth analysis conducted by well established, often global franchises. Moreover, such locations offer existing traffic and are typically located in densely populated and accessible urban areas. As such, CinemaONE expects to reduce its location risk provided it can negotiate further risk mitigation strategies such as inclusion of variable rent elements into its lease agreements, effectively resulting in the sharing of upside and downside risks. By executing extended term leases, CinemaONE ensures the matching of lease life with long term investor time horizons. CinemaONE also seeks to include automatic lease renewal provisions on similar, if not the same, terms and to include provisions for flexibility of alternative use in its lease agreements. Finally, by assigning its long-term leases as security for commercial debt purposes, CinemaONE can effectively align its interests with those of a senior, commercial lender.



ECONOMIC AND MARKET RISKS

Other Risks Related to Macroeconomic Conditions Facing Caribbean Region Economies

Economic, social and political conditions in Trinidad and Tobago, and any Caribbean jurisdiction in which CinemaONE elects to operate in the future, may have an adverse effect on CinemaONE's business, operational results and financial condition. At present, CinemaONE's operations, assets, and customers are exclusively located in Trinidad and Tobago. As a result, CinemaONE's business, operational results, financial condition and prospects are currently and materially dependent upon economic, political and other conditions and developments in Trinidad and Tobago.

A deterioration in the macroeconomic environment in Trinidad and Tobago or in any country in which CinemaONE may elect to operate, as evidenced by the following factors, may adversely impact the Company's business prospects and earnings:

- ▶ A prolonged economic downturn
- ▶ Reduced consumer spending in the entertainment industry
- ▶ Political and legal risks associated with a change of government, legislation or regulatory environment impacting taxes, fire and safety requirements, environmental regulations, labour laws and land use or cinema licensing policies
- ▶ A devaluation of the Trinidad and Tobago dollar or worsening constraints in the availability of United States dollars, effectively increasing or hampering capital expenditures for new theater development projects
- ▶ Increasing interest rates or tightening covenants in bank debt agreements, restricting CinemaONE's ability to borrow and invest
- ▶ Accelerated inflation which can negatively impact CinemaONE's operating margins
- ▶ Real Estate development restrictions or constraints related to permitting, licensing, construction material supply and construction labor all of which may vary based on the country or municipality.

Risks Relating to Trading in CinemaONE's Shares on the Trinidad and Tobago Stock Exchange (TTSE)

There is currently no public market for CinemaONE's Ordinary Shares and CinemaONE may emerge as the first listing on the SME Market. The Offer Price of the shares offered hereunder has been set by the Company and CinemaONE cannot predict at what price the shares will trade upon closing the Offer and there can be no assurance that an active trading market will develop after closing or, if developed, that such a market will be sustained at the price level of the offering. In addition, if an active public market does not develop or is not maintained, investors may have difficulty selling their shares.

Other risks related to the trading in the Ordinary Shares of CinemaONE on the TTSE include:

- ▶ Trading in CinemaONE's Shares on the TTSE may be suspended
- ▶ CinemaONE's Shares may be excluded from trading on the TTSE
- ▶ The marketability of CinemaONE's Shares may decline and the market price of CinemaONE's Shares may fluctuate and decline below the Offer Price
- ▶ CinemaONE's Shares may have a limited free float, which may have a negative effect on the liquidity, marketability or value of its Shares
- ▶ Future sales of CinemaONE Shares may adversely affect the prevailing market price

Risks Relating to Trading in Shares on the Trinidad and Tobago Stock Exchange (TTSE)

- ▶ There is no prior market for the Shares and therefore no assurance can be given regarding the future development of such market
- ▶ Trading in the Issuer's Shares on the (TTSE) may be suspended
- ▶ The Issuer's Shares may be excluded from trading on the TTSE
- ▶ The marketability of the Issuer's Shares may decline and the market price of the Issuer's Shares may fluctuate and decline below the Offer Price
- ▶ The Issuer may have a limited free float, which may have a negative effect on the liquidity, marketability or value of its Shares
- ▶ Future sales of Shares may adversely affect the prevailing market price

CORPORATE STRUCTURE RISKS

Risks Related to CinemaONE's Corporate Structure – Limited Control

The Offer contemplates that GSEHL shall offer thirty-eight percent (38%) of its effective shareholding in the Company to the Public by way of the sale of 3,088,373 Ordinary Shares. As the holder of sixty-one percent (61%) of CinemaONE's Ordinary Shares, GSEHL will have control of the Company's Board of Directors by virtue of the right attached to the Ordinary Shares to elect three (3) of the five (5) Directors. While GSEHL maintains control of the Company's Board of Directors, shareholders other than GSEHL will have limited control over changes in the Company's policies and operations, save and except in respect of decisions which, pursuant to the Companies Act and CinemaONE's Articles, require the approval of seventy-five percent (75%) of CinemaONE's shareholders.

Limited control by the Public of CinemaONE's Ordinary Shares may represent an increased level of the uncertainty and risk of investment in the Company. The Board of Directors will determine major policies, including policies regarding financing, growth, debt capitalization and the distribution of dividends. The Board of Directors may amend or revise these and other policies without a vote of the shareholders. The Board of Directors' discretion in setting policies and individual shareholders' inability to exert control over those policies may increase the uncertainty and risks of an investment in the Company.



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Absolute Cinema Experience

It is time to transform the experience of watching a movie.
Make it more intense and immersive by using all your senses.



CINEMAONE

6.0 INFORMATION
ABOUT CINEMAONE

6.0 INFORMATION ABOUT CINEMAONE

History

CinemaONE Limited, formerly Giant Screen Entertainment Limited, (herein referred to as “CinemaONE”) was incorporated on December 11, 2009 for the purpose of licensing and deploying the first IMAX Theatre in the Caribbean region and entering the cinema exhibition market in Trinidad with a highly differentiated, patented IMAX and IMAX 3D technology.

On June 8, 2010 CinemaONE entered into an exclusive 15 year IMAX License Agreement with IMAX Corporation, in addition to two additional (5) five year renewal periods for a total licensed period of twenty-five (25) years. CinemaONE in parallel executed a 15 Year Lease Agreement with Home Construction Limited (HCL) to locate the IMAX Trinidad theater in the heart of Port of Spain within the upscale One Woodbrook Place (OWP) urban development project. CinemaONE initiated construction of the IMAX theater in early 2011 and the IMAX Theatre was opened to the public in August 2011 as the Digicel IMAX, following the successful execution of multi-year title sponsorship agreement with Digicel Trinidad and Tobago Limited.

Historical Ordinary Share Capital

	2018 – Pre-IPO	2017	2016	2015	2014	2013	2012	2011
Authorised Shares	Unlimited	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	Unlimited
Issued & Outstanding Shares	4,962,127	2,443,568	2,443,568	2,064,050	2,500,000	2,500,000	2,500,000	2,500,000
Paid up capital	19,116,263	19,116,263	19,116,263	16,535,540	2,500,000	2,500,000	2,500,000	2,500,000

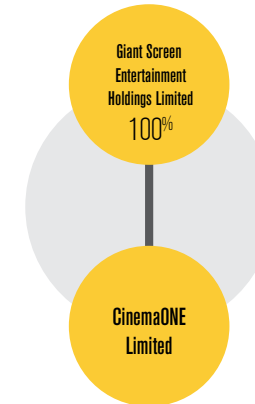
In order to finance CinemaONE for the deployment of the IMAX Trinidad theater, CinemaONE issued Ordinary Shares, Class A Preference and Class B Preference Shares and secured Senior Bank Debt for a total start up capital raise of \$19.5 Million. After (3) years of profitable operation, CinemaONE embarked on an expansion into a multi cinema screen or multiplex venue at OWP. Between Fiscal Year 2014 and Fiscal Year 2016, CinemaONE financed its expansion with \$13.0M in Ordinary Shares and incremental bank debt. In Fiscal 2017 CinemaONE launched its luxury, boutique cinema format branded Gemstone. In Fiscal 2018 CinemaONE plans to open Port of Spain’s first 4DX theater, licensed from CGV, Ltd., one of South Korea’s largest media conglomerates.



Corporate Structure

The following diagrams illustrate the corporate structure of CinemaONE before (Fig 1.2.1) and after the Offer (Fig 1.2.2) and set out the percentages of the shareholding in the relevant affiliate entities.

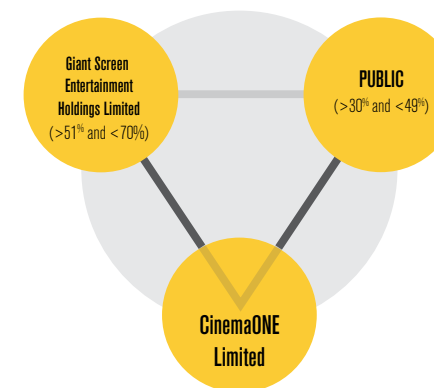
Figure 1.2.1: Effective Ownership Structure Before the IPO



CinemaONE’s total Pre-IPO issued share capital consists of 4,962,127 Ordinary Shares. As at the date of this Prospectus, Giant Screen Entertainment Holdings Limited (GSEHL) is the 100% effective shareholder of CinemaONE.

Historically, CinemaONE had outstanding Class A and Class B Preference Shares, both of which were convertible to ordinary shares. The Class A Shares were owned by institutional and private investors while the Class B Shares were owned by another subsidiary of GSEHL. In March of 2018, as part of CinemaONE’s pre-IPO restructuring, 837,994 Class A Preference Shares and 2,500,000 Class B shares, representing an aggregate value of \$4,259,788 were converted to shareholder loans in an effort to simplify the Company’s capital structure. Both Class A and Class B Preference Shares were subsequently cancelled.

Figure 1.2.2: Effective Ownership Structure After the IPO



Post IPO, the Public will effectively hold up to a maximum of thirty-eight percent (38%) shareholding in CinemaONE by virtue of its ownership of CinemaONE’s Ordinary Shares.

Following the IPO Offer, GSEHL will hold a minimum of sixty-one percent (61%) of the Ordinary Shares of CinemaONE which will represent a controlling voting interest. The above referenced sixty-one (61%) includes GSEHL’s existing institutional and individual shareholders who will be offered at the time of the IPO, and may accept during the Offer Period, an opportunity to convert or exchange a portion of their current shareholding in privately held GSEHL

into publicly traded shares in GSEHL’s subsidiary CinemaONE at the Offer Price of \$10.00 per share. The maximum number of CinemaONE shares which has been allocated from pre-existing shares held by GSEHL for such conversion is ten percent (10%) or, 805,050 shares as highlighted in the table depicting CinemaONE’s Post-IPO ownership structure on page 18.

CinemaONE’s employees will be allocated a maximum of 1% or 51,321 CinemaONE Ordinary Shares at the time of the IPO at the Offer Price of \$10.00 per share. This Employee Allocation will be affected at the time of the IPO and will extend through the Offer Period. The Employee Allocation does not form part of the planned ESOP described on page 20 of this Prospectus. The shares for the Employee Allocation shall be sourced from pre-existing GSEHL shares.

Post IPO, CinemaONE will have a maximum total of 8,050,500 Ordinary Shares issued and outstanding representing 100% of CinemaONE’s share capital.

Given the above and upon completion of the Offer, CinemaONE will continue to control 100% of the Company’s cinema exhibition assets in all formats (IMAX, 4DX, Gemstone, and any future formats) both in Trinidad and Tobago and in any other regional expansion territory.

Industry Overview

Cinema Exhibition - Movie Theatre Operations

CinemaONE Limited “CinemaONE” or the “Company” is an entertainment company based in Trinidad and Tobago. CinemaONE offers differentiated and innovative digital cinema entertainment in multiple, premium movie formats. In 2011 CinemaONE successfully launched the first large format IMAX® movie theater in the Caribbean. Located in the upscale Woodbrook Place development in Port of Spain Trinidad, CinemaONE’s IMAX® theater offers patrons a unique, highly immersive 3D movie experience exhibited on the Caribbean region’s largest movie screen.

Founded in 1967, IMAX® Corporation is a publicly traded company listed on both the Toronto and New York stock exchanges (NYSE: IMAX; TSX:IMX). IMAX® delivers highly differentiated movie experiences through the use of bigger and brighter size images, a customized clear sound audio system and patented theater geometry. The IMAX® technology has over the last forty years delivered an unequivocal “immersive” experience in designed theaters throughout the world. As of December 31, 2017 there were 1,370 IMAX® theaters worldwide operating in 75 countries.

CinemaONE has secured the exclusive rights from IMAX® Corporation to develop additional large format movie theaters in Trinidad and Tobago and CinemaONE’s medium term strategy is to introduce the first giant screen cinemas in selective regional markets with demonstrated historical strong movie theater demand.

In November 2016, CinemaONE continued to transform the premium movie going experience with the introduction of its luxury in-theater dining experience, branded Gemstone. CinemaONE’s inaugural Gemstone theater, also located in One Woodbrook Place, provides patrons with a VIP movie theater experience including fully reclining seats, push button seat side service, and an upscale dining menu including beer, wine and cocktails. CinemaONE’s Gemstone experience includes boutique, designer cinema décor and is the first luxury theater multiplex format in Trinidad and Tobago.

CinemaONE recently continued its cinema innovation with the introduction of the first 4D theater in Port of Spain. Through partnership with one of South Korea’s media conglomerates, CGV, CinemaONE’s 4DX experience introduces environmental elements such as motion, wind, mist and light rain to the cinematic experience, rendering it fully immersive.

CinemaONE's movie theater operations derive revenue from the following diverse sources:

- ▶ Hollywood movie ticket sales (48% of 2017 revenue) are derived from exhibition of Hollywood movie releases in the IMAX® format and standard digital formats for Gemstone from all major studios. IMAX® format Hollywood films have been digitally enhanced frame by frame for superior image, audio and 3D quality.
- ▶ Food and Beverage Sales (35% of 2017 revenue), has been one the fastest growing and highest gross margin segment of CinemaONE's business. CinemaONE's expansive menu and luxury theater environment in its Gemstone format has assisted CinemaONE in attracting and appealing to a broad range of culinary tastes and providing a unique blend of special movies with special food.
- ▶ Sponsorship and Advertising (14% of 2017 revenue), comprise the provision of full service, exclusive marketing campaigns, both on-screen and off-screen marketing, for partners operating in key industry verticals. In Trinidad, CinemaONE has entered into 3 year agreements with key sponsors including its Title Sponsor in Trinidad, Digicel as well as its educational sponsor Atlantic who partners with CinemaONE in its corporate social responsibility outreach to provide IMAX educational / documentary movie content addressing themes such as environmental conservation, space exploration as well as religious and cultural diversity. IMAX® educational films are produced and distributed by well known brands such as National Geographic, NASA, McGilvery Films and Warner Brothers.

CinemaONE's strategy is to target high traffic locations, such as malls and plazas, in demonstrated strong movie markets and to construct premium, differentiated movie theater multiplexes with a minimum of 5 to 8 screens. CinemaONE plans to match available space and market demographics to deploy the most appropriate, innovate formats such as IMAX, Gemstone, 4DX and others in its new theater development projects.

CinemaONE continues to strategically position itself in the market-place as a premium cinema operator offering a range of the world's most renown cinema brands, specially IMAX and 4DX. To promote its immersive and luxury cinema experiences, CinemaONE, employs a range of marketing activities which include a mix of above-the-line and below-the-line marketing. For the former, CinemaONE leverages its sponsor relations, particularly those of Digicel Trinidad and Tobago, its title sponsor, and Atlantic, its educational sponsor.

CinemaONE further focuses on specific movie marketing which effectively capitalises on the Hollywood studio budgets and media impact of blockbuster titles, their stars, directors and producers. CinemaONE additionally continues to place great emphasis on social media and the viral impact of in-theater dress up campaigns, movie awards and other marketing and PR campaigns designed around a movie title. CinemaONE is also actively in the process of establishing a rewards program to enhance customer intimacy.

CinemaONE's marketing campaigns are extended to and solidified by a strong focus on in-theater custom service. The majority of CinemaONE's current staff of fifty-four persons are actively engaged in customer facing operations. Bolstered by a depth of staff who have been professionally trained and educated in the tourism and hospitality industries, CinemaONE places a strong focus on differentiating the customer experience. On-line ticketing, bar code scanning, in-theater fine dining service, gourmet menus and cocktail services are all part of CinemaONE's unique movie going experience. Key metrics and data analytics are employed to deliver and continually improve quality control.

THE MARKET

The Motion Picture Industry

The global entertainment industry has historically demonstrated its capacity to consistently grow and transform. As a subset of the global entertainment industry, the worldwide movie theater business continues to draw more people than theme parks and sports arenas combined. Indeed, the movie going experience remains one of the most affordable forms of entertainment and has for decades since the mid 1900s been considered a recession-resistant industry.

Bolstered by strong growth in the international market which has delivered an 18% cumulative average growth rate (CAGR) in the global box office over the last 5 years, the worldwide film box office grew by 5% in 2017 to a record high US \$40.6 Billion. The international box office comprised 73% of the US \$40.6 Billion, garnering an increasing share of the global box office for the fifth consecutive year. In general, the Hollywood film industry ecosystem, which includes major studios, distributors and exhibitors / cinema operators, has shifted its focus towards international markets given the demonstrated growth in this segment. (Source Motion Picture Association of America)

CinemaONE targets the premium segment of the movie going audience. CinemaONE's IMAX auditorium is especially designed to meet IMAX's patented theater geometry which includes stadium style seating and packs 12,000 watts of laser aligned surround sound which even emanates through a perforated mega sized screen. Across IMAX's global footprint of over 1300 screens in 2017, the combination of IMAX's large format or giant screen, immersive and patented theater geometry, and dual-projector digital 3D technology have resulted in IMAX's generation of 8%-17% of Hollywood box office revenue on less than 2% of the total theater screens for many Hollywood release shown in both IMAX and all other formats.

CinemaONE's Gemstone format offers a luxury movie theater experience that combines in-theater dining in fully reclining seats with seat side service. In addition, by introducing a restaurant and bar into the movie experience, CinemaONE has both differentiated CinemaONE's offering and increased purchasing time and the number of transactions per patron. Most importantly, CinemaONE's Gemstone format has allowed CinemaONE to double its revenue per patron and increase gross profit margins per patron. This follows global trends in which large, publicly traded operators such as AMC, have in 2015 reported a 174% increase in food and beverage revenue per person with the introduction of dine-in theater concepts.

Movie-going is a convenient and attractively-priced form of out-of-home entertainment. On an average price-per-patron basis, movie-going continues to compare favorably to other out-of-home entertainment alternatives, such as carnival fetes, concerts, and vacation travelling. Indeed, movie theaters garner a consistent share of consumer entertainment time and spend, especially given the social element of having a shared out-of-home experience. More than seventy-five percent (75%) of the U.S./Canada population aged two or older, or 263 million people, went to a movie at the cinema at least once in 2017 ("moviegoer"). However frequent moviegoers defined as those who attend once a month or more accounted for 49% of tickets sold yet comprised 12% of the US/Canada population in 2017. We believe that the movie attendance demographics calculated for the U.S. and Canada population and highlighted below offer a reasonable proxy for movie going behavior in CinemaONE's target markets of Trinidad and Tobago and the Caribbean where frequent and occasional moviegoers sustain attendance.

The tables below demonstrate the stable and long term cinema exhibition industry growth trends across technology innovations and economic cycles both in the US market and in a regional Latin American market.

EXHIBIT 1 Box Office Growth vs. Introduction of New Content Distribution Channels

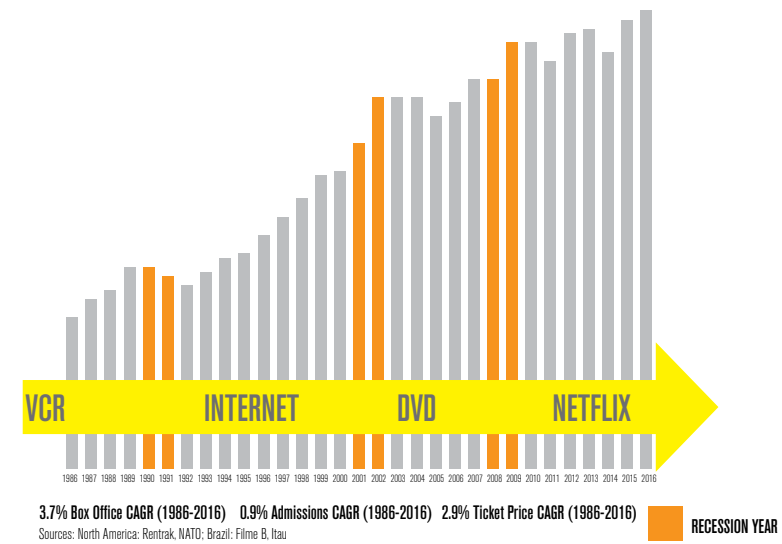
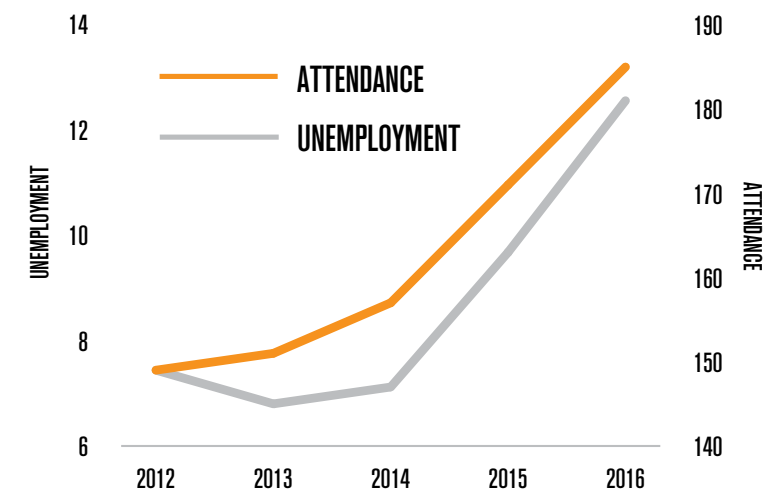


EXHIBIT 2 Brazilian Movie Attendance Growth Amidst Recession



CinemaONE estimates the annual movie box office in Trinidad and Tobago at a value of TTD \$125,000,000. This estimated annual box office is highlighted below and represents ticket sales only. The table excludes revenue from concession or food and beverage revenue along with advertising or sponsorships.

TRINIDAD AND TOBAGO MOVIE THEATRE MARKET SHARE ANALYSIS 2016/ 2017

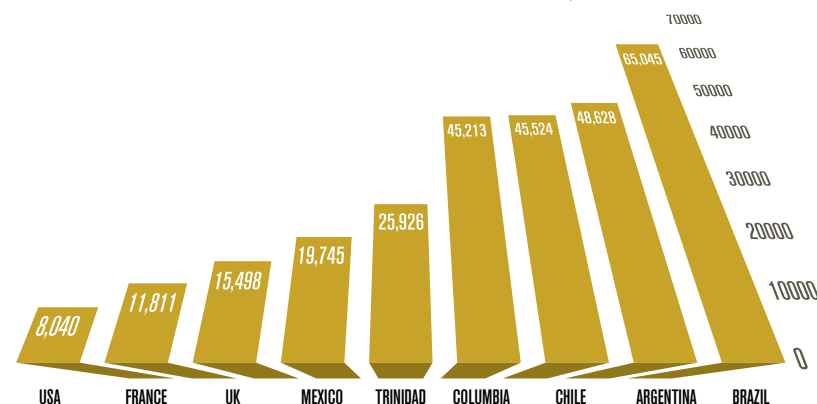
	#OF SITES	Est. Total# of Actual Seats	AVG Ticket Price\$	Tkt Price weighting	Price adjusted Seat Count	Adjusted % of mkt/seats	Extrapolated Trinidad Box Office
Movietowne	4	6,600	44.44	1.00	6,600.00	62%	77,230,176.21
Caribbean Cinemas	2	3,400	34.44	0.78	2,635.00	25%	30,833,562.78
Empire	1	900	26.67	0.60	540.00	5%	6,318,832.60
National	1	350	26.67	0.60	210.00	2%	2,457,323.79
CinemaONE	1	454	71.11	1.60	726.40	7%	8,500,000.00
		11,704			10,711.40		125,339,895.37

Competitive Strengths of CinemaONE

CinemaONE believes that it benefits from the following competitive strengths:

- **Exclusivity with the IMAX Corporation.** CinemaONE has an exclusive agreement with the IMAX Corporation to develop IMAX theaters in Trinidad and Tobago and CinemaONE has entered advanced discussions with a mall developer in Trinidad for a second IMAX site, which would be coupled with 4-6 additional screens so that the new project would be launched as an IMAX multiplex from the onset. CinemaONE has also entered discussions with IMAX to secure rights in additional Caribbean region territories.
- **In-Theatre Dining Innovation and Experience.** Launched in November 2016, CinemaONE's Gemstone format is the first multiplex of its kind in Trinidad. CinemaONE's experience in innovating the combined movie and restaurant format has further positioned CinemaONE as a trend setting movie theater operator. Moreover, the enhanced food and beverage offerings enable CinemaONE to deliver higher margin growth and to deepen customer "stickiness" by offering a more luxury format. CinemaONE has successfully delivered over 100% growth in revenue and gross profit per patron and strategically understands how to readily duplicate such growth.
- **Strong theater economics.** CinemaONE's IMAX, Gemstone and pending 4DX theater admissions are sold at premium ticket prices which range between 15-25% higher than rival multiplex ticket pricing for the same film. The premium pricing strategy affords a higher average ticket price (ATP) which results in higher per film revenue, higher per screen averages and higher nominal gross profits per film. CinemaONE believes that its premium offerings and higher per screen averages make CinemaONE more attractive to Hollywood film distributors while creating a niche premium segment within the movie industry.
- **Presence in high growth markets.** CinemaONE's growth focus is in countries that it believes have high growth potential. Penetration of movie screens per capita, admissions per capita, and the number of modern multiplexes in the Caribbean and Central America is substantially lower than in the European Union and the US, which CinemaONE believes is an indication of future growth potential. CinemaONE believes that the movie industry in this region will continue to develop rapidly as disposable incomes increase and older, single screen theaters are replaced with modern multiplex facilities. See Exhibit 3 below which is an indicator of the opportunity for more screen growth in markets with over 20,000 persons per screen.

EXHIBIT 3 Country Population Per Movie Screen
(Total Country Population / No. of Movie Screens in each Country)



- **US Currency generation capacity and hedge.** CinemaONE is actively exploring multiplex sites which offer a hedge on the TT Dollar. In particular, CinemaONE has reached a very advanced stage of negotiation for a multiplex site in a US Dollar denominated market. Returns from such markets will offer great stability and upside for investors as CinemaONE emerges as a net foreign exchange earner of a "hard currency".
- **Experienced management team.** CinemaONE believes that it has benefited from the extensive experience of its management team. CinemaONE's senior management team collectively has more than 30 years of experience in the movie theater industry and related tourism and hospitality industries. This includes experience in all elements of the industry, such as film exhibition, film distribution, IMAX theater licensing, project development, advertising and sponsorship relations. CinemaONE believes that as a result of this experience its management has strong insight relating to its future growth initiatives.



- **Diversified revenue base within its industries.** CinemaONE generates revenues from a number of sources, including ticket sales for Hollywood and educational movie exhibitions, food and beverage sales, and advertising. In its large format or IMAX motion picture exhibition business, CinemaONE also receives revenue from sponsorship arrangements, including, for example, Digjeel Trinidad and Tobago, which is the title sponsor for CinemaONE's IMAX theater in Trinidad and Tobago. Other sponsors include Atlantic, the Ultimate Field Trip sponsor in Trinidad. Overall, CinemaONE believes that these diverse operations help reduce the inherent cyclical and seasonality of any one business segment while maximising use of its infrastructure and large format movie exhibition business.
- **Strong cash flow and liquidity.** CinemaONE's main movie segment customers are cinema attendees who pay in cash thereby eliminating significant accounts receivables in CinemaONE's core theater operations business, reducing CinemaONE's working capital requirements and almost eliminating the potential for bad debt provisions.
- **Most advanced, modern theater facilities** deploying IMAX, 4D and laser technologies. CinemaONE believes that the development and maintenance of the most advanced digital theaters is critical to its continued success. In constructing new theaters, CinemaONE ensures deployment of the newest theater technology which by the end of 2018 will include integration of new optical laser technology projection systems in order to digitally illuminate thereby generating the brightest and clearest images. CinemaONE will continue to incorporate patented IMAX theater geometry and further include modern interior design along with IMAX's laser aligned digital surround sound systems, comfortable seating and VIP recliner seating, computerised reserved seating ticketing systems, and full service restaurant and bar services. CinemaONE believes that its high-quality, museum or five star hotel type facilities provide a preferred destination and entertainment experience for moviegoers. CinemaONE aims to enable moviegoers to complement their movie experience with other leisure and social activities

by building its movie theaters within or adjacent to other shopping, leisure and entertainment facilities.

- **Customised information technology and reporting systems.** Management closely monitors the Company's operations and cash flows through daily reports generated from customised information technology and reporting systems connected with each theater. CinemaONE believes that these systems help to enhance its ability to maximise revenue, control costs and efficiently manage theater circuits. The real-time information available on these systems allows management to make immediate adjustments to movie schedules, prolong runs or substitute films when gross receipts cease to meet expected goals. It also aids in daily monitoring of key financial metrics which drive theater level economics.
- **Disciplined Operating Philosophy.** Our experienced management team has a disciplined operating philosophy that centers on acquiring high quality locations and assets while realizing favourable theater financial returns by controlling operating costs and effectively reacting to economic and market changes. We intend to carefully control our corporate and theater operating expenses and to add additional staffing and other resources only as our business grows and we require additional resources.

Future Plans and Strategies

- **Our business strategy is to establish highly differentiated, premium movie theater and entertainment center destinations** by deploying high margin luxury theaters with complete food and beverage service and large format IMAX theaters which are exclusively licensed in each jurisdiction for use of patented IMAX 3D technology, patented IMAX theater geometry and the world renown IMAX brand.
- **Other key elements of CinemaONE's strategy include:**
 - **Consolidate its position in its existing Trinidad market:** CinemaONE aims to consolidate its position as the only operator of a large format IMAX cinema in Trinidad and Tobago and the exclusive IMAX theater operator and IMAX brand licensee. CinemaONE intends to further penetrate the robust market for Hollywood feature films in Trinidad by developing more of CinemaONE's luxury Gemstone format theaters in order to capitalize on the opportunity to differentiate the movie going experience with expanded food and beverage menus, including cocktails, beer and wine, combined with seat side service in an upscale environment.
 - **Expand into other Caribbean, Central American and South American Markets.** CinemaONE aims to expand its operations in new markets in the Caribbean and Latin America, leveraging the business model that it has first developed and implemented in Trinidad and Tobago and garnered invaluable operational experience. To capitalize on US dollar generating opportunities, CinemaONE has specifically commenced activities in key US dollar denominated markets with strong movie theater economics and plans to initiate growth with its lower cost and risk averse luxury Gemstone theater format and then selectively integrate IMAX theaters.
 - **Leverage CinemaONE's brand awareness and innovator market position to secure premium high traffic locations.** As part of its development strategy, CinemaONE will continue to seek to locate its theaters in dense, high income segments of metropolitan areas, and especially capital cities. More particularly, CinemaONE plans to locate its Gemstone format luxury theaters along with IMAX, 4D and other technologically driven theaters either within strategically desirable destinations, such as shopping malls and entertainment complexes or immediately adjacent to them. Where CinemaONE is unable to find suitable opportunities within an existing or planned development, it will enter land / ground lease agreements or consider property purchases in order to develop an entertainment destination on its own.

- ▶ Focus on Growth Opportunities for the Premium Movie Segment with CinemaONE's Gemstone In-Theatre Dining Format to Deliver Higher Margins and Memorable Experiences. CinemaONE plans to capitalize on the success of its luxury multiplex which combines the movie experience with a high end restaurant and bar. In short, CinemaONE will follow key industry trends demonstrated by Cinemark's 200% reported 2016 growth in revenue per patron in its luxury lounge format theaters and AlamoDrafthouse, a popular designer cinema in the US, generating an average revenue per multiplex screen of US 917K, which is double that of the average standard cinema screen for publicly traded exhibitors.
- ▶ Maximise revenue opportunities through cinema advertising and corporate sponsorships. CinemaONE will continue to pursue additional revenue growth opportunities by developing and expanding ancillary revenue streams, such as medium term corporate sponsorships and advertising revenues. CinemaONE believes that IMAX and 4DX are uniquely positioned to offer high quality, sponsorship opportunities for premium brands and strong industry players from diverse sectors such as telecommunications, banking, finance and manufacturing. CinemaONE plans to leverage the experience of its senior management team to deliver attractive, exclusive sponsorship arrangements to some of the Caribbean's most well known brands. With ancillary, medium term sponsorship revenue streams, CinemaONE aims to improve margins and reduce its exposure to the seasonality of the movie theater business.
- ▶ Continue to grow, attract and retain its customer base. CinemaONE aims to encourage the development of a vibrant movie going culture. CinemaONE intends to grow its customer base through loyalty programmes, such as loyalty cards and bonus schemes, together with the effective use of online booking and other marketing and promotion tools. CinemaONE is currently considering amalgamation with external loyalty programs which are funded and managed by well known retail brands in the Caribbean. CinemaONE is also constantly re-evaluating and analysing its customers' movie viewing and attendance patterns through its information systems in order to tailor its programming to satisfy customer requirements.
- ▶ Provide alternative / local content. In addition to CinemaONE's primary focus on the exhibition of movie content produced by all of Hollywood's major studios, along with emerging studios such as Amazon Studios, CinemaONE plans to anchor its designer / luxury format theaters and IMAX cinemas in the communities in which the theater venues serve. This is to say that CinemaONE will continue to offer alternative / local content including Bollywood movies, independent and locally produced films, indigenous language movies, educational IMAX content, corporate social responsibility events, major sporting events, music, and video games. We believe we can increase the utilization rates of our theaters and food and beverage sales by matching content to audience demand during off-peak periods.
- ▶ Use a myriad of modern day marketing tools and tactics. We intend to actively market CinemaONE and its Company-owned and licensed brands including IMAX, IMAX is Believing, IMAX 3D, Gemstone-Movies Made Special, and 4DX along with future brand concepts and programs to consumers using both traditional and new media tools. As a technology focused cinema operator, CinemaONE will accelerate its use of social media, ecommerce, and data analytics. CinemaONE will also continue to promote movie themed events with staff in costume, and regular electronic communications to our targeted audience which will assist CinemaONE in maximizing attendance. CinemaONE will further position its entertainment destinations as the safest and best premium venue to engage in a movie experience.

We believe the following market trends will drive the continued growth and strength of our industry:

- ▶ **Importance of Theatrical Success in Establishing Movie Brands and Subsequent Markets.** Theatrical exhibition is the primary distribution channel for new motion picture releases in the domestic and international markets. We believe a successful theatrical release which "brands" a film is one of the major factors in determining its success in "downstream" markets, such as DVDs, network and syndicated television, video-on-demand, pay-per-view television and Internet streaming. As a result, we believe motion picture studios will continue to work cooperatively with theatrical exhibitors to ensure the continued importance of the theatrical window. The motion picture industry has particularly experienced robust demand in the international markets which CinemaONE is primarily targeting, namely Latin America and the Caribbean. In 2017, the Latin American and Caribbean box office increased by 22% over 2016 and has delivered a 17% CAGR over the last five (5) years.
- ▶ **Convenient and Affordable Form of Out-Of-Home Entertainment.** Movie-going continues to be one of the most convenient and affordable forms of out-of-home entertainment, with an estimated average ticket price in the United States of \$8.97 in 2017 and \$8.65 in 2016. Average prices in 2017 for other forms of out-of-home entertainment, including sporting events and theme parks, ranged from approximately \$31.67 to \$94.90 per ticket according to the MPAA.
- ▶ **Enhanced Food and Beverage Offerings.** Our industry is rapidly embracing wider selections for food and beverage offerings, including full-meal service along with beer, wine and cocktails. Combined with seat side service which increases purchasing time and transactions per patron as moviegoers can purchase throughout the duration of the movie. The expanded food and beverage service options are enabling theaters to not only enhance revenue per patron by as much as two times (2x) but to also similarly increase gross profit per patron given high margins on food and beverage service.
- ▶ **Deeper Customer Relationships.** The advent of the connected society and social media enables the development of deeper customer relationships as theaters are empowered with tools such as online reserved seat booking and app based loyalty programs which facilitate customized marketing campaigns and enhanced guest experiences. CinemaONE is actively engaged in managing a robust social media presence as exemplified by the Company's 50,000 to 100,000 active FaceBook users and over 300,000 page views for CinemaONE's opening night event for the Marvel blockbuster, *Black Panther*.
- ▶ **Differentiation with Advanced Technology.** IMAX, surround / immersive sound, 4D environmental effects and laser projection technologies have been considered by the motion picture industry as the most premium forms of experiencing movie content. The trend of differentiating the movie experience through the deployment of a myriad of advanced technologies will accelerate over the near term, rendering the movie theater experience the one which both movie studios and directors recommend as the most unique and impactful way of experiencing the movie content which they produce.



IMAX

IT'S MORE THAN JUST THE VISUALS. WELCOME TO IMAX® SOUND.

- DEEPEST BASS**
Reaches an entire octave lower for sound you feel
- CUSTOM-BUILT SYSTEMS**
Highest-grade loud speakers configured for each theatre
- PINPOINT ACCURACY**
Customized laser-aligned sound
- PITCH-PERFECT TUNING**
IMAX monitors and calibrates sound daily for peak performance
- TOTAL IMMERSION**
Sound distributed equally for endless "sweet spot"
- AS THE FILMMAKER INTENDED**
Soundtracks remastered and optimized specifically for IMAX

CINEMAONE



7.0 SHAREHOLDERS,
DIRECTORS & KEY
MANAGEMENT

7.0 SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT

Shareholders

As at the date of this Prospectus, Giant Screen Entertainment Holdings Limited (GSEHL) is the 100% shareholder of CinemaONE.

Directors

The biographies of our Directors, Executive Officers and Key Managers are as follows:



Brian Jahra, BA, MSc - Executive Chairman and Chief Financial Officer

Ingrid Jahra, BA, MBA - Chief Executive Officer and Director

Brian Jahra, BA, MSc - Executive Chairman and Chief Financial Officer

Mr. Jahra is a co-founder of CinemaONE and has served as its Chairman since inception. He has been directly responsible for negotiating IMAX and 4DX Licensing Agreements, structuring and raising debt and equity capital totalling over TT \$50 million for the launch of IMAX Trinidad, Gemstone and 4DX.

From April 2006 to July 2017 he was the co-founder and CEO of Massy Communications, formerly Three Sixty Communications Limited and recently rebranded to Amplia Communications Limited, where he led teams responsible for constructing and successfully monetizing a Trinidad and Tobago nationwide fibre optic network with subsea cable links to Miami, Florida and delivered successive years of profitable growth.

In 2017 Mr. Jahra played a key role in the successful sale of Massy Communications to Telecommunications Services of Trinidad and Tobago Limited for TT \$215,000,000. Prior to Massy Communications, Mr. Jahra was the founder of eFREENET Limited, a multimedia software development company and Internet Service Provider which developed many of Trinidad and Tobago's first corporate websites and collaborated with ABC-TV in New York for multimedia software development.

Mr. Jahra was a finalist in Ernst and Young's 1998 Entrepreneur of the Year Award for his innovation.

Mr. Jahra has a longstanding background in entertainment and media. He was a former financial analyst at Credit Suisse First Boston and Keystone Financial Advisory in Los Angeles specializing in the entertainment industry where he conducted a range of transactions including, motion picture finance, cinema exhibition start-up, cable-tv valuations and international film licensing. He holds a BA in International Economics with Honors from the University of California at Los Angeles (UCLA), a MSc in Economics from the University of the West Indies, St. Augustine, and has conducted MBA studies in finance and marketing at the Wharton School of Business in Philadelphia PA. He is fluent in Spanish and Portuguese.

Ingrid Jahra, BA, MBA - Chief Executive Officer and Director

Mrs. Jahra is a co-founder of CinemaONE and has been CinemaONE's Chief Executive Officer and Director since inception.

She has been directly responsible for IMAX and Gemstone theater construction, the building of an IMAX theater operations team, negotiation of theater programming agreements with all major Hollywood studios and the execution of various multiyear sponsorship agreements with large regional corporations.

She has held senior positions in the Ansa-Meal Group of Companies in the areas of public relations and new media development from 1994 to 1996 and from 2005-2007, respectively.

During the interim she was a Director of eFREENET Limited responsible for sales and marketing and played a pivotal role in the establishment of Three Sixty Communications as a joint venture with Massy Holdings in 2006.

Mrs. Jahra is currently the Chairperson of The Board of Film Censors of Trinidad and Tobago. Mrs. Jahra holds a BSc degree in Tourism Management from the University of the West Indies, Bahamas and an Executive MBA with Distinction from the Arthur Lok Jack Graduate School of Business.

Michael Quamina, LEC, LLB - Independent Director

Mr. Michael Quamina obtained his Bachelor of Laws degree (with Honours) from the University of the West Indies and attended the Hugh Wooding Law School where he obtained the Certificate of Legal Education. Mr. Quamina has practiced various types of law for over thirteen years including Public Administrative Law, Industrial Relations Law, Insurance Law and the law with respect to confiscation of assets under the Proceeds of Crime legislation. He is also skilled in dispute resolution and has served on several directorships of financial institutions and other private companies. He currently serves as a Director of various corporate boards including Trinre Limited and he is the Vice Chairman of the Board of Caribbean Airlines Limited.

Adrian Bharath, BA, FCA, CA - Independent Director

Mr. Adrian Bharath is the Managing Director of AMB Corporate Finance Limited since 2009 and brings to CinemaONE over 25 years of experience in the field of finance. From 1999 to 2009 he held the position of Director in the Corporate Finance Group at Pricewaterhouse Coopers Limited (Trinidad and Tobago) and prior to that role, he spent 11 years at KPMG (London and New York) in the corporate finance, investment banking and auditing lines of the Business. He is a former Chairman of the National Insurance Board of Trinidad and Tobago, as well as a former Director on the Board of the National Insurance Property Development Company Limited (NIPDEC). Mr. Bharath also serves on the board of Trinre Limited.

Christian Hadeed, BA - Director

Mr. Christian Hadeed is a Trinidadian businessman who joined CinemaONE's Board in 2014. Mr. Hadeed emerges from an insurance background having worked with Beacon Insurance Company Limited since 2005. He held several positions within the company ranging from Claims Executive, to Licensed Loss Adjuster before joining the Beacon Insurance Board of Directors in 2010 where he served as its Chairman from 2013-2015. Mr. Hadeed has been an active member of Beacon's Executive Management Team, as well as the Claims, Re-insurance, and Investment committees.

He has recently Co-founded the newly refurbished St. Christopher's Service Station and Quick Shoppe Plus located on Wrightson Road in Port of Spain, and holds an influential seat on its Board of Directors. Additionally, Mr. Hadeed is at the forefront of emerging and influential small enterprises serving as a Director of One Yoga Trinidad & Tobago as well as Float Trinidad. He holds a Bachelor's Degree in Business Administration (International Business Major) from Chapman University, California, and brings extensive retail and operational experience to CinemaONE.



Shareholdings of Directors and Senior Officers

Name	Position	Direct Shareholding in CinemaONE	In-Direct Shareholding in CinemaONE Through GSEHL)	Percentage (%)
Brian Jahra	Chairman and Director	Nil	1,290,153	26%
Ingrid Jahra	CEO and Director	Nil	1,290,153	26%
Christian Hadeed	Director	Nil	595,455	12%
Adrian Bharath	Director	Nil	Nil	Nil
Michael Quamina	Director	Nil	Nil	Nil

No Senior Officers, other than those outlined above, currently hold shares in CinemaONE. There are no pre-emptive or other special rights associated with the Company's sole class of Ordinary Shares.

Compensation of Directors and Senior Officers

Audited 2017 Compensation Range	0-\$500,000	\$500,000 - \$1,000,000	\$1,000,000 - \$2,000,000	>\$2,000,000	2017 TOTAL
No. of Directors and Senior Officers	4	1	Nil	Nil	5
Total Compensation Paid in TT\$	\$432,000	\$537,500			\$969,500



CINEMAONE

8.0 CORPORATE
GOVERNANCE

9.0 RELATED PARTY
TRANSACTIONS

10 FINANCIAL
INFORMATION

8.0 CORPORATE GOVERNANCE

Our Bylaws authorize our Board of Directors to appoint one or more committees, each consisting of one or more directors. Our Board of Directors will form an audit committee prior to completing this offering. The functions normally handled by a compensation committee and nominating committee are handled by our Board of Directors. Our Board of Directors does not have a charter that addresses the nominating function.

Audit Committee

Prior to the completion of this offering, our Board of Directors will establish an audit committee. The audit committee will assist our Board of Directors in its oversight of the integrity of our financial statements and our compliance with legal and regulatory requirements and company policies and controls. The audit committee will have the sole authority for, among other things:

- ▶ selecting the independent auditors and pre-approving all audit and non-audit services permitted to be performed by the independent auditors;
- ▶ reviewing with the independent auditors any audit problems or difficulties and management's response;
- ▶ reviewing and approving in advance all transactions that might be considered related party transactions, or might present a conflict of interest;
- ▶ discussing the annual audited financial statements with management and the independent auditors;
- ▶ reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies; and

The audit committee will also be responsible for confirming the independence and objectivity of our independent registered public accounting firm. Our independent registered public accounting firm will be given unrestricted access to the audit committee and our management, as necessary.

Upon completion of this offering, our audit committee will include at least one director who satisfies the independence requirements of current Trinidad and Tobago SEC rules. We also expect that one of the members of the audit committee will qualify as an audit committee financial expert as defined under these rules, and the other members of our audit committee will satisfy the financial literacy standards for audit committee members under these rules.

We intend to adopt a code of business conduct and ethics, which will become effective immediately upon listing and will provide that our directors and officers are expected to avoid any action, position or interest that conflicts with our interests or gives the appearance of a conflict. Our audit committee will be responsible for reviewing and approving in advance all transactions that might represent a related party transaction or a conflict of interest. Directors and officers have an obligation under our code of business conduct and ethics to advance our interests when the opportunity to do so arises.

Indemnification

Under the Companies Act, Directors and Officers may be indemnified by the Company for any liability incurred by them for any acts they take (or do not take) in the performance of their duties unless such liability is the result of wilful neglect or failure to act on the part of the relevant Director or Officer. The Company will secure insurance coverage for Directors' and Officers' liability.

9.0 RELATED PARTY TRANSACTIONS

Our audit committee, once established, will review and approve all related party transactions on an ongoing basis. See – “Audit Committee” for more details. Our code of business conduct and ethics will provide for mechanisms to avoid conflicts between the personal interests of our directors and executive officers and our interests. See “Code of business conduct and ethics” for more details.



10.0 FINANCIAL INFORMATION

Special Note regarding “Forward Looking Statements”

We make “forward-looking statements” in the “Prospectus Summary,” “Risk factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Industry,” “Regulation” and “Business” sections and elsewhere throughout this Prospectus. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we “believe,” “expect,” “anticipate,” “project,” “predict” or “forecast” will occur, and other similar statements), you must remember that our expectations may not be correct, even though we believe that they are reasonable and attainable. These forward-looking statements relate to:

- ▶ future revenues, expenses and profitability;
- ▶ our ability to acquire suitable property or lease suitable property on a long term basis and construct IMAX, Gemstone, 4DX and other uniquely formatted theaters in the target Caribbean expansion jurisdictions;
- ▶ attendance at movies generally or in any of the markets in which we operate or plan to operate;
- ▶ the number and diversity of popular movies released in the IMAX and all other formats and our ability to successfully license and exhibit popular IMAX movie titles;
- ▶ national growth in our industry, particularly for IMAX theaters and the IMAX market; competition in our markets; and
- ▶ competition with other forms of entertainment.

We do not guarantee that the transactions and events described in this Prospectus will happen as described or that they will happen at all. You should read this Prospectus completely and with the understanding that actual future results may be materially different

from what we expect. The forward-looking statements made in this Prospectus relate only to events as of the date on which the statements are made. We undertake no obligation, beyond that required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even though our situation will change in the future.

Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. Some of the assumptions, future results and levels of performance expressed or implied in the forward-looking statements we make inevitably will not materialize, and unanticipated events may occur which will affect our results. The “Risk Factors” section of this Prospectus describes the principal contingencies and uncertainties to which we believe we are subject.

This Prospectus contains data related to the international motion picture exhibition industry. This market data includes projections that are based on a number of assumptions. The international motion picture exhibition industry may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our Ordinary Shares. In addition, the rapidly changing nature of our industry subjects any projections or estimates relating to the growth prospects or future condition of our market to significant uncertainties. If any one or more of the assumptions underlying the market data proves to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

Audited Financial Information

The following audited balance sheet presents our financial position as of September 30, 2017, 2016, 2015, 2014, 2013 and 2012. The following audited income statement and cash flow statements set out our operating data the annual periods ended September 30, 2017, 2016, 2015, 2014, 2013 and 2012.

The following Annual Financial Information has been extracted from the Annual Audited Financial Statements, without material adjustment, and should be read in conjunction with, and is qualified in its entirety by reference to, the Annual Audited Financial Statements and the notes thereto included in this Prospectus.

The IFRS Financial Statements have been prepared in accordance with IFRS and CinemaONE’s Annual Financial Statements have been audited by KPMG Accountants Trinidad and Tobago. See “Important Information Presentation of Financial and Other Information” and “Independent Auditors”.

SUMMARY FINANCIAL AND OPERATING DATA

The following table sets out summary financial and operating data for the years ended September 2012-2017 respectively (the “Summary Annual Financial Information”). The Summary Annual Financial Information has been extracted from the Annual Audited Financial Statements, without material adjustment, and should be read in conjunction with, and is qualified in its entirety by reference to, the Annual Audited Financial Statements and the notes thereto included in this Prospectus. The IFRS Financial Statements have been prepared in accordance with IFRS and The Annual Financial Statements have been audited by KPMG Accountants Trinidad and Tobago.

“Important Information Presentation of Financial and Other Information” and “Independent Auditors.”



CinemaONE Limited Condensed Audited Financial Statements

Statement of Profit or Loss and Other Comprehensive Income
\$'000

	September 30, 2017 Audited	September 30, 2016 Audited		September 30, 2015 Audited	September 30, 2014 Audited	September 30, 2013 Audited	September 30, 2012 Audited
Gross Revenue	16,018	13,663		13,000	13,864	13,179	14,183
Cost of Sales	(6,197)	(5,455)		(4,717)	(5,202)	(4,389)	(4,857)
Gross Profit	9,821	8,208		8,283	8,662	8,790	9,326
Gross Margin	61%	60%		64%	62%	67%	66%
Operating expenses	(5,298)	(4,627)		(3,864)	(3,998)	(4,446)	(4,692)
Operating profit (EBITDA)	4,523	3,581		4,419	4,664	4,344	4,634
Depreciation	(2,752)	(1,758)		(1,804)	(1,840)	(1,820)	(1,902)
Interest expense	(260)	(258)		(631)	(884)	(825)	(635)
Preference Share Dividends		(463)		(1,021)	(1,018)	(1,018)	(721)
Profit/(Loss) before Tax	1,511	1,103		962	921	680	1,377
Tax	(645)	443		(535)	(525)	(464)	(540)
Profit/(Loss) after Tax	866	1,546		428	396	217	838

Statement of Cash Flows
\$'000

	September 30, 2017 Audited	September 30, 2016 Audited		September 30, 2015 Audited	September 30, 2014 Audited	September 30, 2013 Audited	September 30, 2012 Audited
Profit/(loss) before taxation	1,511	1,103		962	921	680	1,377
Adjustment for non-cash items & changes in working capital	5,595	(921)		1,381	(3,127)	(2,186)	(4,885)
Cash generated from operations	7,106	181		2,343	(2,206)	(1,506)	(3,508)
Taxation paid	(51)	(34)		(76)	(33)	(25)	(640)
Net cash generated from operating activities	7,055	147		2,267	(2,239)	(1,530)	(4,147)
Net cash used in investing activities	(7,959)	(16,935)		(9,374)	(522)	(863)	(611)
Net cash used in financing activities	1,147	15,313		10,385	2,021	2,851	5,104
Net (decrease) / increase in cash and cash equivalents	243	(1,476)		3,278	(740)	457	346
Cash and cash equivalents at the beginning of the year	2,592	4,068		789	1,529	1,072	726
Cash and cash equivalents at the end of the year	2,835	2,592		4,067	789	1,529	1,072

Statement of Financial Position
\$'000

	September 30, 2017 Audited	September 30, 2016 Audited		September 30, 2015 Audited	September 30, 2014 Audited	September 30, 2013 Audited	September 30, 2012 Audited
Assets							
Non-current assets	46,466	41,145		27,414	19,844	21,161	22,270
Current assets	5,376	8,138		6,791	3,683	3,015	1,661
Total Assets	51,842	49,283		34,205	23,527	24,176	23,931
Equity & Liabilities							
Shareholder's equity	22,867	22,619		18,493	4,030	3,633	3,417
Non-current liabilities	22,087	19,587		11,376	15,045	15,465	16,912
Current liabilities	6,888	7,077		4,336	4,452	5,078	3,602
Total Equity & Liabilities	51,842	49,283		34,205	23,527	24,176	23,931

Statement of Changes in Equity
\$'000

	Ordinary Shares	Preference Shares		Retained Earnings (Accumulated Deficit)	Shareholders' Equity
Balance at September 30, 2012	2,500	2,500		(1,583)	3,417
Profit for the year				217	
Balance at September 30, 2013	2,500	2,500		(1,367)	3,633
Profit for the year				396	
Balance at September 30, 2014	2,500	2,500		(970)	4,030
Share issue	10,539				
Conversion of preference shares to ordinary shares	3,497				
Profit for the year				428	
Balance at September 30, 2015	16,536	2,500		(542)	18,493
Conversion of preference shares to ordinary shares	3,336				
Share issue	2,462				
Share purchase	(3,217)				
Profit for the year				1,546	
Balance at September 30, 2016	19,116	2,500		1,003	22,619
Conversion of ordinary shares to preference shares				(618)	
Dividend payments					
Profit for the year				866	
Balance at September 30, 2017	19,116	2,500		1,251	22,867

The accompanying notes form an integral part of these financial statements.

Note 1. Basis of preparation: The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary statement of financial position, summary statement of income, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of CinemaONE Limited, which are prepared in accordance with International Financial Reporting Standards.

Note 2. Significant accounting policies: These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 3" of the audited financial statements consistently applied from period to period. The Company has adopted all the new and revised accounting standards and interpretations that are mandatory for the respective annual accounting periods and which are relevant to the Company's operations.

CinemaONE Limited
Condensed Interim Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

	9 MONTHS ENDED JUNE 30, 2018	9 MONTHS ENDED JUNE 30, 2017	YEAR ENDED SEPTEMBER 30, 2017
	Unaudited	Unaudited	Audited
Gross Revenue	14,504,910	12,071,275	16,018,664
Cost of Sales	(5,514,713)	(4,154,859)	(6,197,541)
Gross Profit	8,990,198	7,916,416	9,821,123
Gross Margin	61.98%	65.58%	61.31%
Operating expenses	(5,277,489)	(4,526,296)	(5,296,835)
Depreciation and Amortisation	(2,115,167)	(2,019,536)	(2,752,475)
Operating profit	1,597,542	1,370,584	1,771,813
Interest expense	(295,847)	(195,209)	(260,278)
Profit/(Loss) before Tax	1,301,695	1,175,376	1,511,535
Tax	(414,671)	(483,781)	(645,041)
Profit/(Loss) after Tax	887,025	691,595	866,494
EBITDA	3,712,709	3,390,120	4,524,288

STATEMENT OF FINANCIAL POSITION

	9 MONTHS ENDED JUNE 30, 2018	9 MONTHS ENDED JUNE 30, 2017	YEAR ENDED SEPTEMBER 30, 2017
	Unaudited	Unaudited	Audited
Assets			
Non-current assets	51,666,076	44,938,899	46,466,489
Current assets	4,019,309	7,341,194	5,376,053
Total Assets	55,685,384	52,280,093	51,842,542
Equity & Liabilities			
Paid/Issued Share Capital	19,116,262	21,616,263	21,616,263
Retained earnings	2,138,472	1,694,817	1,251,447
Deferred tax liability	2,052,219	1,895,696	2,052,219
Financial Liabilities	15,041,667	16,363,241	16,105,955
Shareholder's Loans	11,837,286	3,929,170	3,929,170
Current liabilities	5,499,479	6,780,906	6,887,488
Total Equity & Liabilities	55,685,384	52,280,093	51,842,542

STATEMENT OF CHANGES IN EQUITY

	9 MONTHS ENDED JUNE 30TH, 2018	9 MONTHS ENDED JUNE 30TH, 2017	YEAR ENDED SEPTEMBER 30, 2017
	Unaudited	Unaudited	Audited
Ordinary Shares	19,116,263	19,116,263	19,116,263
Preference Share Class B	2,500,000	2,500,000	2,500,000
Retained Earnings	1,251,447	1,003,222	1,003,222
Total opening balance	22,867,710	22,619,485	22,619,485
Conversion of Preference Shares-Class B to shareholder loan	(2,500,000)	-	-
Ordinary Dividends Paid	-	-	(618,270)
Total Comprehensive Income	887,025	691,595	866,495
Total Balance at end of period	21,254,735	23,311,080	22,867,710

CinemaONE Limited
Condensed Interim Financial Statements
STATEMENT OF CASH FLOWS

	9 MONTHS ENDED JUNE 30, 2018	9 MONTHS ENDED JUNE 30, 2017	YEAR ENDED SEPTEMBER 30, 2017
	Unaudited	Unaudited	Audited
Profit/(loss) before taxation	1,301,695	1,175,376	1,511,536
Adjustment for non-cash items & changes in working capital	1,045,182	1,929,401	3,934,370
Cash generated from operations	2,346,877	3,104,777	5,445,906
Taxation paid	(37,246)	(51,121)	(130,942)
Net cash generated from operating activities	2,309,631	3,053,655	5,314,964
Net cash used in investing activities	(6,220,148)	(5,663,285)	(7,551,046)
Proceeds from loans	4,456,541	1,331,640	4,791,635
Debt amortisation	(846,223)	(906,996)	(1,209,328)
Interest Paid	(840,450)	(648,779)	(865,038)
Dividends Paid	-	-	(2,296,693)
Proceeds from Sponsorship Income	266,666	1,543,634	2,058,179
Net cash used in financing activities	3,036,534	1,319,500	2,478,755
Net (decrease) / increase in cash and cash equivalents	(873,983)	(1,290,130)	242,673
Cash and cash equivalents at the beginning of the year	2,834,277	2,591,604	2,591,604
Cash and cash equivalents at the end of the year	1,960,294	1,301,474	2,834,277



CinemaONE Limited Condensed Projected Financial Statements

Statement of Profit or Loss and Other Comprehensive Income	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022
\$000	Projected	Projected	Projected	Projected	Projected
Gross Revenue	19,823	39,756	100,947	131,975	134,287
Cost of Sales	(7,489)	(15,517)	(37,713)	(50,022)	(50,790)
Gross Profit	12,334	24,239	63,234	81,953	83,497
Gross Margin	62%	61%	63%	62%	62%
Operating expenses	(6,997)	(12,142)	(29,207)	(37,222)	(38,059)
Depreciation and Amortisation	(3,004)	(4,920)	(8,492)	(11,121)	(8,628)
Operating profit	2,333	7,177	25,535	33,611	36,809
Interest expense	(567)	(3,621)	(7,462)	(9,146)	(8,739)
Profit/(Loss) before Tax	1,766	3,556	18,073	24,465	28,070
Tax	(530)	(356)	(1,807)	(2,446)	(2,807)
Profit/(Loss) after Tax	1,236	3,200	16,266	22,018	25,263
Number of Screens	5	11	19	25	25
Number of Multiplex Sites	1	2	3	4	4
Statement of Cash Flows	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022
\$000	Projected	Projected	Projected	Projected	Projected
Profit/(loss) after taxation	1,236	3,200	16,266	22,018	25,263
Adjustment for non-cash items & changes in working capital	3,570	6,268	11,885	15,779	13,334
Net cash generated from operating activities	4,806	9,469	28,151	37,798	38,597
Net cash used in investing activities	(26,427)	(78,883)	(36,366)	0	(1,020)
Net cash used in financing activities	119,871	(1,920)	18,901	(19,254)	(21,198)
Net (decrease) / increase in cash and cash equivalents	98,250	(71,334)	10,686	18,544	16,380
Cash and cash equivalents at the beginning of the year	2,834	101,084	29,750	40,435	58,979
Cash and cash equivalents at the end of the year	101,084	29,750	40,435	58,979	75,359
Dividend Payout	(989)	(1,920)	(8,133)	(11,009)	(12,632)
Statement of Financial Position	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022
\$000	Projected	Projected	Projected	Projected	Projected
Assets					
Non-current assets	70,988	144,951	172,825	161,704	154,096
Current assets	102,885	32,115	44,057	64,109	82,045
Total Assets	173,873	177,066	216,882	225,814	236,141
Equity & Liabilities					
Shareholder's equity	51,499	52,779	60,912	71,921	84,553
Non-current liabilities	117,165	117,165	144,198	135,954	127,388
Current liabilities	5,209	7,122	11,772	17,939	24,201
Total Equity & Liabilities	173,873	177,066	216,882	225,814	236,141

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

You should read the following discussion together with the historical financial statements and related notes included elsewhere in this Prospectus. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Risk Factors" and "Forward-Looking Statements." Our actual results may differ materially from those contained in or implied by any forward-looking statements.

CinemaONE's fiscal year ends on September 30 each year.

Overview

CinemaONE Limited "CinemaONE" or the "Company" is an entertainment Company based in Trinidad and Tobago. In 2011 CinemaONE successfully launched the first large format IMAX movie theater in the Caribbean. Located in the upscale One Woodbrook Place in Port of Spain, Trinidad, the Digicel IMAX, whose title sponsor is the mobile communications powerhouse Digicel, offers patrons a unique, highly immersive 3D movie experience exhibited on the Caribbean region's largest movie screen (72ft wide by 40ft high).

IMAX (short for Image MAXimum) is the most powerful and well known brand worldwide in the giant movie screen segment of the global cinema industry. Created by Canada's IMAX Corporation in 1967, IMAX records and projects images in a 70 mm format which enables far greater size and much higher resolution than conventional film systems. The result is a much bigger and brighter screen image as well as a more immersive experience.

In 2016, CinemaONE continued its innovation in movie entertainment with the successful launch of its luxury, designer theater format branded Gemstone. CinemaONE's Gemstone theater offers in-theater dining inclusive of cocktail, wine and beer service combined with convenient push button seat side service. CinemaONE's Gemstone facilities are equipped with digital projector systems, surround sound and fully reclining seats. Located in the upscale One Woodbrook Place (OWP) development in Port of Spain, Trinidad, CinemaONE offers patrons highly differentiated movie experiences.

Components of Operating Results

Revenues

CinemaONE generates revenues primarily from admissions and food and beverage sales with additional revenues from sponsorship and advertisement agreements and ancillary events and services.

Theatre admissions are largely derived from sales of Hollywood blockbuster titles which have been especially enhanced for exhibition in the IMAX format, both in 3D IMAX and 2D IMAX formats along with standard digital projection for Gemstone theater exhibition. Theatre admissions also comprise sales of educational or classic IMAX films which are scheduled via school bookings and are also exhibited in select weekend morning time slots. Educational / classic IMAX film content is largely exhibited in 3D.

Food and Beverage or Concession revenues are derived from sales to patrons attending film shows. Our IMAX concession offers a mix of typical movie going food items such as popcorn, nachos, candies, sodas and hot dogs while our Gemstone luxury theater offers a wide menu of in theater gourmet dining options in addition to popcorn and nachos. Gemstone also offers a selection of cocktails, beer and wine with restaurant style service to highly differentiate the movie going experience.

Sponsorship revenue is derived from medium term, 2-3 year, sponsorship agreements in which we provide for exclusive category screen advertising, in lobby branding, selected use of the theater venue for corporate functions and specialty sponsorship promotions. Title sponsorship also includes theater name co-branding with IMAX. CinemaONE's sponsorship arrangements allow for and encourage joint marketing initiatives.

Other ancillary revenue sources include alternative content such as the exhibition of locally produced films and the use of our IMAX and Gemstone venues by non-sponsors for corporate and cultural events.

Our revenues are affected by changes in attendance and concession revenues per patron. Attendance is primarily affected by the quality and quantity of films released by motion picture studios and those films which have been remastered by IMAX. Our revenues are typically seasonal, coinciding with the timing of releases of motion pictures by the major Hollywood film studios and their respective distribution divisions. Generally, motion picture studios release the most marketable motion pictures during the summer and holiday seasons, typically commencing in April and extending through August and in the November and December periods. The unexpected emergence or continuance of a "hit" during other periods such as the major success in February of *Black Panther* can alter the traditional movie release pattern. The timing of movie releases can have a significant effect on our results of operations, and the results of one fiscal quarter are not necessarily indicative of the results for the next or any other fiscal quarter. The seasonality of motion picture exhibition, however, has become less pronounced as motion picture studios are releasing motion pictures somewhat more evenly throughout the year.

Cost of Sales

CinemaONE's primary Cost of Sales are Film rentals. Film rent expenses are variable in nature and fluctuate with our admissions revenues. Film rent expenses as a percentage of revenues generally range between 35-55% for Hollywood films and are based on the length of a film's run and are generally negotiated on a film-by-film basis. Film rent expense is higher for mainstream movies produced by the Hollywood studios, and lower for IMAX educational or art and independent film product in which case the film rent expense ranges from 25-35%. In addition to film rent paid to the major Hollywood studio distributors, we pay an IMAX film rental royalty ranging from 5-6% of the gross film revenue.

Our Food and Beverage or Concessions Cost is variable in nature and fluctuates with our Food and Beverage or concession revenues. We purchase food and beverage menu items and supplies to replace units sold. We negotiate prices for food and beverage and concession supplies directly with concession vendors and manufacturers to obtain volume rates. Because we purchase certain concession items, such as fountain drinks and popcorn, in bulk and not pre-packaged for individual servings, we are able to improve our margins by negotiating volume discounts. In addition, our Gemstone theater's Food and Beverage offerings have increased our volume of restaurant items and allowed CinemaONE to secure better margins given the frequency and volume of Food and Beverage purchasing.

Other Costs of Sales primarily comprises the variable cost component of CinemaONE's lease agreements and consists of 5-6% of the box office and 5-9% of the food and beverage/concession revenue.

Direct Expenses

Staff Salaries and Wages.

Our theater employees comprise both corporate staff and theater employees who are mostly part-time hourly employees, supervised by one or more full-time managers. As of September 30, 2017 we had sixteen (16) employees on our corporate staff, including our Chief Executive Officer and other senior managers and forty-nine (49) staff to support our business development, technology, accounting, and marketing activities.

Our payroll expenses contain a fixed component for the corporate staff but are also variable and will fluctuate, being generally higher during the peak summer and holiday periods, and less at other times. We continue to closely monitor our salaries and wage expense so as to minimize total expenditure without compromising our quality of service.

We expect salaries and wages to moderately increase in fiscal 2018 as a percentage of sales, but not to exceed 15-16% of total

revenue, as we lay the groundwork for anticipated expansion into the Caribbean region. We expect to issue shares-based awards to employees and non-employee directors in the future under shares compensation award plans, which may consist of share options or restricted shares, subject to vesting periods.

Facility Lease Expense

CinemaONE's Digicel IMAX and Gemstone location at One Woodbrook Place, Port of Spain, Trinidad is operated under a long term operating lease that contains renewal options upon expiration. The lease is primarily variable comprising payment of 5-6% of the box office and 5-9% of the food and beverage in addition to a moderate fixed component for common service charges in the One Woodbrook Place complex. The fixed component is subject to a minor increase over the fixed term. In fiscal 2017, CinemaONE's total facility lease expense amounted to 9% of total revenue.

CinemaONE intends to enter similar long term leasing arrangements in its target Caribbean expansion jurisdictions or to outright acquire its own land and building in each territory.

Marketing Expense

Marketing Expenses comprise traditional and new media advertising, both "above and below the line". CinemaONE routinely promotes upcoming releases through its own resources and by leveraging the marketing budgets of both the motion picture studio distributors and IMAX Corporation. CinemaONE effectively utilizes its category sponsors for unique offerings such as text messages to Digicel's mobile phone customers and mail outs to key sponsor customers. CinemaONE maintains its movie listings in the daily newspapers and on its web and Facebook pages. CinemaONE also promotes major opening events, often premiere events for new movie releases, prior to the official release date of the film.

In fiscal 2017, CinemaONE's marketing expenses were equivalent to 7% of revenue. CinemaONE expects its annual marketing expenses to range between 4-7% of sales.

Administration and Other.

Utilities and other expenses consist of utility charges, communications charges, cleaning, security, staff travel, and various other costs of operating our theaters. We expect these costs, which are largely fixed in nature, to

remain relatively constant for the theaters, with growth in these expenses as we open new theaters.

Depreciation and Amortization.

We utilize straight line depreciation and amortization for property and equipment and intangible assets over the contract value or estimated useful life of each asset class. Our largest two fixed asset classes comprise our IMAX and multiplex projection system equipment, which includes dual projectors, giant screen, audio system and associated IMAX brand rights as well as leasehold improvements.

Operating Profit / Loss

Our operating profit in fiscal 2017 resulted from a strong opening year for the Gemstone luxury theater at OWP. Of note was the strong growth in food and beverage operations at the Gemstone level. Operating profit was 13% of sales while EBITDA was approximately 30% of sales in fiscal 2017.

Finance Costs.

CinemaONE's finance cost in fiscal 2017 were comprised of interest on senior bank debt. CinemaONE capitalized \$785,000 in interest costs associated with CinemaONE's ongoing construction expansion at OWP in fiscal 2017. CinemaONE expects to benefit from lower cost financing as it expands.

CinemaONE also intends to capitalize on the strong, US Dollar denominated economies

in order to secure lower cost senior debt financing in these respective marketplaces as CinemaONE executes its Caribbean expansion plan.

Income Taxes.

We recorded income tax expense, although there were deferred tax asset valuation allowances which minimized actual tax payments.

CinemaONE intends to benefit from the income tax concessions afforded to Companies listing on the Trinidad and Tobago Small and Medium Enterprise Exchange and to also capitalize on favourable tax benefits which accrue to tourism related asset investments in target expansion locations.

Profit / Loss.

Our after tax profit in fiscal 2017 represented a 7% of total revenue. We expect to moderately increase our profit position in fiscal 2018 and then to more rapidly accelerate in 2019 and 2020 with the opening of new theater projects in both Trinidad and target Caribbean expansion destinations.

Liquidity and Capital Resources

We expect our primary uses of cash to be from capital expenditures relevant to IMAX and Gemstone theater expansion efforts, ongoing Digicel IMAX operating expenses, general corporate purposes related to corporate operations, and possible debt service on any debt or payments with respect to capital

leases that we may incur in the future. We expect our principal sources of liquidity to be from cash generated from operations, cash on hand, and anticipated proceeds from equity or debt issuances.

We intend to use approximately \$30.1 million of the net proceeds from this offering to consummate two multiplex theater expansion projects. We intend to use the balance of the net proceeds from this offering for general corporate purposes, including our working capital needs and the commencing of projects in the Caribbean region.

Operating Activities

Net cash flows provided by (used in) operating activities totalled approximately \$6.3 million in 2017. During fiscal year 2017, a significant reduction in accounts payable and accrued expenses derived mostly from the Gemstone construction period contributed to our reduced cash flow from operating activities.

Our revenues are generated principally through admissions and food and beverage sales from feature films with proceeds received in cash or via credit cards at the point of sale and increasingly on-line through our Ecommerce platform. Our operating expenses are primarily related to film and food and beverage costs, rent, and payroll. Film rent expense is ordinarily paid to distributors within 30 days following receipt of admissions revenues, and the cost of our food and beverage items are generally paid to vendors approximately 30 to 45 days from purchase.



THE IMAX EXPERIENCE BIGGER IS JUST THE BEGINNING

TOTAL IMMERSION
EACH IMAX® THEATRE FEATURES:

- ✔ Custom theatre design
- ✔ Handcrafted speakers
- ✔ Wider field-of-view
- ✔ Specially engineered seating layout

ALL BRINGING YOU CLOSER TO THE ACTION

SOUND YOU FEEL

Reaches an entire octave lower

Audio perfectly tuned daily

Laser precision for endless sound "sweet spot"

Custom, patented sound system

STATE-OF-THE-ART PROJECTION SYSTEM

Crystal-clear, lifelike images

Up to 50% more brightness and 30% greater contrast

Unrivaled 3D brightness and clarity

Built-in remote sensor for real-time adjustments

24x7x365 global quality control for optimal performance

AS THE FILMMAKERS INTENDED
THEY'VE GOT THE VISION. WE'VE GOT THE TOOLS:

IMAX® CAMERAS

- Highest-resolution cameras in the world
- Used by leading Hollywood filmmakers
- Present up to 40% more image

IMAX DMR

- Proprietary digital remastering
- Patented visual customization
- Enhances hundreds of details in every frame

Every movie, whether filmed with our cameras or utilizing DMR, has a soundtrack optimized specifically for IMAX. Experience the difference.

Investing Activities

Our capital requirements have arisen principally in connection with our Gemstone and 4DX multiplex Theater development in Trinidad which included \$16.4 million in Gemstone and 4DX leasehold improvements and in projector system equipment over fiscal years 2017 and 2016. We anticipate further capital outlays of TT \$7M in fiscal 2018 for completion of our OWP theater expansion. In the next 12 months we expect to incur up to \$TT20-30 million in capital outlays for our intended expansion in Trinidad assuming our primary strategy of undertaking leasehold improvements only.

We also expect to incur capital expenditure ranging from \$TT80-100 million for our intended development of a luxury multiplex facility in another target destination with a demonstrated strong movie market in fiscals 2019 and 2020. This level of capital investment assumes a minimum 25 year ground lease agreement for land on a mall compound. Such capital outlays include the complete projector system, land lease, building improvements, theater outfitting and other miscellaneous expenditures start-up of an IMAX and or luxury theater in the target Caribbean expansion territory. We intend to fund the equity portion of such Caribbean theater development projects with a portion of the net proceeds of this Offer.

Depending on the size of this offering, and the availability of equity and debt financing following this offering, we have a pipeline of additional theaters that we may seek to develop and we have been in discussions with IMAX Corporation, CGV, the licensor's of 4DX technology and other licensor's of premium movie formats. However, we are limited to our available sources of financing to complete any such developmental projects.

Financing Activities

Our financing activities for fiscal year 2017 consisted of an incremental \$2.0 million in our CIBC Senior Debt facility to assist in the 4DX construction at OWP. In addition, CinemaONE also optimized its capital structure for the SME listing by converting preference shares previously held by GSEHL to subordinated long term notes. In Fiscal 2018 we intend to issue Ordinary Shares through the planned public offering contemplated hereby, although there can be no assurance such equity capital financing will be completed.

Critical Accounting Policies

We prepare our financial statements in conformity with accounting principles generally accepted in the Republic of Trinidad and Tobago. As such, we are required to make certain estimates and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the

reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. The significant accounting policies, which we believe are the most critical to aid in fully understanding and evaluating our reported financial results, include the following:

Revenue and Film Rent Expense Recognition

Revenues are recognized when admissions and concession sales are received at the box office. Other revenues primarily consist of screen advertising, theater rentals for corporate events and parties. Sales are made either in cash or in the form of credit cards, which settle in cash within two to three days. Sponsorship revenues are recognized over the period that the related sponsorship program is delivered, which at present is a maximum of thirty-six (36) months. Theatre rentals and party revenue are recognized at the time of the event. We record proceeds from the sale of gift cards and other advanced sale-type certificates in current liabilities and recognize admissions and concession revenue when a holder redeems the card or certificate. We recognize unredeemed gift cards and other advanced sale-type certificates as revenue only after such a period of time indicates, based on historical experience, that the likelihood of redemption is remote, and based on applicable laws and regulations. In evaluating the likelihood of redemption, we consider the period outstanding, the level and frequency of activity, and the period of inactivity.

Film rent expenses are accrued based on the applicable admissions and a mutually agreed upon film terms formula, which is generally established with local motion picture distributors prior to the opening of the film. Under a film terms formula, we pay the distributor a mutually agreed upon specified percentage of box office receipts, which reflects either a mutually agreed upon aggregate rate for the life of the film or rates that decline over the term of the run.

Depreciation and Amortization

Theatre assets and equipment are depreciated using the straight-line method over their contract period and / or estimated useful lives, whichever is shorter. In estimating the useful lives of our theater assets and equipment, we have relied upon industry experience with such assets. We periodically evaluate these estimates and assumptions and adjust them as necessary. Adjustments to the expected lives of assets are accounted for on a prospective basis through depreciation expense. Leasehold improvements for which we pay and to which we have title are amortized over the shorter of the lease term or the estimated useful life.



Impairment of Long-Lived Assets

We review long-lived assets for impairment indicators whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable. We assess many factors including the following to determine whether to impair long-lived assets:

- ▶ actual theater level cash flows;
- ▶ future years budgeted theater level cash flows;
- ▶ theater property and equipment carrying values;
- ▶ amortizing intangible asset carrying values;
- ▶ competitive theaters in the marketplace;
- ▶ the impact of recent ticket price changes;
- ▶ available lease renewal options; and
- ▶ other factors considered relevant in our assessment of impairment of individual theater assets.

Long-lived assets are evaluated for impairment on an individual theater basis, which we believe is the lowest applicable level for which there are identifiable cash flows. The impairment evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theater's useful life. The remainder of the useful life correlates with the available remaining lease period, which includes the probability of renewal periods for leased properties.

Income Taxes

We use an asset and liability approach to financial accounting and reporting for income taxes.

Recent Accounting Pronouncements

There are no recent accounting pronouncements or IFRS regulations which will materially impact our business.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the potential for loss due to adverse changes in the fair value of financial instruments. CinemaONE is exposed to market risks related to movements in foreign currency exchange rates and interest rates. These exposures may change over time as business practices evolve and could have a material adverse impact on CinemaONE's financial results. CinemaONE has not entered into any transactions with derivative financial instruments for the purpose of reducing its interest rate or foreign currency risk.

Foreign Currency Risk

Foreign currency risk is the risk that CinemaONE may incur economic losses due to adverse changes in foreign currency exchange rates. As currency exchange rates change, translation of the financial statements of CinemaONE's operations reported in currencies other than the Trinidad and Tobago Dollar affects the year-to-year comparability of these results of operations.

CinemaONE conducts transactions in the following currencies: Trinidad and Tobago Dollar, United States Dollar and the Canadian Dollar.

Appreciation of CinemaONE's reporting currency, the Trinidad and Tobago dollar, against its other functional currencies decreases CinemaONE's revenues and costs as reported in its financial statements for those operations that do not operate in TT Dollars. Conversely, depreciation of the TT Dollar against these other currencies increases CinemaONE's revenues and costs as reported in its financial statements. The appreciation of the TT Dollar against these other currencies, therefore, impacts CinemaONE's reported net income or loss.

Currency Transaction Risk

CinemaONE incurs currency transaction risk whenever it enters into either a purchase or sales transaction using a currency other than its functional currency. This currency risk arises from foreign currency receivables as well as from commitments to purchase services and supplies in the future in currencies other than the functional currencies.

Interest Rate Risk

CinemaONE's debt is subject to floating interest rates, pegged to the prime rate set by the Central Bank of Trinidad and Tobago. Increases in interest rates will increase CinemaONE's interest expense under these loans. CinemaONE further expects to secure LIBOR based indebtedness for cineplex developments in other Caribbean markets whose economies are driven by the EC, Euro or US Dollar as the functional currency.

Seasonality

Our revenues are usually seasonal, coinciding with the timing of releases of motion pictures by the major distributors. Generally, motion picture studios release the most marketable motion pictures during the summer and holiday seasons. The unexpected emergence of a hit film during other periods can alter the traditional trend. The timing of movie releases can have a significant effect on our results of operations, and the results of one fiscal quarter are not necessarily indicative of results for the next fiscal quarter or any other fiscal quarter. The seasonality of motion picture exhibition, however, has become less pronounced as motion picture

studios are releasing motion pictures somewhat more evenly throughout the year.

Competition

The motion picture exhibition industry is highly competitive. Motion picture exhibitors generally compete on the basis of the following competitive factors:

- ▶ ability to secure films with favourable licensing terms to meet audience demand;
- ▶ availability of comfortable seating, location, reputation and seating capacity;
- ▶ quality of projection and sound systems, including key differentiators such as IMAX and 4DX;
- ▶ general aesthetics, décor and perception of security for the theater location; and
- ▶ ability and willingness of motion picture studios and distributors to promote the films and other content that are being shown.

We have several competitors in our current and target markets, which vary substantially in size from small independent exhibitors to large international chains. In Trinidad, we currently compete mainly with Movietowne and Caribbean Cinemas. In select Caribbean destinations we plan to compete with other, potentially large multinational chains such as Cinepolis and Cinemark International.

Competitors such as the latter two are larger and have substantially more resources than we do, which may give them a competitive advantage over us. Our IMAX, Gemstone and 4D theaters are, and those we plan to develop will be, subject to varying degrees of competition in the regions in which they operate. Our competitors, including newly established motion picture exhibitors and existing theater chains, may build new theaters or screens in areas in which we operate or will operate in the future, which may result in increased competition and excess capacity in those areas. If this occurs, it may have an adverse effect on our business and results of operations. Based on the expertise of our senior management, however, we believe that we will be able to generate economies of scale and operating efficiencies that will allow us to compete effectively with our competitors.

Key factors that will drive our competitive positioning and establish our value proposition and market differentiation include our premium market positioning, our theater operational experience, advanced and patented theater technologies in the case of IMAX and 4DX, localized and gourmet style food and beverage experience for our Gemstone luxury theater model, in theater dining, and modern, museum and / or 4-5 star hotel like theater environments. We also believe that positioning our theaters as community assets which hire and rely on local human resources and showcase educational films, local films and non-film

artistry assist CinemaONE in creating strong brand identity and a long term sustainable business.

In addition to competition for our existing theater operations, we may face competition from other motion picture exhibitors and other buyers when trying to acquire additional theaters. Many of our competitors are well established and have extensive experience in identifying and effecting acquisitions. Many of these competitors possess greater technical, human and other resources than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target theaters.

We also compete with other motion picture distribution channels, including home video and DVD, cable television, broadcast television and satellite, pay-per-view services and downloads and streaming video via the Internet. Other technologies such as video on demand could also have an adverse effect on our business and results of operations. However, in general, when motion picture distributors license their products to the motion picture exhibition industry, they refrain from licensing those motion pictures to other distribution channels for a period of time, commonly called the theatrical release window.

In addition, we compete for the public's leisure time and disposable income with other forms of entertainment, including sporting events, concerts, live theater and restaurants.

IMAX Corporation Patents and Trademarks



CinemaONE's IMAX Caribbean initiatives will benefit from IMAX Corporation's inventions which cover various aspects of its proprietary technology and many of these inventions are protected by Letters of Patent or applications filed by the IMAX Corporation throughout the world, most significantly in the United States, Canada, Belgium, Japan, France, Germany and the United Kingdom. The subject matter covered by these patents, applications and other licenses encompasses theater design and geometry, electronic circuitry and mechanisms employed in projectors and projection equipment (including 3D projection equipment), a method for synchronizing digital data, a method of generating stereoscopic (3D) imaging data from a 2D source, a process for digitally re-mastering 35mm films into large-format, a method for increasing the dynamic range and contrast of projectors, a method for visibly seaming or superimposing images from multiple projectors and other inventions relating to digital projectors. IMAX Corporation has been diligent in the protection of its proprietary interests.

IMAX Corporation currently holds or licenses 46 patents, has 14 patents pending in the United States and has corresponding patents or filed applications in many countries throughout the world. While IMAX Corporation considers its patents to be important to the overall conduct of its business, it does not consider any particular patent essential to its operations. Certain of the IMAX Corporation's patents in the United States, Canada and Japan for improvements to the IMAX projection system components expire between 2017 and 2024.

IMAX Corporation owns or otherwise has rights to trademarks and trade names used in conjunction with the sale of its products, systems and services. The following trademarks are considered significant in terms of the current and contemplated operations of IMAX Corporation: IMAX®, Experience It In IMAX®, The IMAX Experience®, An IMAX Experience®, IMAX DMR®, IMAX® 3D, IMAX® Dome, IMAX MPX®, IMAX think big® and think big®. These trademarks are widely protected by registration or common law throughout the world. IMAX Corporation also owns the service mark IMAX THEATRE™.

Description of Property

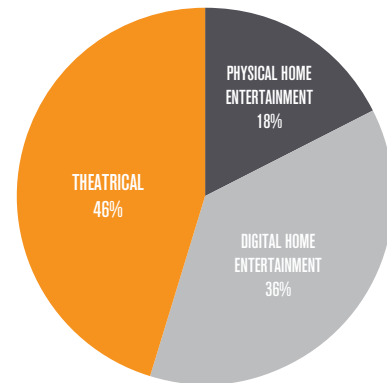
Our Digicel IMAX and multiplex theater location at One Woodbrook Place is occupied under lease agreements with Home Construction Limited (HCL). Our IMAX lease agreement has a remaining lease term of approximately eight (8) years for the One Woodbrook Place Entertainment Building location and thirteen (13) years for the Gemstone facility and fifteen (15) years for the 4DX theater. At our option, we can renew these leases at the same percentage of box office and concession rates for various periods ranging from 5 to 10 years

Legal Proceedings

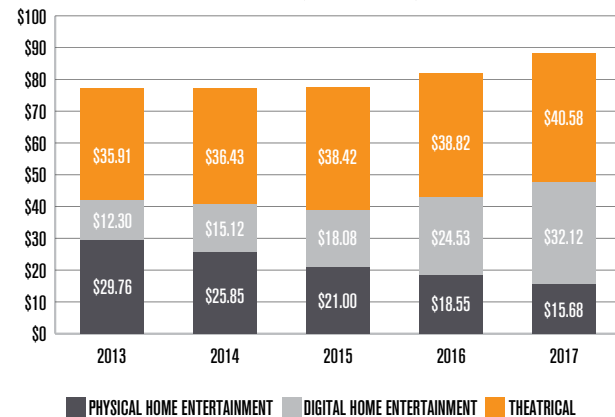
We are not currently a party to any material legal or administrative proceedings. We may, however, from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

In 2017, box office accounted for 46 percent of combined theatrical and home entertainment consumer spending globally, with digital home entertainment (36%) and physical home entertainment (18%) making up the rest. Since 2013, global theatrical consumer spending has increased 13 percent, while home entertainment has increased 14 percent. Digital home entertainment growth (+161%) overcame a decline in physical home entertainment.

2017 Global Theatrical and Home Entertainment Consumer Spending (US\$ Billions)



Global Theatrical and Home Entertainment Consumer Spending (US\$ Billions)



Source MPA and IHS Markit. Physical includes rental and retail. Digital includes Electronic Sell-Through [EST], video-on-demand (VOD), and subscription streaming (paid subscribers only). Subscription streaming does not include spending from sports.



CINEMAONE

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DIRECTOR'S REPORT

We confirm that to the best of our knowledge and belief, after due inquiry by us, that in the period following the last audited financial statements, 30 September 2017, to the date of this Prospectus:

1. The business of CinemaONE has, in our opinion, been satisfactorily maintained;
2. There have not been, in our opinion, any circumstances arising which have adversely affected the trading or the value of the assets of CinemaONE;
3. The current assets of CinemaONE appear in the books at values which are believed to be realizable in the ordinary course of business;
4. There are no contingent liabilities, which have arisen by reason of guarantees or indemnities given by CinemaONE; and
5. There have been no significant changes affecting the financial position of CinemaONE.



CINEMAONE

12 SUPPLEMENTAL
INFORMATION

12.0 SUPPLEMENTAL INFORMATION

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Forms 8 and Form 9, including exhibits and schedules, under the Securities Act with respect to our Ordinary Shares offered hereby. For further information with respect to us and the Ordinary Shares offered hereby, please see Documents Available for Information section on this page 72 and/or visit CinemaONE's website at www.cinemaonett.com.

Upon completion of this offering, we will become subject to the information and periodic and current reporting requirements of the Securities Exchange Act, and in accordance therewith, will file periodic and current reports, proxy statements and other information with the SEC. The registration statement, such periodic and current reports and other information can be inspected and copied at the SEC located at 57-59 Dundonald St., Port of Spain. Copies of such materials, including copies of all or any portion of the registration statement, can be obtained from the Public Reference Room of the SEC at prescribed rates. You can call the SEC at 868-624-2991 to obtain more information. Such materials may also be accessed electronically by means of the SEC's website at www.ttsec.org.tt and at the Trinidad and Tobago Stock Exchange's website www.stockex.co.tt as well as on CinemaONE's website at www.cinemaonett.com

Please see Appendix ONE on page 93 for Subscription Information

Transfer Agent and Registrar

The transfer agent and registrar for our Ordinary Shares will be the Trinidad and Tobago Central Depository Limited. Its address is 10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain, and its telephone number is (868) 625-5107/9.

Shares Eligible for Future Sale

Future sales of substantial amounts of our Ordinary Shares in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our ordinary shares. No prediction can be made as to the effect, if any, future sales of shares, or the availability of shares for future sales, will have on the market price of our Ordinary Shares prevailing from time to time. The sale of substantial amounts of our Ordinary Shares in the public market, or the perception that such sales could occur, could harm the prevailing market price of our Ordinary Shares.

Public Offering Price and Dealers Concession

The Lead Broker proposes initially to offer the shares of ordinary shares offered by this Prospectus directly to the public at the public offering price per share set forth on the cover page of this Prospectus, and to certain dealers at that price ..

Indemnification of Lead Broker

We have agreed to indemnify the Lead Broker against certain civil liabilities, including liabilities under the Securities Act, and, where such indemnification is unavailable, contribute to payments the Lead Broker may be required to make in connection with these liabilities.

Legal Matters

Pollonais, Blanc, de la Bastide & Jacelon, Attorneys at Law will pass upon the validity of the Ordinary Shares offered hereby on our behalf.

Experts

The balance sheets and the related statements of operations, shareholders' equity and cash flows from the periods ended September 30, 2017 to September 30, 2015 of CinemaONE Limited, have been audited by KPMG an independent registered public accounting firms, as stated in their reports appearing herein. Such financial statements have been so included in reliance upon the reports of such firms given upon their authority as experts in accounting and auditing.

Documents available for inspection

The following documents in relation to CinemaONE are available for inspection between 9AM-4PM from September 17, 2018 to October 12, 2018 at the offices of the Lead Stockbroker for CinemaONE:

- ▶ Certificate of Incorporation, Articles of Incorporation, By Laws, Articles of Amendment, and Restated Articles of Incorporation
- ▶ Any Special Resolutions
- ▶ Financial Statements for the Fiscal Years ended September 30, 2017-2012
- ▶ Amendment Letter for Note 7 to Financial Statements for the Fiscal Years ended September 30, 2017, 2016, and 2015
- ▶ Letter of Consent for inclusion of Auditor's Reports
- ▶ Receipt for Prospectus from TTSEC
- ▶ Central Bank of Trinidad and Tobago Statutory Fund Approval Letter
- ▶ Special Resolution Authorising an Increase of Share Capital
- ▶ Special Resolution Authorising Redemption of Class A and Class B Preference Shares
- ▶ 1.0 Code of Ethics
- ▶ 2.0 Governance Report Dated June 30, 2018

Statement of Rights:

s. 139(1) of the Securities Act provides that a purchaser of a security distributed under a Prospectus has a right of action for damages against each of the persons set out in the said s.139(1) for any loss or damage sustained by him of any misrepresentation in the Prospectus and such person shall be liable for any loss or damage.

s. 140(1) of the Securities Act provides purchasers with the right to withdraw from an agreement to purchase securities. The securities legislation further provides a purchaser with remedies for rescission and damages if the Prospectus or any amendment contains a misrepresentation.

The purchaser should refer to the Securities Act as amended and the By-laws thereunder, for the particulars of these rights or consult with a legal adviser.

Certification by Management.

The foregoing constitutes full, true and plain disclosure of all material facts relating to CinemaONE and the securities distributed by this Prospectus as required by the Securities Act, 2012 as amended and the By-laws thereunder.

Certification by Directors

The foregoing constitutes full, true and plain disclosure of all material facts relating to CinemaONE and the securities distributed by this Prospectus as required by the Securities Act 2012 as amended and the By-laws thereunder.

SIGNATURES

Pursuant to the requirements of the Securities Act as amended and the By-laws thereunder, CinemaONE has duly caused this Prospectus to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Port of Spain, Trinidad and Tobago, on September 14, 2018.

CinemaONE Limited

By: 
Brian Jahra Chairman and Chief Financial Officer

By: 
Ingrid Jahra, Chief Executive Officer



CINEMAONE

13 AUDITED FINANCIAL
STATEMENTS FOR
YEAR ENDED
SEPTEMBER 30, 2017

13.0 AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED SEPTEMBER 30, 2017

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Ammended Letter for Note 7 to financial statements for the fiscal year ended September 30, 2017	90

Statement of Management's Responsibilities CinemaONE Limited

Management is responsible for the following:

- ▶ Preparing and fairly presenting the accompanying financial statements of CinemaONE Limited (the Company), which comprise the statement of financial position as at September 30, 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- ▶ Ensuring that the Company keeps proper accounting records;
- ▶ Selecting appropriate accounting policies and applying them in a consistent manner;
- ▶ Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- ▶ Ensuring that the system of internal control operated effectively during the reporting period;
- ▶ Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- ▶ Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

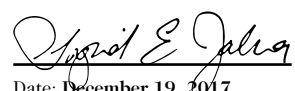
Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Brian Jahra, Chairman

Date: December 19, 2017



Ingrid Jahra, Chief Executive Officer

Date: December 19, 2017



KPMG
Chartered Accountants
Savannah East
11 Queen's Park East
P.O. Box 1328
Port of Spain
Trinidad and Tobago, W.I.

Tel: (868) 612-KPMG
(868) 623-1081
Fax: (868) 623-1084
Email: kpmg@kpmg.co.tt
Web: www.kpmg.com/tt

Independent Auditors' Report to the Shareholders of CinemaONE Limited

Opinion

We have audited the accompanying financial statements of CinemaONE Limited (the Company), which comprise the statement of financial position as at September 30, 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company, as at September 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CinemaONE Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

KPMG is a limited liability partnership and a member firm of the U.S. network of member firms of PwC Global, a PwC network of member firms of PwC Global, a PwC network of member firms of PwC Global.

2017 Audit Firm
2017 Audit Firm
2017 Audit Firm
2017 Audit Firm



Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Accountants
Port of Spain
Trinidad and Tobago
December 19, 2017

CinemaONE Limited
Statement of Financial Position

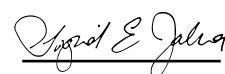
September 30, 2017

	Notes	2017 \$	2016 \$
Assets			
Non-current assets			
Property, plant and equipment		45,665,908	39,944,674
Deferred tax asset	8	<u>800,581</u>	<u>1,199,896</u>
		<u>46,466,489</u>	<u>41,144,570</u>
Current assets			
Inventories		134,099	141,948
Accounts receivable	5	1,308,539	999,844
Due from related parties	6	1,099,138	4,404,914
Cash on hand and at bank – restricted cash		833,333	1,002,899
Cash on hand and at bank – unrestricted cash		<u>2,000,944</u>	<u>1,588,705</u>
		<u>5,376,053</u>	<u>8,138,310</u>
Total assets		<u>51,842,542</u>	<u>49,282,880</u>
Shareholders' Equity and Liabilities			
Shareholders' equity			
Stated capital	7	21,616,263	21,616,263
Retained earnings		<u>1,251,447</u>	<u>1,003,222</u>
		<u>22,867,710</u>	<u>22,619,485</u>
Non-current liabilities			
Deferred tax liability	8	2,052,219	1,895,696
Borrowings	9	14,346,167	14,631,166
Convertible redeemable preference shares	10	1,759,788	3,059,792
Shareholder loan	11	<u>3,929,170</u>	-
		<u>22,087,344</u>	<u>19,586,654</u>
Current liabilities			
Borrowings	9	4,653,833	3,415,693
Accounts payable	12	1,959,075	1,380,380
Deferred sponsorship income	13	88,889	374,815
Dividend payable on convertible redeemable preference shares		140,010	1,818,433
Taxation payable		<u>45,681</u>	<u>87,420</u>
		<u>6,887,488</u>	<u>7,076,741</u>
Total shareholders' equity and liabilities		<u>51,842,542</u>	<u>49,282,880</u>

The notes on page 83 to page 88 are an integral part of these financial statements.

On behalf of the Board

 Director

 Director

CinemaONE Limited Statement of Profit or Loss and Other Comprehensive Income

Year ended September 30, 2017

	Notes	2017 \$	2016 \$
Revenue			
Film		8,398,511	7,913,302
Concession		5,050,543	3,255,358
Sponsorship		<u>2,569,610</u>	<u>2,494,330</u>
Gross revenue		16,018,664	13,662,990
Less discounts		<u>(828,738)</u>	<u>(924,846)</u>
Net revenue		<u>15,189,926</u>	<u>12,738,144</u>
Cost of sales			
Film		(3,185,025)	(2,887,708)
Concession		(1,467,638)	(985,512)
Other		<u>(716,140)</u>	<u>(656,629)</u>
Total cost of sales		<u>(5,368,803)</u>	<u>(4,529,849)</u>
Gross profit		<u>9,821,124</u>	<u>8,208,295</u>
Other expenses			
Administrative expenses	14	(960,141)	(1,626,185)
Rent	15	(745,116)	(247,896)
Staff costs	16	(2,222,866)	(1,770,121)
Marketing		(1,368,713)	(982,847)
Depreciation	4	<u>(2,752,475)</u>	<u>(1,757,781)</u>
Total other expenses		<u>(8,049,310)</u>	<u>(6,384,830)</u>
Operating profit		<u>1,771,813</u>	<u>1,823,465</u>
Finance costs			
Dividends on convertible redeemable preference shares		-	(463,441)
Interest expense		<u>(260,278)</u>	<u>(257,574)</u>
Total finance costs		<u>(260,278)</u>	<u>(721,015)</u>
Profit for the year before taxation		1,511,536	1,102,450
Taxation	8	<u>(645,041)</u>	<u>443,227</u>
Profit for the year being total comprehensive income of the year		<u>866,495</u>	<u>1,545,677</u>

The notes on page 83 to page 88 are an integral part of these financial statements

CinemaONE Limited Statement of Changes in Equity
Year ended September 30, 2017

Year ended September 30, 2016

	Ordinary Shares \$	Preference Shares \$	(Accumulated Deficit) Retained Earnings \$	Shareholders' Equity \$
Balance at October 1, 2015	16,535,540	2,500,000	(542,455)	18,493,085
Conversion of preference shares to ordinary shares	3,336,105	-	-	3,336,105
Share issue	2,462,014	-	-	2,462,014
Share purchase	(3,217,396)	-	-	(3,217,396)
Profit for the year being total comprehensive income for the year	-	-	1,545,677	<u>1,545,677</u>
Balance at September 30, 2016	<u>19,116,263</u>	<u>2,500,000</u>	<u>1,003,222</u>	<u>22,619,485</u>
Year ended September 30, 2017				
Balance at October 1, 2016	19,116,263	2,500,000	1,003,222	22,619,485
Reclassification of transfer of preference shares dividends	-	-	-	-
Dividends paid	-	-	(618,270)	(618,270)
Profit for the year being total comprehensive income for the year	-	-	866,495	<u>866,495</u>
Balance at September 30, 2017	<u>19,116,263</u>	<u>2,500,000</u>	<u>1,251,447</u>	<u>22,867,710</u>

The notes on page 83 to page 88 are an integral part of these financial statements.

CinemaONE Limited
Statement of Cash flows

Year ended September 30, 2017
September 30, 2016

Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before taxation	1,511,536	1,102,450
Adjustments for:		
Depreciation	2,752,475	1,757,781
Amortisation of deferred sponsorship income	(2,477,438)	(2,494,330)
Exchange loss	-	25,131
Dividend expense	-	463,441
Interest expense	<u>260,278</u>	<u>257,574</u>
	2,046,851	1,112,047
Changes in:		
Inventories	7,849	(52,979)
Accounts receivable	(175,362)	948,878
Due from related parties	3,305,776	(3,005,180)
Accounts payable	<u>260,792</u>	<u>1,178,248</u>
Cash generated from operating activities	5,445,906	181,014
Taxation paid	<u>(130,942)</u>	<u>(34,148)</u>
Net cash from operating activities	<u>5,314,964</u>	<u>146,866</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	<u>(7,551,046)</u>	<u>(16,935,451)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(1,209,328)	(5,805,623)
Proceeds from loans and borrowings	4,791,635	18,000,000
Interest paid	(865,038)	(881,401)
Proceeds from share issue	-	2,462,014
Proceeds from sponsorship income	2,058,179	1,741,463
Dividends paid	<u>2,296,693</u>	<u>(203,876)</u>
Net cash from financing activities	<u>2,478,755</u>	<u>15,312,577</u>
Increase (decrease) in cash and cash equivalents for the year	242,673	(1,476,008)
CASH AND CASH EQUIVALENTS AT OCTOBER 1	<u>2,591,604</u>	<u>4,067,612</u>
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30	<u>2,834,277</u>	<u>2,591,604</u>
Analysis of cash and cash equivalents:		
Cash on hand and at bank -restricted cash	833,333	1,002,899
Cash on hand and at bank -unrestricted cash	<u>2,000,944</u>	<u>1,588,705</u>
	<u>2,834,277</u>	<u>2,591,604</u>

The notes on page 83 to page 88 are an integral part of these financial statements.

1. General Information

CinemaONE Limited ("CinemaONE" or "the Company"), formerly Giant Screen Entertainment Limited, was incorporated in the Republic of Trinidad and Tobago on December 11, 2009. The registered office of the Company is situated at One Woodbrook Place, Port of Spain.

CinemaONE owns and operates the first IMAX Digital Theatre in the Caribbean, to exhibit large format two dimensional (2D) and three dimensional (3D) movies in the proprietary IMAX format. CinemaONE Limited is the exclusive Trinidad licensee of the patented IMAX Technology of the IMAX Corporation that affords advanced high-resolution imagery, dual projection systems, patented theater geometry, laser aligned surround sound and the world's largest movie screens. The theater opened to the public on August 25, 2011.

The Company opened the doors of the country's first luxury, in-theater dining four screen Cineplex – Gemstone Luxury Cinemas located on the 2nd floor of One Woodbrook Place, with four intimate gemstone themed movie theater rooms - Amethyst, Emerald, Azure and Topaz which are all equipped to offer restaurant style food and beverage menus complete with seat side service. Gemstone was opened to the public on November 15, 2016.

CinemaONE also offers specialised on-screen advertising and exclusive multiple year sponsorship packages. As the lead naming Sponsor, Digicel (Trinidad and Tobago) Limited has partnered with CinemaONE so that the IMAX Trinidad theater is known as the DIGICEL IMAX theater. The other exclusive educational sponsor is Atlantic LNG Company of Trinidad and Tobago.

The Company also offers rental packages to the public for corporate events and/or special occasions.

CinemaONE is a subsidiary of Giant Screen Entertainment Holdings Limited ("GSEHL"), the Parent Company. GSEHL is registered in Trinidad and Tobago.

All entities prepare financial statements in accordance with the IFRS for SMEs.

These financial statements were approved for issue by the Directors on December 19, 2017.

2. Basis of Preparation

(a) Basis of accounting

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs).

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. There have been no critical estimates used and judgements made in applying accounting policies.

Information about judgements made in applying policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

Note 3(g)– Borrowing costs: whether borrowing costs are capitalised.

3. Significant Accounting Policies

The Company has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign

currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) Property, plant and equipment

(i) Recognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing property, plant and equipment are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated using the declining balance basis over the estimated useful lives of each item of property, plant and equipment at the following rates:

Leasehold improvement	- Life of lease - 15yrs
Theatre equipment	- Life of the agreement - 15yrs
Motor vehicle	- 25%
Computers	- 33.3%
Concession equipment	- 25%
Furniture and fixtures	- 15%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iii) Disposals

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(c) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

(d) Accounts receivable

Accounts receivable is stated net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Bad debts are written off during the period in which they are identified.

(e) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft. Restricted cash represents a Debt Service Reserve Account held equivalent to one quarterly loan payment.

(f) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs.

Borrowing costs are recognised using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, is capitalised. Other borrowing costs are recognised as an expense.

(h) Trade and other payables

Trade and other payables are stated at cost.

(i) Deferred sponsorship income

Sponsorship income that compensates the Company for expenses incurred is recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(j) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(k) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference shares

Preference shares are classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity on approval by the Company's shareholders.

Preference shares are classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividends payments are not discretionary. Dividends thereon are recognised as interest in profit or loss as accrued.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably

measured. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, or the possible return of goods.

The following specific recognition criteria must also be met before revenue is recognised:

- Film revenue

Revenue is generated from sales of box office tickets purchased at the theater for the exhibition of movies from film studios. Revenue is recognised on sale of box office tickets.

- Concession revenue

Revenue is also received from concession sales which are mainly food and beverage and alcoholic beverages for consumption on site. Revenue is recognised on sale of concession items.

- Sponsorship revenue

Sponsorship revenue is allocated by business categories including but not exclusive to Title sponsor, Educational Sponsor and Financial sponsor categories. Sponsorship revenue is recognised as the service is rendered over the period of the sponsorship.

(m) Operating leases

Payments under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised in profit or loss as an integral part of the total lease expense.

(n) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Related parties

A party is related to the Company, if:

- (i) **Directly, or indirectly through one or more intermediaries, the party:**
 - (a) **is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries);**
 - (b) **has a direct or indirect interest in the company that gives it significant influence; or**
 - (c) **has joint control over the company;**
- (ii) **the party is an associate of the company;**
- (iii) **the party is a joint venture in which the company is a venturer;**

(iv) **the party is a member of the key management personnel of the company or its parent;**

(v) **the party is a close member of the family of any individual referred to in (i) or (iv);**

(vi) **the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or**

(vii) **the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.**

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company has a related party relationship with its Directors and key Management personnel, representing certain senior officers of the Company, its parent company and all their affiliates.

4. Property, Plant and Equipment

	Leasehold Improvements	Theatre Equipment	Motor Vehicle	Computers	Concession Equipment	Furniture and Fixtures	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended September 30, 2017								
<i>Cost</i>								
Balance at October 1, 2016	12,000,224	12,489,738	357,831	142,563	703,169	82,855	23,604,121	49,380,501
Additions	-	-	-	-	-	-	8,473,709	8,473,709
Transfers	15,583,045	2,346,874	-	34,220	451,017	3,295	(18,418,451)	-
Balance at September 30, 2017	27,583,269	14,836,612	357,831	176,783	1,154,186	86,150	13,659,379	57,854,210
<i>Accumulated depreciation</i>								
Balance at October 1, 2016	4,054,951	4,452,114	295,471	101,239	490,536	41,516	-	9,435,827
Charge for the year	1,612,678	956,609	15,590	14,136	147,121	6,341	-	2,752,475
Balance at September 30, 2017	5,667,629	5,408,723	311,061	115,375	637,657	47,857	-	12,188,302
Net book value								
Balance at September 30, 2017	21,915,640	9,427,889	46,770	61,408	516,529	38,293	13,659,379	45,665,908
Balance at September 30, 2016	7,945,273	8,037,624	62,360	41,324	212,633	41,339	23,604,121	39,944,674
Year ended September 30, 2016								
<i>Cost</i>								
Balance at October 1, 2015	12,000,224	12,489,738	357,831	126,660	699,127	77,670	9,340,725	35,091,975
Additions	-	-	-	15,903	4,042	5,185	17,505,923	17,531,052
Transfers	-	-	-	-	-	-	(3,242,527)	(3,242,527)
Balance at September 30, 2016	12,000,224	12,489,738	357,831	142,563	703,169	82,855	23,604,121	49,380,501
<i>Accumulated depreciation</i>								
Balance at October 1, 2015	3,254,936	3,610,250	274,685	83,802	419,995	34,478	-	7,678,046
Charge for the year	800,015	841,864	20,786	17,537	70,541	7,038	-	1,757,781
Balance at September 30, 2016	4,054,951	4,452,114	295,471	101,239	490,536	41,516	-	9,435,827
Net book value								
Balance at September 30, 2016	7,945,273	8,037,624	62,360	41,324	212,633	41,339	23,604,121	39,944,674
Balance at September 30, 2015	8,745,289	8,879,488	83,146	42,958	279,132	43,192	9,340,725	27,413,929

Work-in-progress represents capital expenditure for construction activity associated with construction of a new movie auditorium on the fifth level at One Woodbrook Place. Interest on borrowing in the amount of \$922,663 (2016: \$595,603) was capitalised during the period.

5. Accounts Receivable

	2017	2016
	\$	\$
Trade receivables	507,396	441,184
Prepayments	317,823	428,339
VAT recoverable	483,320	130,331
	1,308,539	999,844

6. Related Party Transactions

	2017 \$	2016 \$
(i) Due from related parties	1,099,138	3,361,276
(a) GSEHL (Parent company)	-	1,043,638
(b) Efeenet Limited	1,099,138	4,404,914
(c) The above 'due from related parties' relates to transactions paid by the Company for satisfaction of Parent company obligations. Such obligations include financing, legal and other professional service fees, foreign travel and general business expenses associated with theater development initiatives in international jurisdictions. These advances are interest free, unsecured and have no fixed terms of repayment. These balances are considered to be past due but not impaired.		
(d) The brought forward advance granted to Efeenet Limited was settled in the financial year.		
(ii) Key management personnel		
Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits.		
Key management personnel received compensation of \$969,500 (2016: \$677,000) for the year. Total remuneration is included in salaries and wages.		

7. Stated Capital

Authorised capital

19,116,263 (2016: 19,116,263) Ordinary shares of no par value

2,500,000 (2016: 2,500,000) Class B preference shares of \$1.00

Issued and fully paid capital

19,116,263 (2016: 19,116,263) Ordinary shares of no par value

2,500,000 (2016: 2,500,000) Class B preference shares of \$1.00

	2017 \$	2016 \$
	19,116,263	19,116,263
	2,500,000	2,500,000
	<u>21,616,263</u>	<u>21,616,263</u>

Analysis of ordinary share movement is as follows:

Ordinary shares	2017		2016	
	No. of Shares	Amount \$	No. of Shares	Amount \$
Balance at start of year	19,116,263	19,116,263	16,535,540	16,535,540
Conversion of redeemable preference shares to ordinary shares	-	-	3,336,105	3,336,105
Share transfer	-	-	(3,217,396)	(3,217,396)
Share issue	-	-	2,462,014	2,462,014
Reclassification of transfer of preference shares dividends	-	-	-	-
Balance at end of year	<u>19,116,263</u>	<u>19,116,263</u>	<u>19,116,263</u>	<u>19,116,263</u>

Ordinary shares

All shares rank equally with regard to the Company's residual assets except that preference shareholders participate only to the extent of the face value of the shares. The holders of ordinary shares are entitled to receive dividends at the Company's discretion and are entitled to one vote per share at meetings of the Company.

Class B Preference shares

Holders of Class B preference shares receive a non-cumulative dividend at the Company's discretion, or whenever dividends to ordinary shareholders are declared. Class B Preference shares do not have the right to participate in any additional dividends declared for ordinary shareholders and the shares do not carry the right to vote.

8. Taxation

(i) Composition of deferred tax asset (liability)

	2017 \$	2016 \$
Dividend payable on preference shares	35,003	454,608
Unutilised tax losses	765,578	745,288
Property, plant and equipment	800,581	1,199,896
	<u>(2,052,219)</u>	<u>(1,895,696)</u>
Net deferred tax liability	<u>(1,215,638)</u>	<u>(695,800)</u>
Movement in the net deferred tax (liability) asset		
Balance at the beginning of the year	(695,800)	(1,260,595)
(Charge) credit to profit or loss	<u>(555,838)</u>	<u>564,795</u>
Balance at the end of the year	<u>(1,251,638)</u>	<u>(695,800)</u>

(ii) Income tax recognised in profit or loss

	2017 \$	2016 \$
Deferred tax credit (charge)	(555,838)	564,795
Business levy	(95,658)	(81,045)
Green Fund levy	(47,829)	(40,523)
Un-utilized tax losses	<u>54,284</u>	-
For the year ended September 30, 2017, the Company was not liable to corporation tax as a result of accumulated tax losses of \$824,216 (2016: \$2,238,106). The tax expense is therefore based on business and Green Fund Levy.		
	<u>645,041</u>	<u>443,227</u>

(iii) Reconciliation of effective tax rate

	2017 \$	2016 \$
Profit for the year	<u>1,511,536</u>	<u>1,102,450</u>
Tax at the statutory tax rate – 25% and 30%	403,458	275,612
Tax effect of expenses (income) that are not deductible	-	(17,962)
Changes in estimates related to prior years	130,644	(557,225)
Recognition of previously unrecognized tax losses	-	(265,219)
Business levy	95,658	81,045
Green Fund levy	47,829	40,523
Effect of change in tax rate	<u>(32,548)</u>	-
	<u>645,041</u>	<u>(443,227)</u>

9. Borrowings

	2017 \$	2016 \$
CIBC	19,000,000	17,000,000
Other	-	1,046,859
Total borrowings	19,000,000	18,046,859
Less current portion	<u>(4,653,833)</u>	<u>(3,415,693)</u>
Net long-term debt	<u>14,346,167</u>	<u>14,631,166</u>

Loan from First Caribbean International Bank (Trinidad and Tobago) Limited (CIBC) was increased to TT\$19,000,000 on March 16, 2017. The proceeds of which were used to finance the payment of construction costs of new theater development on level 5 of One Woodbrook Place. Interest is charged at 6.95% per annum and is repayable in four (4) quarterly instalments after the moratorium period on principal. Thereafter, principal in the amount of \$833,333 plus interest will be repayable in twenty-four quarterly payments. The security for this loan is noted below.

- A first priority debenture over the fixed and floating assets of the Company, stamped to cover \$19,000,000;
- A mortgage over the Company's leasehold premises located at One Woodbrook Place;
- A deed of charge over all issued and outstanding ordinary shares of the Company;
- A deed of assignment of the Trademark License and the Maintenance Agreement related to the purchase and maintenance of the local IMAX digital theater system and the use of IMAX trademarks;
- A deed of charge over the Debt Service Reserve Account to be established in accordance with the loan agreement;
- Personal indemnities and guarantees by the ordinary shareholders of the Company;

Other requirements:

- The Company is required under the CIBC terms of agreement to maintain a Debt Service Coverage Ratio of 1:25:1 and the equivalent of 1 (one) quarterly loan payment in a restricted Debt Service Reserve Account.
- Deed of Assignment of the All Risk Insurance Policy(s) over the assets of CinemaONE Limited located at One Woodbrook Place.

10. Convertible Redeemable Preference Shares

	No of Shares	2017 \$	No of Shares	2016 \$
Authorised - Class A preference shares at \$2.10	-	4,047,624	-	4,047,624
Balance at start	1,457,044	3,059,792	2,726,602	5,725,864
Converted to shareholder loan	(619,050)	(1,300,004)	-	-
Transferred and converted to ordinary shares	-	-	(1,269,558)	(2,666,072)
Balance at end	<u>837,994</u>	<u>1,759,788</u>	<u>1,457,044</u>	<u>3,059,792</u>

All issued shares are fully paid. The convertible redeemable preference shares do not carry the right to vote and are mandatorily redeemable at par. The holders of the Class A redeemable preference shares have the option to convert the preference shares to ordinary shares on any dividend payment date after three (3) years from the date of issuance.

The holders of the Class A convertible redeemable preference shares are entitled to receive an annual dividend of 12% of the par amount on a quarterly basis, on each year until and including on maturity, as and when declared by the Board of Directors.

As at September 30, 2017, a portion of the holders of the Class A convertible redeemable preference shares were converted to shareholder loans.

11. Shareholder Loan

	2017 \$	2016 \$
Due to GSEHL	2,791,635	-
Due to shareholder Brian Jahra	<u>1,137,535</u>	<u>-</u>
	<u>3,929,170</u>	<u>-</u>

The loan to GSEHL does not bear any interest and does not have any fixed term of repayment.

Amount due to Brian Jahra in the amount of \$1,305,000 which is repayable at \$12,196 per month for a term of 15 years.

12. Accounts Payable

	2017 \$	2016 \$
Trade payables	1,430,400	812,770
Accruals	100,214	136,007
Interest payable	376,246	58,343
Other accounts payable	<u>52,215</u>	<u>373,260</u>
	<u>1,959,075</u>	<u>1,380,380</u>

13. Deferred Sponsorship Income

	2017 \$	2016 \$
Balance at start	374,815	413,682
Receipts for the year	2,058,179	1,741,463
Accrual	133,333	714,000
Amortisation for the year	<u>(2,477,438)</u>	<u>(2,494,330)</u>
Balance at end	<u>88,889</u>	<u>374,815</u>

The deferred income relates to sponsorship income that is being amortised over the period of the respective sponsorship agreements.

14. Expenses by Nature

	2017 \$	2016 \$
Audit and professional fees	235,480	59,975
Bank charges	62,665	168,915
Cleaning	197,451	119,510
Conferences	-	1,800
Freight and brokerage	5,879	3,693
Gas and oil	36,937	39,330
Insurance	86,480	67,375
Legal fees and licenses	28,702	10,667
Meals and refreshments	12,398	5,994
Miscellaneous	8,280	9,378
Motor vehicle expenses	20,325	20,322
Office expenses	29,064	32,168
Operating supplies	15,028	85,643
Postage and courier	36,776	38,218
Professional fees	74,487	91,622
Repairs and maintenance	794,718	696,989
Security	-	8,426
Stationery	484	14,701
Subscription	2,431	1,000
Telephone and cellular costs	117,613	126,855
Reversal of dividend amount	<u>(805,059)</u>	<u>-</u>
	<u>960,141</u>	<u>1,626,185</u>

15. Operating Leases

(i) Non-cancellable operating lease rental are payable as follows:

	2017 \$	2016 \$
Less than one year	745,116	247,896
Between one and five years	<u>2,980,464</u>	<u>991,584</u>
	<u>3,725,580</u>	<u>1,239,480</u>

During the year \$745,116 (2016: \$247,896) was recognised as an expense in profit or loss in respect of operating leases.

(ii) Variable operating lease rental are based on a percentage of the revenue earned as per lease agreement. For the year ended September 30, 2017, the company variable rent expense was \$716,140 (2016: \$656,629)

16. Staff Costs

	2017 \$	2016 \$
Salaries	1,928,366	1,589,799
National Insurance	282,384	178,564
Staff Seminar	<u>12,116</u>	<u>1,758</u>
	<u>2,222,866</u>	<u>1,770,121</u>

The number of persons employed with the Company at year end was 60 (2016: 43).

17. Dividend Accrued

A dividend of 12% per share was accrued for the Convertible Redeemable Class A Preference Shares for the year ended September 30, 2017.

18. Subsequent Events

There are no events occurring after the reporting date and before the date of approval of the financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements.



CINEMA ONE

14 APPENDICES

APPENDIX ONE: PURCHASE APPLICATION FORM

OFFER FOR SALE BY CINEMAONE LIMITED OF

**3,088,373 ordinary shares of no par value in CINEMAONE LIMITED at a price of \$10.00 per share
(minimum application of 50 Ordinary Shares or \$500.00)**

TO BE COMPLETED IN BLOCK LETTERS

BROKER NAME	<input style="width: 100%;" type="text"/>	TTCD DEPEND ACCOUNT NUMBER	<input style="width: 100%;" type="text"/>	JOINTLY HELD (Y/N)	<input style="width: 100%;" type="text"/>
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TO BE COMPLETED BY COMPANY/NOMINEE/INSTITUTION APPLICANT

COMPANY/INSTITUTION OR NOMINEE AND RELATED COMPANY:	<input style="width: 100%;" type="text"/>								
DATE OF INCORPORATION	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	REGISTRATION NUMBER	<input style="width: 100%;" type="text"/>

TO BE COMPLETED BY INDIVIDUAL APPLICANTS

PRIMARY ACCOUNT HOLDER:	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME
DATE OF BIRTH:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
ID TYPE:	<input type="text"/>	<input type="text"/>	<input type="text"/>	
CONTACT INFORMATION:	TELEPHONE #	EMAIL ADDRESS		
<hr/>				
JOINT ACCOUNT HOLDER # 1	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME
ID TYPE	<input type="text"/>	<input type="text"/>	<input type="text"/>	
TELEPHONE #	EMAIL ADDRESS			
<hr/>				
JOINT ACCOUNT HOLDER # 2	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME
ID TYPE	<input type="text"/>	<input type="text"/>	<input type="text"/>	
TELEPHONE #	EMAIL ADDRESS			
<hr/>				
JOINT ACCOUNT HOLDER # 3	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME
ID TYPE	<input type="text"/>	<input type="text"/>	<input type="text"/>	
TELEPHONE #	EMAIL ADDRESS			

APPLICATION DETAILS

CONSIDERATION:	TT\$ <input style="width: 100%;" type="text"/>	NUMBER OF SHARES APPLIED FOR:	<input style="width: 100%;" type="text"/>	CHEQUE#	<input style="width: 100%;" type="text"/>
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Cheques must be made to "FCBAS-CINE1 IPO" for the exact amount payable and must be drawn in the same name as the applicant or by order of the applicant.

PURCHASE APPLICATION FORM (Con't)

REMITTANCE DETAILS (will be used for refunds where applicable)

NOTE: CURRENCY OF THE ACCOUNT FOR REMITTANCE MUST BE IN TT DOLLARS			
NAME ON ACCOUNT:	<input style="width: 100%;" type="text"/>	BANK:	<input style="width: 100%;" type="text"/>
ACCOUNT NUMBER:	<input style="width: 100%;" type="text"/>	BRANCH:	<input style="width: 100%;" type="text"/>
ACCOUNT TYPE:	CHEQUING/ CURRENT <input type="checkbox"/>	SAVINGS <input type="checkbox"/>	
Disclaimer: The Lead Broker will not be held responsible for incorrect/incomplete/invalid banking instructions submitted.			

*I/we agree: (1) that the information stated above is true and correct and (2) to the terms & conditions on the reverse of this page.
I/We declare that I/We are not under 18 years of age on the date of application.
I/We declare that I/We have read the Prospectus and will not rely on any other information or representation outside the Prospectus.
No person responsible for the Prospectus or any part of it will have any liability for any such other information or representation.*

SIGNATURES/AUTHORISATION - COMPANY/NOMINEE/INSTITUTION APPLICANT

<hr/>	<hr/>	COMAPNY STAMP
DIRECTOR	SECRETARY	
<hr/>	<hr/>	
SIGNATORY	DATE & TIME	

SIGNATURES/AUTHORISATION- INDIVIDUAL APPLICANTS

<hr/>	<hr/>	<hr/>
PRIMARY ACCOUNT HOLDER	JOINT ACCOUNT HOLDER # 1	DATE & TIME
<hr/>	<hr/>	
JOINT ACCOUNT HOLDER # 2	JOINT ACCOUNT HOLDER # 3	

OFFER CLOSES ON OCTOBER 12, 2018 AT 4 PM

<hr/>	COMPANY STAMP
BROKER/DISTRIBUTOR	

TERMS AND CONDITIONS

- a. I/We agree that this application made by way of submitting a Purchase Application Form shall not be binding on me/us if I/we provide written notice to the Lead Stockbroker or authorized stockbroker within two business days after submission of this application that I/we intend to withdraw my/our application. This written notice should be addressed and delivered to the Lead Broker or authorized stockbroker.
- b. I/We apply for Shares as indicated in this form (or such lesser number of Shares as may be allotted to me/us) on the terms and conditions of the Prospectus. If the Shares are allotted to me/us, I/we hereby instruct the authorized stockbroker to proceed with any necessary actions in order to establish a valid account, as provided overleaf, with the Trinidad and Tobago Central Depository to receive the allotted Shares.
- c. Subject to (a) above, I/We undertake to buy the said number of Shares set out in the front of this application and shall not revoke this application.
- d. (If the applicant is a Company) I/We attach or agree to provide a list of persons authorized to sign on behalf of the applicant.
- e. I certify that all supporting documents (source of funds, etc.) submitted with this application are true and correct.
- f. I/We understand that the trading value of the Shares is not guaranteed as they can fluctuate.
- g. Applications may be rejected for the following reasons:
 - i. If the application for purchase is incomplete;
 - ii. If the investor's identity is fictitious and not supported by valid identification; and
 - iii. If the application for purchase, as presented, contravenes any existing law or statute.

NOTES

1. A Corporation may execute this application either under its common seal or under the hand of a duly authorized officer, who should state his capacity, and supply a list of authorized signatories. It should insert its registered or head office address.
2. If this form is signed under power of attorney, a duly certified copy thereof, must accompany this form.
3. No certificates for registered holdings will be issued. Quarterly statements will be sent by post to the applicant's address provided that there is activity on the Trinidad and Tobago Central Depository account during the quarter. If there is no activity, a statement will be sent out annually beginning December 2018.
4. When this Purchase Application Form is duly completed, it must be delivered to the Lead Broker:
First Citizens Brokerage & Advisory Services Limited
17 Wainwright Street
St. Clair
5. A copy of the Prospectus can be obtained at First Citizens Brokerage & Advisory Services Limited, other authorized stockbrokers and at www.cinemaonett.com

APPENDIX TWO- TTCD ACCOUNT OPENING CHECKLIST

To subscribe for shares in this IPO a subscriber must have a brokerage account and must complete and submit a Subscription Form.

If subscribers need to open a Brokerage Account, the following are the minimum requirements to complete the Account opening process:

- ▶ Two forms of valid government issued photo identification (ID card, drivers permit, passport)
- ▶ Proof of address: a utility bill dated January/February 2017
- ▶ Proof of income: a job letter or payslip dated February 2017

Proof of chequing or savings account at a commercial bank in Trinidad and Tobago, for dividend remittance purposes; Accounts must not be dormant or inactive.

Brokerage account openings can be done at any broker and you are advised to note that the above requirements may vary.

Companies wishing to open a brokerage account should contact their broker of choice for requirements.

If subscribers already have a brokerage account and would like to submit a subscription, the following must be

Provided along with a subscription form:

- ▶ Brokerage Account number
- ▶ Valid government issued photo identification of all parties to the brokerage account
- ▶ Proof of nationality/citizenship of the primary person on the brokerage account:
- ▶ Trinidad and Tobago passport; **OR**
- ▶ National ID that clearly shows citizenship status as "Trinidad and Tobago"; **OR**
- ▶ Trinidad and Tobago birth certificate and one valid form of Government-issued photo identification (Driver's permit/identification card/passport); **OR**
- ▶ Certificate of Naturalization and one valid form of Government-issued photo identification (driver's permit/Identification card/passport)
- ▶ Proof of chequing or savings bank account number at a commercial bank in Trinidad and Tobago to complete remittance details; Accounts must not be dormant or inactive. Credit Card and mutual fund accounts cannot be used. Id
- ▶ Payment with a TT dollar cheque, in the exact amount related to the number of shares subscribed. Cheques are to be made payable to "FCBAS – CINE1 IPO" and can be personal or manager/bank cheques and must be issued by any one of the holders or a combination of holders of the TTCD account. Third party cheques will not be accepted.
- ▶ Subscriptions valued at TT\$90,000** or more will require a completed source of funds along with proof of same

Companies wishing to submit a subscription form should contact their broker for requirements.

**Subscriptions valued at TT\$90,000 or more MUST be submitted to the subscriber's broker

Subscription Forms are available from the Approved Distribution Agents:

- ▶ First Citizens Brokerage & Advisory Services Limited
- ▶ Republic Securities Limited
- ▶ West Indies Stock Brokers Limited
- ▶ Bourse Brokers Limited
- ▶ JMMB Securities(Trinidad and Tobago) Limited
- ▶ Caribbean Stockbrokers Limited

Account Openings and Subscription Submissions at the Lead Distribution Agent First Citizens Brokerage and Advisory Services (FCBAS) offices are **BY APPOINTMENT ONLY**:

- ▶ 17 Wainwright Street, St. Clair, Port of Spain: 622-3247 ext. 5976
- ▶ Lady Hailes Avenue, San Fernando: 657-2662 ext. 6207
- ▶ Email: brokerage@firstcitizenstt.com

This Prospectus as well as additional information can be viewed at www.cinemaonett.com

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CINEMAONE

Digicel
IMAX GEMSTONE 4DX

CinemaONE Limited
One Woodbrook Place,
189 Tragarete Road,
Port of Spain
(T): 868-299-IMAX
(E): investors@cine1.biz
(W): www.cinemaonett.com