



AG CHINA CINEMA TRENDS

September 2017

ARTISAN GATEWAY is Asia's leading cinema business consultant. From offices in Los Angeles, Shanghai, and Hong Kong, we provide investment & business partnering; international business development; and market intelligence & research services to select clients and partners. *Work with us!*

CINEMA DEVELOPMENT

Hengdian Entertainment receives a greenlight for an IPO. By the end of June, the company has opened 310 cinemas with 1,892 screens. Through the IPO, Hengdian aims to raise USD 427.3M (RMB 2.9B) in funding, with 82.5% to be spent on cinema construction with a target of 400 venues by 2018, focusing on Tier 3 and smaller cities.

Wanda's Tiantongyuan cinema branch in Beijing welcomes the world's 400th 4DX cinema. Following their 2015 agreement, Wanda now has 65 4DX cinemas over its circuit of 455 cinemas and 4,000 screens.

INDUSTRY NEWS

China's General Office of the State Council releases the Notification Guidance and Regulation of Overseas Investment> Formulated by the National Development and Reform Commission; Ministry of Commerce; People's Bank of China; and the Ministry of Foreign Affairs, real estate, hotel, cinema, entertainment, and sports clubs are named industries requiring approval for overseas investment.

China's summer season has generated a box office gross of USD 2.3B (RMB 15.3B), excluding online ticketing fees; posting a +23.0% rise yoy, and marking the highest grossing summer in China ever. A total 117

Chinese-language film releases accounted for 66.0% market share of the market box office, with 21 imported titles representing the remaining 34.0%. The top three films of 2017's summer are: record-breaking WOLF WARRIORS 2 (USD 780M/RMB 5.1B); TRANSFORMERS: THE LAST KNIGHT (USD 221.5M/RMB 1.5B); and DESPICABLE ME 3 (USD 147.3M/RMB 971.9M).

The producers of China's #1 hit WOLF WARRIORS 2 is in a dispute with Wanda media and three other advertising agencies. According to a recent statement, five embedded trailers lasting 2:39 minutes were added without permission and payment violating the legal rights of the cinema advertising agents.

FILM RELEASES



SPIDER-MAN: HOMECOMING - 8 September

Peter Parker tries to balance his life as an ordinary high school student in Queens with his superhero alter-ego Spider-Man.



WAR FOR THE PLANET OF THE APES - 15 September

Caesar wrestles with his darker instincts and begins his own mythic quest to avenge his kind.

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