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## **VOLUNTARY DELISTING OF THE SHARES FROM THE MAIN BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

### **INTRODUCTION**

The board of directors (the “Board”) of Alibaba Pictures Group Limited (the “Company”) announces that it has sought, and received confirmation from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) that it has no objection to the proposed voluntary delisting (the “Proposed Delisting”) of the shares of the Company (the “Shares”) from the Main Board of the SGX-ST subject to certain conditions.

### **RATIONALE FOR PROPOSED DELISTING**

The Company has sought the Proposed Delisting for the following reasons:

- (a) **Strategic focus of resources.** The core business activities of the Company are carried out in the People’s Republic of China (the “PRC”). As such, the Company is of the view that The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) is more geographically aligned with the business operations of the Company. Maintaining a single primary listing on the Stock Exchange would allow the Company to focus its efforts and resources on its business operations in the PRC, potentially increase the trading volume of the Shares on the Stock Exchange, and thus enhance the Company’s profile to the shareholders of the Company (the “Shareholders”) and its potential investors.
- (b) **Streamline of compliance obligations.** By virtue of having a secondary listing on the SGX-ST, the Company is required to comply with Rules 217 and 751 of the listing manual of the SGX-ST (the “Listing Manual”) (including such other requirements that the SGX-ST may impose from time to time) in addition to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Board believes that the Proposed Delisting will eliminate the Company’s administrative overhead and compliance obligations associated with the SGX-ST requirements and allow the Company to reduce its legal risks and compliance costs.

- (c) **Low trading volume on the SGX-ST.** The current dual-listing arrangement of the Company lacks synergy due to the significantly lower trading volume of the Shares on the SGX-ST as compared with the same on the Stock Exchange. As such, the Board believes that consolidated trading of the Shares on the Stock Exchange will not have a negative impact on the liquidity of the Shares or the effectiveness of future fund raising activities by the Company, and will instead increase the Shareholder value in the long term through improving the cost-effectiveness of the listing compliance of the Company.

For the reasons set out above, the Board is of the view that the Proposed Delisting is in the interest of the Company and its Shareholders as a whole.

### **PROVISIONS OF THE LISTING MANUAL PERTAINING TO THE PROPOSED DELISTING**

As the Company has a primary listing on the Stock Exchange and a secondary listing on the SGX-ST, save for Rules 217 and 751 of the Listing Manual, the Company is not required to comply with any other continuing listing obligations of the Listing Manual. Accordingly, Rules 1307 and 1309 of the Listing Manual are not applicable to the Proposed Delisting and (i) no general meeting of the Company will need to be convened to obtain the approval of the Shareholders for the Proposed Delisting, and (ii) no exit alternative will need to be offered to the Shareholders in connection with the Proposed Delisting.

An application was made by the Company to the SGX-ST to seek approval for the Proposed Delisting. The SGX-ST has advised that it has no objection to the Proposed Delisting, subject to the following conditions:

- (a) an immediate announcement of the Proposed Delisting to be disseminated via SGXNet promptly;
- (b) a notice (the “Notice”) to the Shareholders holding the Shares through the Central Depository (Pte) Limited (“CDP”) traded on SGX-ST (the “CDP Depositors”) to be sent and mailed to the CDP Depositors at least 3 months before the delisting date; and
- (c) clear disclosure in the Notice on the actions required by the CDP Depositors including any costs to be incurred by them for the transition. In this respect, SGX-ST has taken into consideration the Company’s representation that it will bear the transfer fees with respect to the share transfer process from CDP to the Hong Kong share register of the Company, as well as the cost in connection with the deposit of such Shares into the Central Clearing and Settlement System (“CCASS”) for the CDP Depositors who request for their Shares to be transferred from their individual holdings in CDP to a sub account of a securities broker (a) from a member firm of the Stock Exchange duly authorised to buy or sell stocks listed on the Stock Exchange; or (b) licensed in Singapore and which is able to trade on, or offer a trading facility for, the Stock Exchange (each of (a) and (b), a “Relevant Broker”) designated by the Company (“Designated Broker Transfer”) within the timeframe prior to the delisting date within which the CDP Depositors who wish to trade their Shares on the Stock Exchange may transfer their Shares from CDP to CCASS (the “Share Transfer Period”). The Company should clearly disclose that (i) CDP Depositors who do not request for a Designated Broker Transfer within the Share Transfer Period, and /or (ii) CDP

Depositors who do not take action during the Share Transfer Period and who have Shares held with CDP as at the date of the delisting, as the case may be, will have to make their own arrangements to lodge their Shares with CCASS or a Relevant Broker if they wish to sell or trade in their Shares on the Stock Exchange, and the Company will not bear any charges which may be charged by CCASS or such Relevant Broker in connection with the deposit of such Shares into CCASS.

The SGX-ST's confirmation that it has no objections to the Proposed Delisting is not an indication of the merits of the Proposed Delisting or the Company and/or its subsidiaries.

### **IMPLICATIONS OF DELISTING FOR CDP DEPOSITORS**

The Proposed Delisting will result in the Shares being removed from the official list of the Main Board of the SGX-ST. After the Proposed Delisting, the Shares will only be traded on the Stock Exchange. The voting rights and entitlement to dividends of the CDP Depositors will not be affected by the Proposed Delisting.

### **FURTHER ANNOUNCEMENTS**

The Company will issue further announcements to inform the Shareholders of, *inter alia*, the timetable for the Proposed Delisting and the actions to be taken by the CDP Depositors in connection with the Proposed Delisting.

On behalf of the Board  
**Alibaba Pictures Group Limited**  
**Fan Luyuan**  
*Chairman & Chief Executive Officer*

Hong Kong, June 18, 2020

*As at the date of this announcement, the Board comprises Mr. Fan Luyuan and Mr. Meng Jun, being the executive Directors; Mr. Chang Yang and Mr. Xu Hong, being the non-executive Directors; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being the independent non-executive Directors.*