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GRANT OF AWARDED SHARES PURSUANT TO SHARE AWARD SCHEME

GRANT OF AWARDED SHARES

The Board announces that on June 5, 2020, the Company granted a total of 127,281,100 Awarded Shares to 338 Selected Employees in accordance with the terms of the Share Award Scheme.

Out of the 127,281,100 Awarded Shares, 8,800,000 Awarded Shares were granted to 3 Connected Grantees while 118,481,100 were granted to 335 Non-connected Grantees.

The Grant will not result in any issue of new Shares or any dilution effect on the shareholdings of existing shareholders of the Company.

Reference is made to the announcement of Alibaba Pictures Group Limited (the “Company”) dated January 4, 2017 (the “Announcement”) relating to the adoption of the share award scheme by the Company on December 30, 2016 (the “Share Award Scheme”). The Share Award Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings ascribed to them in the Announcement.

GRANT OF AWARDED SHARES

The Board announces that on June 5, 2020, the Company granted a total of 127,281,100 Awarded Shares (the “Grant”) to 338 Selected Employees (the “Grantees”), among whom 3 Selected Employees are connected persons of the Company (the “Connected Grantees”) and 335 Selected Employees are not connected persons of the Company (the “Non-connected Grantees”), in accordance with the terms of the Share Award Scheme at nil consideration, subject to the acceptance of the Grantees. Each of the Awarded Shares granted to the Grantees represents the right to receive a Share on the date it vests and the Awarded Shares granted are not subject to performance targets.

Details of the Grant are set out below:

	Number of Awarded Shares
Non-connected Grantees	118,481,100
Connected Grantees	
- Mr. Fan Luyuan	1,470,000
- Mr. Meng Jun	330,000
- A director of certain subsidiaries of the Company	7,000,000
Total	<u>127,281,100</u>

In relation to the 8,800,000 Awarded Shares granted to the Connected Grantees, the Board shall procure the Trustee to purchase existing Shares from the market out of cash contributed by the Company to be held on trust for the Connected Grantees until such Awarded Shares are vested with such Connected Grantees pursuant to the Share Award Scheme.

Based on the closing price of HK\$1.07 per Share as quoted on the Stock Exchange on June 5, 2020 (being the date of grant of the Awarded Shares), the market value of the Awarded Shares granted to the Connected Grantees amounts to HK\$9,416,000. The grant of Awarded Shares to each of the Connected Grantees has been approved by the Board (including but not limited to the independent non-executive Directors), save that none of Mr. Fan Luyuan and Mr. Meng Jun was involved in deciding the grant of the Awarded Shares to himself.

Except for Mr. Fan Luyuan and Mr. Meng Jun, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them.

The grant of the 118,481,100 Awarded Shares to 335 Non-connected Grantees was made out of the unvested Awarded Shares which are currently held under the Trust and managed by the Trustee as part of the trust fund pursuant to the Share Award Scheme. The Trustee will continue to hold the aforesaid Awarded Shares on trust for the Non-connected Grantees and will transfer the respective proportions to each of them at no cost upon vesting and settlement of their respective Awarded Shares.

The Grant will not result in any issue of new Shares or any dilution effect on the shareholdings of existing shareholders of the Company.

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

Hong Kong, June 5, 2020

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