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(Incorporated in Bermuda with limited liability)
(Stock Code: 1060)

REVISION OF CERTAIN TERMS AND ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE FRAMEWORK AGREEMENT

SUPPLEMENTAL AGREEMENT

References are made to the announcement of the Company dated August 6, 2019 and the circular of the Company dated September 4, 2019 in relation to, among others, the entering into of the Framework Agreement between Alibaba Pictures (Tianjin) and Youku Technology for the cooperation in respect of the Dramas and Movies for a term from the Commencement Date to March 31, 2022. The transactions contemplated under the Framework Agreement were approved by the Independent Shareholders at the special general meeting of the Company held on September 19, 2019.

Having considered the rapid growth and the development needs of the Group's relevant business, the Board announces that, on December 1, 2020, Alibaba Pictures (Tianjin) and Youku Technology entered into the Supplemental Agreement (1) to extend the term of the Framework Agreement to March 31, 2023; and (2) to revise certain terms of the Framework Agreement relating to the maximum lengths of the Target Dramas and Movies to be purchased by Youku Technology and/or any of its affiliates and the pricing bases of the Purchase Price for the Target Dramas. Accordingly, the Board proposed to revise the Existing Caps for the two financial years ending March 31, 2021 and 2022 and to set a new annual cap for the financial year ending March 31, 2023.

LISTING RULES IMPLICATIONS

Youku Technology is an indirect subsidiary of AGH. AGH is the ultimate sole shareholder of Ali CV which is a controlling shareholder and a connected person of the Company holding approximately 50.27% of the issued share capital of the Company as at the date of this announcement. Accordingly, Youku Technology is an associate of Ali CV and hence a connected person of the Company. The entering into of the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps) constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Company proposes to effect a material change to the terms for continuing connected transactions and/or revise the annual cap(s), it is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions pursuant to Rule 14A.54 of the Listing Rules.

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the highest New Cap exceeds 5%, the transactions contemplated under the Framework Agreement (as supplemented and amended by the Supplemental Agreement) are subject to the annual review, reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene the SGM for the purpose of seeking approval from the Independent Shareholders on, among other things, the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps). Voting at the SGM will be conducted by poll and Ali CV and its associates will abstain from voting at the SGM. The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps). The Company has appointed Opus Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the transactions contemplated under the Supplemental Agreement; (ii) the recommendations of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) notice of the SGM, will be despatched to the Shareholders on or before January 14, 2021 as more time will be required to finalize certain information to be included in the circular.

BACKGROUND

References are made to the announcement of the Company dated August 6, 2019 and the circular of the Company dated September 4, 2019 in relation to, among others, the entering into of the Framework Agreement between Alibaba Pictures (Tianjin) and Youku Technology for the cooperation in respect of the Dramas and Movies for a term from the Commencement Date to March 31, 2022. The transactions contemplated under the Framework Agreement were approved by the Independent Shareholders at the special general meeting of the Company held on September 19, 2019.

Having considered the rapid growth and the development needs of the Group's relevant business, the Board announces that, on December 1, 2020, Alibaba Pictures (Tianjin) and Youku Technology entered into the Supplemental Agreement (1) to extend the term of the Framework Agreement to March 31, 2023; and (2) to revise certain terms of the Framework Agreement relating to the maximum lengths of the Target Dramas and Movies to be purchased by Youku Technology and/or any of its affiliates and the pricing bases of the Purchase Price for the Target Dramas. Accordingly, the Board proposed to revise the Existing Caps for the two financial years ending March 31, 2021 and 2022 and to set a new annual cap for the financial year ending March 31, 2023.

SUPPLEMENTAL AGREEMENT

Date: December 1, 2020

Parties: (1) Alibaba Pictures (Tianjin), a consolidated subsidiary of the Company; and
(2) Youku Technology, an indirect subsidiary of AGH and a connected person of the Company

Subject Matter

Pursuant to the Supplemental Agreement, the parties agreed (1) to extend the term of the Framework Agreement to March 31, 2023; and (2) to revise certain terms of the Framework Agreement relating to the maximum lengths of the Target Dramas and Movies to be purchased by Youku Technology and/or any of its affiliates and the pricing bases of the Purchase Price for the Target Dramas.

Extension of term

Subject to the Company having obtained the approval of the Board and the Independent Shareholders at the SGM by way of poll for the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps) in accordance with the Listing Rules, the term of the transactions contemplated under the Supplemental Agreement shall commence on the Effective Date and end on March 31, 2023.

Changes in terms of cooperation

(1) Increase in the lengths of the Target Dramas and Movies

Alibaba Pictures (Tianjin) and/or any of its affiliates may transfer all or part of the rights attached to the Copyrights of the Target Dramas and Movies to Youku Technology and/or any of its affiliates, and/or authorize Youku Technology and/or any of its affiliates to use such rights. Pursuant to the Supplemental Agreement, both parties further agreed to increase the lengths of the Target Dramas and Movies to be purchased by Youku Technology and/or any of its affiliates from Alibaba Pictures (Tianjin) and/or any of its affiliates for the two financial years ending March 31, 2021 and 2022 from 12,000 minutes to 17,000 minutes and 18,000 minutes, respectively, and to fix that for the financial year ending March 31, 2023 at 19,000 minutes.

(2) New pricing bases of the Purchase Price for the Target Dramas

The Framework Agreement provides that the Purchase Price for the Target Dramas shall be determined based on the pricing basis set out in paragraph (a) of this sub-section below. Pursuant to the Supplemental Agreement, the parties agreed that the Purchase Price for the Target Dramas shall be determined based on one of the following pricing bases (i.e. with the addition of two new pricing bases as set out in paragraphs (b) and (c) of this sub-section below):

$$(a) \quad \text{Purchase Price} \quad = \quad \text{actual production cost} \quad + \quad \text{contingent} \quad + \quad \text{contingent}$$

$$\quad \quad \quad \quad \quad \quad \quad \text{of the TV or online} \quad \quad \quad \text{premium} \quad \quad \quad \text{allocation share}$$

$$\quad \quad \quad \quad \quad \quad \quad \text{dramas} \quad \quad \quad \quad \text{share}$$

where:

- the “contingent premium share” shall be no less than 5% of the actual production cost of a TV or online drama and shall be calculated with reference to the rating of the TV or online drama to be determined by the scoring system (i.e. assessment based on various factors, such as theme of the script, plot, production crew, shooting quality and the professional quality of director and actors) as set up by Youku Technology (the “Scoring System”).

However, given that each TV or online drama has its unique features, as a matter of fact, there is no exact quantitative formula for determining the contingent premium share based on the rating under the Scoring System. However, the parties will negotiate on arm’s length and in good faith based on the abovementioned factors in order to arrive at a rating agreeable to and satisfactory for both parties. When the rating of a particular TV or online drama under the Scoring System has been discussed and agreed between the parties, the parties will then negotiate and agree in good faith the amount of the contingent premium share with reference to such rating, and in general, the higher the overall rating, the greater the contingent premium share will be and vice versa, subject to a minimum of 5% of the actual production cost as set out above; and

- the “contingent allocation share” shall be ascertained after the release of a TV or online drama with reference to various factors, including the popularity ranking, the total number of broadcasts or the ranking in terms of the annual number of broadcasts of the TV or online drama on Youku and/or other criteria to be further mutually and reasonably agreed by the parties on a case-by-case basis.

As some of the above factors are not generic in nature which highlight the versatility and uniqueness of each TV or online drama, there is no exact quantitative formula for determining (i) the actual contingent allocation share based on the above factors; or (ii) which factors would apply to a particular TV or online drama for the purposes of determining the contingent allocation share.

Prior to the production of the TV or online drama, the parties will agree on the factors that would apply to the determination of the contingent allocation share and an estimation on the above applicable factors where quantifiable, such as the estimated total number of broadcasts or the estimated ranking. After a particular TV or online drama has been broadcasted, the parties will collect and analyze the data/information on the above factors and compare such data/information with the original estimations prior to production, and will then negotiate and agree in good faith the amount of the contingent allocation share based on the above factors on a case-by-case basis.

Contingent allocation share will only be paid as part of the Purchase Price if the parties agree in good faith that these factors on an overall basis are better than the estimations made prior to the production of the TV or online drama. However, for the reasons explained above, there is no indicative range or scale of the contingent allocation share based on the above factors.

(b) Purchase Price = fixed price/tiered pricing + contingent allocation share

where:

- the “fixed price/tiered pricing” shall be determined based on comparable prices of TV or online dramas from any independent third party, and/or the rating of a TV or online drama to be determined by the Scoring System and to be agreed upon mutual negotiation between the parties; and
- the “contingent allocation share” shall be calculated based on the rating of a TV or online drama to be determined by the Scoring System and to be agreed upon mutual negotiation between the parties, and/or the actual rating of a TV or online drama to be attained on Youku, and/or any other criteria to be agreed upon mutual negotiation between the parties.

As some of the above factors are not generic in nature which highlight the versatility and uniqueness of each TV and online drama, there is no exact quantitative formula for determining (i) the actual contingent allocation share based on the above factors; or (ii) which factors would apply to a particular TV and online drama for the purposes of determining the contingent allocation share.

Contingent allocation share will only be paid as part of the Purchase Price if the parties agree in good faith that these factors on an overall basis are better than the estimations made prior to the release of a TV and online drama. However, for the reasons explained above, there is no indicative range or scale of the contingent allocation share based on the above factors.

(c) Purchase Price = allocation share of revenue generated from a TV or online drama

where:

- the “allocation share of revenue to be generated from a TV or online drama” shall be determined based on the duration of viewing time of Youku’s members, and/or the actual advertisement revenue to be generated from a TV or online drama on Youku, and the basis for allocation of revenue published on Youku’s website (<https://om.youku.com/home/detail?openCategory=97>), which is also applicable to other independent third parties.

The Purchase Price for the Target Dramas shall be determined based on one of the above pricing bases with reference to the type of distribution, the preliminary rating and the post-production rating of a TV or online drama. If a TV or online drama is exclusively broadcasted on Youku and the post-production rating is equal to or higher than the preliminary rating, the pricing basis under paragraph (a) of this sub-section above will usually be adopted. If a TV or online drama is not exclusively broadcasted on Youku or the post-production rating is lower than the preliminary rating, the pricing basis under paragraph (b) of this sub-section above will usually be adopted. For an innovative and experimental TV or online drama, the pricing basis under paragraph (c) of this sub-section above will usually be adopted.

The “preliminary rating” refers to the rating of a pre-production TV or online drama, which is determined based on, among other things, the capability of the production crew (including but not limited to the quality of the previous works of directors and producers and the quality of filming), the intensity of demand for the TV or online drama on Youku, the popularity of actors, market practice and the marketability of the TV or online drama. The “post-production rating” refers to the rating of a completed TV or online drama, which is determined based on, among other things, the quality of the TV or online drama, the intensity of demand for the TV or online drama on Youku, the popularity of actors and market practice.

Save as supplemented and amended by the Supplemental Agreement, all other terms of the Framework Agreement shall remain unchanged. Details of other principal terms of the Framework Agreement have been disclosed in the announcement of the Company dated August 6, 2019 and the circular of the Company dated September 4, 2019.

PAYMENT TERMS

All of the transaction amounts under the Framework Agreement (as supplemented and amended by the Supplemental Agreement) shall be settled on a project basis pursuant to the payment terms set out in the specific agreements to be entered into between the parties for each project. Payment schedule shall be determined on case-by-case basis with reference to the type and the progress schedule of each project.

SPECIFIC AGREEMENTS

Alibaba Pictures (Tianjin) and/or any of its affiliates and Youku Technology and/or any of its affiliates may from time to time enter into specific agreements which set out the detailed terms of the transactions (including payment terms) contemplated under the Framework Agreement (as supplemented and amended by the Supplemental Agreement) in accordance with the terms of the Framework Agreement (as supplemented and amended by the Supplemental Agreement). The terms of the specific agreements will be negotiated on an arm’s length basis between the parties.

HISTORICAL TRANSACTION AMOUNTS, EXISTING CAPS AND NEW CAPS

The following table sets out the historical transaction amounts receivable by Alibaba Pictures (Tianjin) and/or any of its affiliates from Youku Technology and/or any of its affiliates for the relevant transactions contemplated under the Framework Agreement for the financial year ended March 31, 2020 and the six months ended September 30, 2020:

	For the financial year ended March 31, 2020 (RMB'000)	For the six months ended September 30, 2020 (RMB'000)
1. Total revenue from the transfer of Copyrights of Target Dramas and Movies	18,102	333,140
2. Total fee for other commercial development services	-	-
3. Total agency fees for the Distribution Services	-	-
	<hr/>	<hr/>
Total historical transaction amounts:	<u>18,102</u>	<u>333,140</u>

The following table sets out the Existing Caps for the relevant transactions contemplated under the Framework Agreement for the three financial years ending March 31, 2020, 2021 and 2022:

	For the financial year ended March 31, 2020 (RMB'000)	For the financial year ending March 31, 2021 (RMB'000)	For the financial year ending March 31, 2022 (RMB'000)
1. Total revenue from the transfer of Copyrights of Target Dramas and Movies	550,000	550,000	550,000
2. Total fee for other commercial development services	10,000	10,000	10,000
3. Total agency fees for the Distribution Services	40,000	40,000	40,000
	<hr/>	<hr/>	<hr/>
Total (i.e. Existing Caps):	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>

The following table sets out the New Caps for the relevant transactions contemplated under the Framework Agreement (as supplemented and amended by the Supplemental Agreement) for the three financial years ending March 31, 2021, 2022 and 2023:

	For the financial year ending		
	March 31, 2021 <i>(RMB'000)</i>	March 31, 2022 <i>(RMB'000)</i>	March 31, 2023 <i>(RMB'000)</i>
1. Total revenue from the transfer of Copyrights of Target Dramas and Movies	800,000	850,000	900,000
2. Total fee for other commercial development services	10,000	10,000	10,000
3. Total agency fees for the Distribution Services	40,000	40,000	40,000
	<hr/>	<hr/>	<hr/>
Total (i.e. New Caps):	<u>850,000</u>	<u>900,000</u>	<u>950,000</u>

The New Caps have been determined with reference to the annual business plans of the Group in relation to the production and distribution of the Dramas and Movies, with the Directors having considered the following factors:

For the transfer of Copyrights of Target Dramas and Movies, the Directors have considered (a) the market demand for and trends of the Dramas and Movies production industry; (b) the historical transaction amounts (exclusive of tax) for the transfer of Copyrights of 8 Target Dramas and Movies for the year ended March 31, 2020 and Copyrights of 5 Target Dramas and Movies for the six months ended September 30, 2020 were approximately RMB18,102,000 and RMB333,140,000, respectively; (c) the expected number of Target Dramas and Movies for each of the three financial years ending March 31, 2021, 2022 and 2023 will not be more than 30 per year with an expected length not exceeding 17,000 minutes, 18,000 minutes and 19,000 minutes, respectively; (d) the development and production pipeline, production budget, investment share, production crew of the Target Dramas and Movies; (e) the market influence of the Target Dramas and Movies; (f) the box office of Target Movies; and (g) certain buffer of the corresponding maximum transaction amount of transfer of Copyrights of Target Dramas and Movies under the New Caps.

For the provision of other commercial development services, the Directors have considered (a) the expected number of advertisements and expected number of uses of rights attached to Dramas and Movies for commercial development purposes, assuming there being no more than 30 projects in aggregate for each of the three financial years ending March 31, 2021, 2022 and 2023; (b) the expected aggregate sum of the estimated service fee and relevant costs receivable by Alibaba Pictures (Tianjin) and/or its affiliates in a range between 20% and 50% of the revenue to be generated from scheduled advertisement on Youku and/or the commercial development; and (c) certain buffer in the corresponding maximum transaction amount of the provision of other commercial development services under the New Caps.

For the provision of Distribution Services for TV Broadcasting Rights, the Directors have considered (a) the expected number of dramas under the Distribution Services, assuming there being no more than 10 dramas to be broadcasted via TV through the Distribution Services for each of the three financial years ending March 31, 2021, 2022 and 2023; (b) the expected tier, the expected number of episodes and the expected price for each episode of the dramas to be broadcasted via TV through the Distribution Services and the number of television platforms for broadcasting will remain substantially the same as the current market practice; (c) the expected allocation share in a range of 5% and 15% of the revenue to be generated from distribution of the TV Broadcasting Rights; and (d) certain buffer in the corresponding maximum transaction amount of the provision of Distribution Services for TV Broadcasting Rights under the New Caps.

It is assumed that the business scale of the Dramas and Movies production and distribution of the Company in the next three years will grow steadily and has been reflected in the New Caps set in respect of (i) transfer of Copyrights of Target Dramas and Movies; (ii) provision of other commercial development services; and (iii) provision of Distribution Services for TV Broadcasting Rights.

CONTROL MEASURES

The Company will continue to adopt the control measures as set out in the circular of the Company dated September 4, 2019.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Given that the Group intends to increase its investment in self-produced dramas and online dramas in the coming years, and that the pricing models of online dramas have become more diversified and differentiated with the development of the video platform market, the Group is of the view that the entering into of the Supplemental Agreement will better align the cooperation model under the Framework Agreement with the development trend of the market, and will be conducive to expanding the scope and basis of cooperation between the parties to the Framework Agreement.

The Directors (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the Independent Financial Adviser) consider that the Supplemental Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal commercial terms after arm's length negotiations between the parties, and the terms of these transactions together with the New Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Youku Technology is an indirect subsidiary of AGH. AGH is the ultimate sole shareholder of Ali CV which is a controlling shareholder and a connected person of the Company holding approximately 50.27% of the issued share capital of the Company as at the date of this announcement. Accordingly, Youku Technology is an associate of Ali CV and hence a connected person of the Company. The entering into of the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps) constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Company proposes to effect a material change to the terms for continuing connected transactions and/or revise the annual cap(s), it is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions pursuant to Rule 14A.54 of the Listing Rules.

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the highest New Cap exceeds 5%, the transactions contemplated under the Framework Agreement (as supplemented and amended by the Supplemental Agreement) are subject to the annual review, reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene the SGM for the purpose of seeking approval from the Independent Shareholders on, among other things, the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps). Voting at the SGM will be conducted by poll and Ali CV and its associates will abstain from voting at the SGM. The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps). The Company has appointed Opus Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the transactions contemplated under the Supplemental Agreement; (ii) the recommendations of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) notice of the SGM, will be despatched to the Shareholders on or before January 14, 2021 as more time will be required to finalize certain information to be included in the circular.

INFORMATION ON THE COMPANY AND ALIBABA PICTURES (TIANJIN)

The Company is listed on both the Stock Exchange (stock code: 1060) and the Singapore Exchange Securities Trading Limited (stock code: S91). The Company focuses on developing the full business potential of integration and innovative applications of the Internet and traditional film and television industries. The core business of the Company includes three major segments: (i) Internet-based promotion and distribution, (ii) content production, and (iii) integrated development. These segments encompass (i) the operation of an integrated O2O platform for the promotion and distribution of entertainment content, and the provision of online movie ticketing service to consumers and ticketing issuance system to cinemas; (ii) the

investment and production of entertainment content such as film and drama series both domestically and internationally; and (iii) centered around copyrights, the development of professional services ranging from financing, business placement, promotion and distribution to merchandising, respectively.

Alibaba Pictures (Tianjin), being a company established under the laws of the PRC, is a consolidated subsidiary of the Company which is principally engaged in production of broadcasting & television programs.

INFORMATION ON AGH, ALIBABA GROUP AND YOUKU TECHNOLOGY

AGH is a company incorporated in the Cayman Islands, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988). Alibaba Group's mission is to make it easy to do business anywhere. Alibaba Group aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it will be a good company that will last for 102 years. Alibaba Group's businesses are comprised of core commerce, cloud computing, digital media and entertainment and innovation initiatives.

Youku Technology, a company established under the laws of the PRC and an indirect subsidiary of AGH, is principally engaged in IP management, business planning and technology development.

DEFINITIONS

In this announcement, save as the context otherwise requires, the defined terms shall have the following meanings:

“affiliate(s)”	with respect to any designated entity, any other entity that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity; for the purpose of this announcement, Youku Technology together with its affiliates and the Company together with its subsidiaries shall not be deemed to be an affiliate of each other
“AGH”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock code:9988)
“Ali CV”	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of AGH
“Alibaba Group”	AGH and its subsidiaries

“Alibaba Pictures (Tianjin)”	阿里巴巴影業（天津）有限公司 (Alibaba Pictures (Tianjin) Co., Ltd.*) (formerly known as 華盟（天津）文化投資有限公司 (Huameng (Tianjin) Culture Investment Co., Ltd.*) and 華盟（天津）文化傳媒有限公司 (Huameng (Tianjin) Culture Media Co., Ltd.*)), a company established in the PRC with limited liability and a consolidated subsidiary of the Company
“associate(s)”, “connected person(s)”, “controlling shareholder(s)” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Commencement Date”	the date on which the Company obtained the approval of the Board and the Independent Shareholders at the special general meeting of the Company for the Framework Agreement and the transactions contemplated thereunder (including the Existing Caps), being September 19, 2019
“Company”	Alibaba Pictures Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1060), which also has a secondary listing on the Singapore Exchange Securities Trading Limited (stock code: S91)
“Copyrights”	the copyrights, including rights of publication, authorship, alteration, integrity, reproduction, distribution, rental, exhibition, performance, release, broadcasting, online dissemination, shooting and production, adaptation, translation, compiling and other rights to which the copyright owner is entitled to
“Directors”	the directors of the Company
“Distribution Services”	the provision of services by Alibaba Pictures (Tianjin) and/or any of its affiliates for transfer and/or authorization of the use of TV Broadcasting Rights of Youku Technology and/or any of its affiliates in any Dramas and Movies
“Dramas and Movies”	collectively, movies, TV dramas and online dramas

“Effective Date”	the date on which all conditions precedent under the Supplemental Agreement having been satisfied, details of which are set out in the section headed “SUPPLEMENTAL AGREEMENT – Extension of term” in this announcement
“Existing Caps”	the existing annual maximum transaction amounts receivable by Alibaba Pictures (Tianjin) and/or any of its affiliates from Youku Technology and/or any of its affiliates in respect of the transactions contemplated under the Framework Agreement for the financial year ended March 31, 2020 and the two financial years ending March 31, 2021 and 2022, and each an “Existing Cap”
“Framework Agreement”	the framework agreement entered into between Alibaba Pictures (Tianjin) and Youku Technology on August 6, 2019 in relation to the transfer of Copyrights of the Target Dramas and Movies, the provision of other commercial development services and the provision of the Distribution Services for TV Broadcasting Rights
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, formed to advise the Independent Shareholders on the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps)
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps)
“Independent Shareholders”	the Shareholders, other than Ali CV and its respective associates

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Caps”	the proposed new annual maximum transaction amounts receivable by Alibaba Pictures (Tianjin) and/or any of its affiliates from Youku Technology and/or any of its affiliates in respect of the transactions contemplated under the Framework Agreement (as supplemented and amended by the Supplemental Agreement) for the three financial years ending March 31, 2021, 2022 and 2023, and each a “New Cap”
“PRC”	the People’s Republic of China
“Purchase Price”	the price for the transfer and/or authorization of the use of the Copyrights of the Target Dramas and Movies
“RMB”	Renminbi, the lawful currency of the PRC
“Scoring System”	has the meaning ascribed to it under the section headed “SUPPLEMENTAL AGREEMENT – Changes in terms of cooperation – (2) New pricing bases of the Purchase Price for the Target Dramas” in this announcement”
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to consider, and if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder (including the New Caps)
“Share(s)”	the ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement entered into between Alibaba Pictures (Tianjin) and Youku Technology on December 1, 2020 for extending the term of the Framework Agreement to March 31, 2023 and revising certain terms for the transactions contemplated under the Framework Agreement
“Target Dramas”	the TV and online dramas, the copyrights of which are owned by Alibaba Pictures (Tianjin) and/or any of its affiliates

“Target Dramas and Movies”	the Target Dramas and the Target Movies
“Target Movies”	the movies, the copyrights of which are owned by Alibaba Pictures (Tianjin) and/or any of its affiliates
“TV”	television
“TV Broadcasting Rights”	the rights to broadcast any dramas on TV stations
“Youku”	an online video and streaming service platform operated by Youku Technology’s affiliate
“Youku Technology”	北京優酷科技有限公司 (Beijing Youku Technology Co., Ltd.*), a company established in the PRC with limited liability and an indirect subsidiary of AGH
“%”	per cent

* For identification purposes only

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

Hong Kong, December 1, 2020

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