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**CONTINUING CONNECTED TRANSACTIONS -  
RENEWED MARKETING COOPERATION FRAMEWORK AGREEMENT**

**SUPPLEMENTAL AGREEMENT**

The Board announces that, on April 18, 2019, Beijing Asian Union, a consolidated subsidiary of the Company, entered into the Supplemental Agreement with Alimama and Youku Tudou, both subsidiaries of AGH, to, among others, extend the term of the Original Marketing Cooperation Framework Agreement.

**LISTING RULES IMPLICATIONS**

Alimama and Youku Tudou are both subsidiaries of AGH. AGH is the ultimate sole shareholder of Ali CV, which is a substantial shareholder and a connected person of the Company holding approximately 50.65% of the issued share capital of the Company as at the date of this announcement. Accordingly, each of Alimama and Youku Tudou is an associate of Ali CV and hence a connected person of the Company. The entering into of the Renewed Marketing Cooperation Framework Agreement (as supplemented and amended by the Supplemental Agreement) and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Annual Cap for the Services under the Renewed Marketing Cooperation Framework Agreement are more than 0.1% but less than 5%, the Renewed Marketing Cooperation Framework Agreement (as supplemented and amended by the Supplemental Agreement) and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated April 20, 2018 relating to, among others, the entering into of the Original Marketing Cooperation Framework Agreement between Beijing Asian Union, a consolidated subsidiary of the Company, and Alimama and Youku Tudou, both subsidiaries of AGH, for a term commenced from the effective date of the Original Marketing Cooperation Framework Agreement (i.e. April 20, 2018) and ended on March 31, 2019.

The Board announces that, on April 18, 2019, Beijing Asian Union, a consolidated subsidiary of the Company, entered into the Supplemental Agreement with Alimama and Youku Tudou, both subsidiaries of AGH, to, among others, extend the term of the Original Marketing Cooperation Framework Agreement.

## **THE SUPPLEMENTAL AGREEMENT**

The principal terms of the Supplemental Agreement are set out below:

### **Date**

April 18, 2019

### **Parties**

- (1) Beijing Asian Union, a consolidated subsidiary of the Company;
- (2) Alimama, an indirect wholly-owned subsidiary of AGH and a connected person of the Company; and
- (3) Youku Tudou, a consolidated entity of AGH and a connected person of the Company.

### **Subject Matter**

The parties agree to, among others, extend the term of the Original Marketing Cooperation Framework Agreement to cover the period from April 1, 2019 to March 31, 2020 (the “Extended Term”).

## **THE RENEWED MARKETING COOPERATION FRAMEWORK AGREEMENT**

The major terms of the Renewed Marketing Cooperation Framework Agreement (as supplemented and amended by the Supplemental Agreement) are summarised below:

### **Parties**

- (1) Beijing Asian Union;
- (2) Alimama; and
- (3) Youku Tudou.

## **Subject Matter**

Alimama and Youku Tudou are providers of online advertising and relevant services (through operation of its own online platform/channels and strategic cooperation with other online platforms/channels), while the Group engages in the business of, among others, advertising agency.

Pursuant to the Renewed Marketing Cooperation Framework Agreement, the Group (as agent for and on behalf of its clients) may enter into specific marketing agreements with Alimama and/or Youku Tudou to procure online advertising and relevant services from Alimama and/or Youku Tudou at pre-determined discount rates.

The online advertising and relevant services to be procured by the Group from Alimama and/or Youku Tudou include, but not limited to, video advertisements, banners advertisements, button advertisements, text link advertisements, floating advertisements, full screen advertisements, advertisements through streaming, content marketing as well as online and offline marketing.

## **Pricing Basis**

The fees payable by the Group (as agent for and on behalf of its clients) for procurement of the Services from Alimama and/or Youku Tudou under the Renewed Marketing Cooperation Framework Agreement are calculated based on the actual usage of the Services by the clients of the Group measured by the number of days for which relevant advertisement has been placed and displayed, and/or the amount of exposure of the relevant advertisement, on the online/digital platforms and channels of Alimama and/or Youku Tudou, and the published standard service fee at a pre-determined discount rate generally offered by Alimama or Youku Tudou to independent third parties in respect of comparable services, and with reference to the specific location or the space at which the relevant advertisement is placed or displayed and other specific requirements on the Services based on the needs of the clients of the Group.

In accordance with the terms of the Renewed Marketing Cooperation Framework Agreement, the Group will be entitled to special discounts. Such special discounts shall be calculated based on the actual Purchase Amount at a pre-determined discount rate and shall be directly deducted from any outstanding Purchase Amount to be paid by the Group to Alimama or Youku Tudou.

## **Payment Term**

Depending on the specific nature of the Services, the Group shall settle the Purchase Amount (i) by advanced payment; (ii) by instalments; or (iii) by payment in full within 90 days from the last day on which an advertisement placed by the Group is broadcast on a platform.

## **Annual Cap and Basis of Determination of Annual Cap**

The actual transaction amount for the Services under the Original Marketing Cooperation Framework Agreement during the period from April 20, 2018 to March 31, 2019 was approximately RMB1,630,000.

No actual transaction amount was incurred for the Services under the Renewed Marketing Cooperation Framework Agreement during the period from April 1, 2019 to the date of this announcement (i.e. the date of the Supplemental Agreement).

The annual cap in respect of the transaction amount for the Services under the Renewed Marketing Cooperation Framework Agreement (the “Annual Cap”) for the financial year ending March 31, 2020 is fixed at RMB15,000,000, which is determined with reference to (i) the increasing online marketing needs of the clients of the Group’s movie ticketing platform - Tao Piao Piao (mainly film promotion and distribution companies), (ii) the expected rate of usage and demand for the Services during the Extended Term, with an additional buffer of a certain percentage on top to provide for operational flexibility and potential increment in the transaction volume, and (iii) the historical transaction amount under the Original Marketing Cooperation Framework Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED MARKETING COOPERATION FRAMEWORK AGREEMENT**

Internet and technology have continued to penetrate into everyone’s life. They have propelled connectivity and information dissemination to unprecedented levels. As the domestic film industry continues to grow, film distribution and marketing companies have increasing needs for online advertising and digital marketing. The Group strives to meet these needs and offer the best all-around services to them. Therefore, in addition to continuously making available Tao Piao Piao for online advertising and digital marketing, the Group plans to continuously work with Alimama and Youku Tudou by entering into the Supplemental Agreement to extend the term of the Original Marketing Cooperation Framework Agreement. Alimama is a leading company specialized in online advertising and digital marketing, with strong operating track record and large client base. Youku Tudou conducts the advertising business of Youku, which is one of the leading online video streaming websites in China. By continuously collaborating with these two entities of Alibaba Group within the term of the Renewed Marketing Cooperation Framework Agreement (as supplemented and amended by the Supplemental Agreement), the Group believes that it can offer the most competitive and comprehensive digital marketing services to the film industry.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Renewed Marketing Cooperation Framework Agreement (as supplemented and amended by the Supplemental Agreement) are expected to be entered into in the ordinary and usual course of business of the Company, on normal commercial terms or better to the Company after arm’s length negotiations between the parties, and the terms of those transactions together with the Annual Cap are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Alimama and Youku Tudou are both subsidiaries of AGH. AGH is the ultimate sole shareholder of Ali CV, which is a substantial shareholder and a connected person of the Company holding approximately 50.65% of the issued share capital of the Company as at the date of this announcement. Accordingly, each of Alimama and Youku Tudou is an associate of Ali CV and hence a connected person of the Company. The Renewed Marketing Cooperation Framework Agreement (as supplemented and amended by the Supplemental

Agreement) and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Annual Cap for the Services under the Renewed Marketing Cooperation Framework Agreement are more than 0.1% but less than 5%, the Renewed Marketing Cooperation Framework Agreement (as supplemented and amended by the Supplemental Agreement) and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As each of Mr. Fan Luyuan, Mr. Meng Jun, Ms. Zhang Yu and Mr. Chang Yang is an employee of AGH or its subsidiaries, he/she is deemed or may be perceived to have a material interest in the Renewed Marketing Cooperation Framework Agreement and the Supplemental Agreement, the Annual Cap and the transactions contemplated under the Renewed Marketing Cooperation Framework Agreement. Accordingly, each of Mr. Fan Luyuan, Mr. Meng Jun, Ms. Zhang Yu and Mr. Chang Yang has abstained from voting on the resolutions passed by the Board in relation to the Renewed Marketing Cooperation Framework Agreement and the Supplemental Agreement, the Annual Cap and the transactions contemplated under the Renewed Marketing Cooperation Framework Agreement. Save as the aforesaid Directors, none of the other Directors has a material interest in the Renewed Marketing Cooperation Framework Agreement and the Supplemental Agreement, the Annual Cap and the transactions contemplated under the Renewed Marketing Cooperation Framework Agreement, and therefore none of them has abstained from voting on the said resolutions passed by the Board.

## **INFORMATION ON THE COMPANY AND BEIJING ASIAN UNION**

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 the 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 ticket 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.

Beijing Asian Union, being a company established under the laws of the PRC, is a consolidated subsidiary of the Company which is principally engaged in production and distribution of films, production of broadcasting and television programmes, performance brokerage, advertising services, etc.

## **INFORMATION ON AGH, ALIBABA GROUP, ALIMAMA AND YOUKU TUDOU**

AGH is a company incorporated in the Cayman Islands and its American depositary shares are listed on the New York Stock Exchange (Stock Code: BABA).

Alibaba Group's mission is to make it easy to do business anywhere and Alibaba Group aims to achieve sustainable growth for 102 years. Alibaba Group's businesses are comprised of core commerce, cloud computing, digital media and entertainment and innovation initiatives.

Alimama, being a company established in the PRC, is an indirect wholly-owned subsidiary of AGH. Alimama is a platform which matches the marketing demands of merchants and brands with the media resources on Alibaba Group's own platforms and third-party properties, and enables Alibaba Group to monetize its core commerce and digital media and entertainment businesses.

Youku Tudou, being a company established in the PRC, is a consolidated entity of AGH which is principally engaged in advertising agency, advertising production and distribution, programme production, copyright procurement or distribution.

## **DEFINITIONS**

Unless otherwise stated, the following expressions have the following meanings in this announcement:

<b>“AGH”</b>	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands and the American depositary shares of which are listed on the New York Stock Exchange
<b>“Ali CV”</b>	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands, a wholly-owned subsidiary of Alibaba Investment Limited and an indirect wholly-owned subsidiary of AGH
<b>“Alibaba Group”</b>	AGH and its subsidiaries
<b>“Annual Cap”</b>	has the meaning ascribed to the term under the section headed “RENEWED MARKETING COOPERATION FRAMEWORK AGREEMENT - Annual Cap and Basis of Determination of Annual Cap”
<b>“Alimama”</b>	杭州阿里媽媽軟件服務有限公司(Hangzhou Alimama Software Services Co., Ltd.*), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of AGH
<b>“associate(s)”</b>	has the meaning ascribed to it under the Listing Rules

<b>“Beijing Asian Union”</b>	北京中聯華盟文化傳媒投資有限公司(Beijing Asian Union Culture Media Investment Co., Ltd.*), a company established under the laws of the PRC and a consolidated subsidiary of the Company
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	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 with stock code 1060, which also has a secondary listing on the Singapore Exchange Securities Trading Limited (stock code: S91)
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Original Marketing Cooperation Framework Agreement”</b>	the business cooperation agreement entered into among Beijing Asian Union, Alimama and Youku Tudou on April 20, 2018 in relation to the procurement of the Services
<b>“PRC”</b>	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
<b>“Purchase Amount”</b>	the amount to be paid by the Group for its procurement of the Services applying the pre-determined discount rates as set out in the section headed “RENEWED MARKETING COOPERATION FRAMEWORK AGREEMENT - Subject Matter”
<b>“Renewed Marketing Cooperation Framework Agreement”</b>	the Original Marketing Cooperation Framework Agreement as supplemented and amended by the Supplemental Agreement
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Services”</b>	the online advertising and relevant services provided by Alimama and Youku Tudou pursuant to the Original Marketing Cooperation Framework Agreement or the Renewed Marketing Cooperation Framework Agreement

<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“subsidiary(ies)”</b>	has the meaning ascribed to it under the Listing Rules
<b>"Supplemental Agreement"</b>	the supplemental agreement dated April 18, 2019 entered into among Beijing Asian Union, Alimama and Youku Tudou to, among others, extend the term of the Original Marketing Cooperation Framework Agreement
<b>“Youku Tudou”</b>	上海全土豆文化傳播有限公司(Shanghai Quan Tudou Cultural Communication Co., Ltd.*), a company established under the laws of the PRC and a consolidated entity of AGH
<b>“%”</b>	per cent

*\* For identification purposes only*

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

Hong Kong, April 18, 2019

*As at the date of this announcement, the Board comprises Mr. Fan Luyuan and Mr. Meng Jun, being the executive directors; Ms. Zhang Yu 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 director.*