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

CONTINUING CONNECTED TRANSACTIONS

COOPERATION AGREEMENT AND TICKETING AGENCY SERVICES AGREEMENT

COOPERATION AGREEMENT AND TICKETING AGENCY SERVICES AGREEMENT

The Board announces that, on November 28, 2019, Shouquanbao, a consolidated subsidiary of the Company, and Beijing Damai, a consolidated entity of AGH, entered into the Cooperation Agreement for a term of one year commencing from November 28, 2019. Pursuant to the Cooperation Agreement, Shouquanbao agreed to use, and Beijing Damai agreed to provide, the Event Services for the Event, subject to the cap of the total service fees of RMB7,680,000.

The Board further announces that, on November 28, 2019, Shouquanbao and Beijing Pony Media, a consolidated entity of AGH, entered into the Ticketing Agency Services Agreement for a term commencing from November 28, 2019 and ending upon completion of the Ticketing Services, which is expected to be less than one year. Pursuant to the Ticketing Agency Services Agreement, Shouquanbao agreed to use, and Beijing Pony Media agreed to provide, the Ticketing Services for the Event, subject to the maximum amount of the total service fees of RMB600,000.

LISTING RULES IMPLICATIONS

Each of Beijing Damai and Beijing Pony Media is a consolidated entity 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 Beijing Damai and Beijing Pony Media is an associate of Ali CV and hence a connected person of the Company. The entering into of each of the Cooperation Agreement and the Ticketing Agency Services Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Cooperation Agreement and those under the Ticketing Agency Services Agreement are required to be aggregated and treated as if they were one transaction because they are of similar nature and were entered into within a 12-month period. As one or more applicable percentage ratios set out

in Rule 14.07 of the Listing Rules in respect of the cap of the total service fees for the Event Services under the Cooperation Agreement and the maximum amount of the total service fees for the Ticketing Services under the Ticketing Agency Services Agreement, when aggregated, are more than 0.1% but below 5%, the entering into of each of the Cooperation Agreement and the Ticketing Agency Services Agreement and the transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that, on November 28, 2019, Shouquanbao, a consolidated subsidiary of the Company, and Beijing Damai, a consolidated entity of AGH, entered into the Cooperation Agreement for a term of one year commencing from November 28, 2019. Pursuant to the Cooperation Agreement, Shouquanbao agreed to use, and Beijing Damai agreed to provide, the Event Services for the Event.

The Board further announces that, on November 28, 2019, Shouquanbao and Beijing Pony Media, a consolidated entity of AGH, entered into the Ticketing Agency Services Agreement for a term commencing from November 28, 2019 and ending upon completion of the Ticketing Services, which is expected to be less than one year. Pursuant to the Ticketing Agency Services Agreement, Shouquanbao agreed to use, and Beijing Pony Media agreed to provide, the Ticketing Services for the Event.

COOPERATION AGREEMENT

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

Date:

November 28, 2019

Parties:

- (1) Shouquanbao, a consolidated subsidiary of the Company
- (2) Beijing Damai, a consolidated entity of AGH and a connected person of the Company

Term: One year commencing from November 28, 2019

Subject Matter

In consideration of the service fees payable by Shouquanbao to Beijing Damai under the Cooperation Agreement, Shouquanbao, as the organizer of the Event, agreed to engage Beijing Damai to provide, among other things, the following services for the Event (the "Event Services"):

- (1) designing and, subject to Shouquanbao's approval, building sets and stages for the Event;
- (2) hiring venues for the Event;
- (3) obtaining the necessary approvals for organising the Event; and
- (4) producing anti-counterfeit labels to be applied on the tickets for the Event.

Consideration

As an incentive, the service fees payable to Beijing Damai under the Cooperation Agreement is commission-based, which shall be calculated as follows:

$$\text{service fees} = \frac{\text{total income of the Event (tax inclusive)}}{\text{total income of the Event (tax inclusive)}} \times \text{allocation share}$$

where (i) the “total income of the Event” includes (but is not limited to) any sponsorship, advertising income and ticketing income; and (ii) the “allocation share” is the actual total expenses of Beijing Damai as a percentage of the actual total costs of the Event.

Given the allocation of work, it is estimated that Beijing Damai’s allocation share shall be approximately 35.49%. The parties have agreed that the highest allocation share to which Beijing Damai is entitled shall not exceed 42.67%, over that any additional expenses of Beijing Damai in relation to the Event shall not be included in the calculation of its allocation share. According to the Cooperation Agreement, the cap of service fees receivable by Beijing Damai is RMB7,680,000.

The service fees payable by Shouquanbao to Beijing Damai under the Cooperation Agreement were determined after arm’s length negotiations between the parties with reference to (i) revenue of similar events; and (ii) the expenses to be incurred by each of the parties for the Event, which will be mainly the cost of business and human resources input by each party.

Payment Terms

For the purpose of calculating the allocation share of both parties and hence the service fees payable by Shouquanbao to Beijing Damai, each party shall provide its respective summary of the expenses incurred with supporting documents within 30 working days upon completion of the Event, and shall confirm or query the other party’s summary of expenses within 7 days upon receipt of the same. Having confirmed the details of expenses by both parties, Shouquanbao shall pay Beijing Damai the service fees under the Cooperation Agreement within 15 working days upon receipt of the relevant invoice from Beijing Damai.

TICKETING AGENCY SERVICES AGREEMENT

The principal terms of the Ticketing Agency Services Agreement are set out below:

Date:

November 28, 2019

Parties:

- (1) Shouquanbao, a consolidated subsidiary of the Company
- (2) Beijing Pony Media, a consolidated entity of AGH and a connected person of the Company

Term: the period commencing from November 28, 2019 and ending upon completion of the Ticketing Services, which is expected to be less than one year

Subject Matter

In consideration of the service fees payable by Shouquanbao to Beijing Pony Media under the Ticketing Agency Services Agreement, Shouquanbao agreed to engage Beijing Pony Media to provide, among other things, the following services for the Event (the “Ticketing Services”):

- (1) selling the tickets for the Event via sales channels (other than those of Shouquanbao);
- (2) printing the tickets for the Event; and
- (3) providing equipment and on-site services for the Event including but not limited to verification of the tickets.

Consideration

Pursuant to the Ticketing Agency Services Agreement, the following three types of service fees are payable by Shouquanbao to Beijing Pony Media:

- (1) agency fees of 6% to 7% of the ticket sales, depending on the distribution channels;
- (2) issuing fees of RMB1 to RMB2 per physical ticket, depending on the type of tickets; and
- (3) fees for providing equipment and staff for on-site services, which shall be charged based on the amount of equipment and staff commissioned by Shouquanbao.

The maximum amount of service fees receivable by Beijing Pony Media for all its services in relation to the Event is estimated to be RMB600,000.

The service fees payable by Shouquanbao to Beijing Pony Media under the Ticketing Agency Services Agreement were determined after arm’s length negotiations between the parties with reference to (i) the scales of ticketing services for similar events; and (ii) the rates of ticketing agency services charged to or by other independent third parties.

Payment terms

For the purpose of calculating the service fees payable to Beijing Pony Media, upon completion of the Event, within 5 working days after Shouquanbao has returned all the equipment lent by Beijing Pony Media and provided all the receipts to the purchasers of tickets, and the parties have confirmed on the number of tickets sold, Beijing Pony Media shall pay the income from its sale of tickets to Shouquanbao and shall deduct its service fees from such income.

INFORMATION ON THE COMPANY AND SHOUQUANBAO

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 online-to offline (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 films 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.

Shouquanbao, being a company established under the laws of the PRC, is a consolidated subsidiary of the Company, which is principally engaged in advertising, sale of entertainment related merchandise and derivatives and operating the Alifish Platform.

INFORMATION ON AGH, BEIJING DAMAI AND BEIJING PONY MEDIA

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 infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it will be a company that lasts at least 102 years. Alibaba Group's businesses are comprised of core commerce, cloud computing, digital media and entertainment and innovation initiatives.

Beijing Damai, being a company established under the laws of the PRC, is a consolidated entity of AGH which is principally engaged in the provision of, among others, event organization, marketing services and ticketing services.

Beijing Pony Media, being a company established under the laws of the PRC, is a consolidated entity of AGH which is principally engaged in the provision of ticketing system services, as well as ticketing services such as ticket issuance and sales.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT AND THE TICKETING AGENCY SERVICES AGREEMENT

Beijing Damai and Beijing Pony Media have extensive experience in organizing offline events and exhibitions. Not only are they both leading online ticketing platforms for events based in the PRC, they also have considerable human resources and data resources on the user operation front. The Group expects that the entering into of the Cooperation Agreement and the Ticketing Agency Services Agreement will help explore more innovative modes for hosting offline music festivals, win consumer trust and raise the Event's profile, thereby creating a win-win situation for all parties involved in the collaboration.

Having reviewed the terms of the Cooperation Agreement and the Ticketing Agency Services Agreement, the Directors (including the independent non-executive Directors) are of the view that the Cooperation Agreement, the Ticketing Agency Services Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group after arm's length negotiation among the parties, reflect normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As (i) Ms. Zhang Yu is an employee of Ant Financial or its subsidiary and a former employee of AGH or its subsidiary in the last twelve months as at the date of the passing of the resolutions by the Board in relation the Cooperation Agreement and the Ticketing Agency Services Agreement; and (ii) each of Mr. Fan Luyuan, Mr. Meng Jun and Mr. Chang Yang is an employee of AGH or its subsidiaries, they are deemed or may be perceived to have a material interest in the Cooperation Agreement, the Ticketing Agency Services Agreement and the transactions contemplated thereunder. Accordingly, each of Ms. Zhang Yu, Mr. Fan Luyuan, Mr. Meng Jun and Mr. Chang Yang has abstained from voting on the resolutions passed by the Board in relation to the Cooperation Agreement, the Ticketing Agency Services Agreement and the transactions

contemplated thereunder. Save as the aforesaid, none of the other Directors has a material interest in the Cooperation Agreement, the Ticketing Agency Services Agreement and the transactions contemplated thereunder, and therefore none of them has abstained from voting on the said resolution(s) passed by the Board.

LISTING RULES IMPLICATIONS

Each of Beijing Damai and Beijing Pony Media is a consolidated entity 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 Beijing Damai and Beijing Pony Media is an associate of Ali CV and hence a connected person of the Company. The entering into of each of the Cooperation Agreement and the Ticketing Agency Services Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Cooperation Agreement and those under the Ticketing Agency Services Agreement are required to be aggregated and treated as if they were one transaction because they are of similar nature and were entered into within a 12-month period. As one or more applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the cap of the total service fees for the Event Services under the Cooperation Agreement and the maximum amount of the total service fees for the Ticketing Services under the Ticketing Agency Services Agreement, when aggregated, are more than 0.1% but below 5%, the entering into of each of the Cooperation Agreement and the Ticketing Agency Services Agreement and the transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“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
“Ant Financial”	浙江螞蟻小微金融服務集團股份有限公司 (Ant Small and Micro Financial Services Group Co., Ltd.*), a company incorporated in the PRC with limited liability and an associate of AGH

<p>“associate”, “connected person”, “percentage ratio(s)”, “subsidiary(ies)” and “substantial shareholder”</p>	<p>each has the meaning ascribed to it under the Listing Rules</p>
<p>“Beijing Damai”</p>	<p>北京大麥文化傳播有限公司上海分公司 (Beijing Damai Culture Communication Co., Ltd., Shanghai Branch*), a company established under the laws of the PRC and a consolidated entity of AGH</p>
<p>“Beijing Pony Media”</p>	<p>北京紅馬傳媒文化發展有限公司 (Beijing Pony Media Culture Development Co., Ltd.*), a company established under the laws of the PRC and a consolidated entity of AGH</p>
<p>“Board”</p>	<p>the board of Directors</p>
<p>“Company”</p>	<p>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)</p>
<p>“Cooperation Agreement”</p>	<p>the cooperation agreement entered into between Shouquanbao and Beijing Damai on November 28, 2019 in relation to the provision of the Event Services by Beijing Damai to Shouquanbao</p>
<p>“Directors”</p>	<p>the directors of the Company</p>
<p>“Event”</p>	<p>阿里魚潮流動漫音樂節 (Alifish Animation Music Festival 2019) organised by the Group and to be held on December 7, 2019 to December 8, 2019 in Guangzhou, PRC</p>
<p>“Event Services”</p>	<p>has the meaning as defined in the section headed “COOPERATION AGREEMENT – Subject Matter” of this announcement</p>
<p>“Group”</p>	<p>the Company and its subsidiaries</p>
<p>“Hong Kong”</p>	<p>the Hong Kong Special Administrative Region of the PRC</p>
<p>“Listing Rules”</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange</p>
<p>“PRC”</p>	<p>the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan</p>

“RMB”	Renminbi, the lawful currency of the PRC
“Shouquanbao”	阿里巴巴授權寶（天津）文化傳播有限公司 (Alibaba Shouquanbao (Tianjin) Culture Communication Co., Ltd.*), a company established in the PRC with limited liability and a consolidated subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ticketing Agency Services Agreement”	the agency agreement entered into between Shouquanbao and Beijing Pony Media on November 28, 2019 in relation to the provision of the Ticketing Services by Beijing Pony Media to Shouquanbao
“Ticketing Services”	has the meaning as defined in the section headed “TICKETING AGENCY SERVICES AGREEMENT – Subject Matter” of this announcement
“%”	per cent.

** For identification purpose only*

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

Hong Kong, November 28, 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 Directors.