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阿里巴巴·影业集团™
Alibaba·Pictures
Alibaba Pictures Group Limited
阿里巴巴影業集團有限公司

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

CONTINUING CONNECTED TRANSACTIONS - ENTERING INTO OF THE RENEWED ADVERTISING SERVICES FRAMEWORK AGREEMENT

RENEWED ADVERTISING SERVICES FRAMEWORK AGREEMENT

The Board announces that Shanghai TPP, a consolidated subsidiary of the Company, entered into the Renewed Advertising Services Framework Agreement with Guangzhou Juyao, an indirect wholly-owned subsidiary of AGH, on August 8, 2019 for a term commencing from August 8, 2019 to March 31, 2020. Pursuant to the Renewed Advertising Services Framework Agreement, Guangzhou Juyao has agreed to procure its clients to use, and Shanghai TPP has agreed to provide, advertising services to promote the products or services of the clients of Guangzhou Juyao on the online platforms and channels of Shanghai TPP.

LISTING RULES IMPLICATIONS

Guangzhou Juyao is an indirect wholly-owned subsidiary 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, Guangzhou Juyao is an associate of Ali CV and hence a connected person of the Company. The entering into of the Renewed Advertising Services Framework 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 transactions contemplated under the Renewed Advertising Services Framework Agreement are over 0.1% but less than 5%, the entering into of the Renewed Advertising Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On April 1, 2019, Shanghai TPP, Hangzhou Yihong and Alimama entered into the Renewed Alimama Advertising Services Framework Agreement in respect of the provision of the advertising services for one year commencing from April 1, 2019 to March 31, 2020. The annual cap with respect to the transactions contemplated under the Renewed Alimama Advertising Services Framework Agreement for the financial year ending March 31, 2020 is RMB50,000,000.

Since the Renewed Advertising Services Framework Agreement and the Renewed Alimama Advertising Services Framework Agreement are of a similar nature and have been entered into by the Group with wholly-owned subsidiaries of AGH within a 12-month period, the transactions contemplated under the Renewed Advertising Services Framework Agreement and the Renewed Alimama Advertising Services Framework Agreement shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. All the applicable percentage ratios in respect of the total annual cap under the Renewed Advertising Services Framework Agreement and the Renewed Alimama Advertising Services Framework Agreement, when aggregated, are below 5%.

1. INTRODUCTION

Reference is made to the announcement of the Company dated January 19, 2018 relating to, among others, the entering into of the Advertising Services Framework Agreement between Shanghai TPP, a consolidated subsidiary of the Company, and Guangzhou Juyao, an indirect wholly-owned subsidiary of AGH, for a term commenced from January 19, 2018 and ended on March 31, 2019.

The Board announces that Shanghai TPP, a consolidated subsidiary of the Company, entered into the Renewed Advertising Services Framework Agreement with Guangzhou Juyao, an indirect wholly-owned subsidiary of AGH, on August 8, 2019 for a term commencing from August 8, 2019 to March 31, 2020. Pursuant to the Renewed Advertising Services Framework Agreement, Guangzhou Juyao has agreed to procure its clients to use, and Shanghai TPP has agreed to provide, advertising services to promote the products or services of the clients of Guangzhou Juyao on the online platforms and channels of Shanghai TPP.

2. PRINCIPAL TERMS OF THE RENEWED ADVERTISING SERVICES FRAMEWORK AGREEMENT

The principal terms of the Renewed Advertising Services Framework Agreement are set out below:

2.1 Signing Date, Parties and Term of the Renewed Advertising Services Framework Agreement

Date: August 8, 2019

Parties: (1) Guangzhou Juyao as advertising service agent

(2) Shanghai TPP as advertising service provider

Term: August 8, 2019 to March 31, 2020

2.2 Other Principal Terms of the Renewed Advertising Services Framework Agreement

Subject Matter

In consideration of the fee payable by Guangzhou Juyao to Shanghai TPP, Guangzhou Juyao has agreed to procure its clients to use, and Shanghai TPP has agreed to provide, advertising services to promote the products or services of the clients of Guangzhou Juyao on the online platforms and channels of Shanghai TPP.

Pricing Basis

The service fee receivable by Shanghai TPP for provision of the advertising services to Guangzhou Juyao (as agent for and on behalf of its clients) under the Renewed Advertising Services Framework Agreement is 70% of the advertising fee, which is calculated based on the actual usage of the advertising services by the clients of Guangzhou Juyao measured by the number of days that the relevant advertisement has been placed and displayed on the online platforms and channels of Shanghai TPP and the published standard service fee at a pre-determined discount rate generally offered by Shanghai TPP 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.

In accordance with the terms of the Renewed Advertising Services Framework Agreement, Guangzhou Juyao will be entitled to receive 30% of the aforesaid advertising fee. Such rate will not be more favourable than the rate provided by Shanghai TPP to any independent third party based on the same factors.

Payment Terms

Shanghai TPP shall provide Guangzhou Juyao with a summary report of advertising services used by the clients of Guangzhou Juyao within three (3) working days upon completion of each advertising placement, and Guangzhou Juyao shall confirm such summary report within seven (7) working days upon the receipt of the same.

Shanghai TPP and Guangzhou Juyao shall, at the beginning of each month, estimate the total fee of the advertising services used by the clients of Guangzhou Juyao in the previous month. Shanghai TPP shall provide the bill of the aforesaid total advertising service fees on the last working day of each month, and Guangzhou Juyao shall confirm such bill by the second working day of the month following the month in which such bill is provided by Shanghai TPP. Shanghai

TPP shall also provide relevant value-added tax invoice(s) in the month following the month in which the aforesaid bill is confirmed by Guangzhou Juyao. Upon the receipt of the aforesaid invoice(s), Guangzhou Juyao shall settle such invoice(s).

3. ANNUAL CAP AND BASIS OF DETERMINATION OF ANNUAL CAP

The actual transaction amount under the Advertising Services Framework Agreement for the financial years ended March 31, 2018 and March 31, 2019 were approximately RMB142,000 and RMB3,509,000, respectively.

The Board has determined the annual cap with respect to the transactions contemplated under the Renewed Advertising Services Framework Agreement for the period commencing August 8, 2019 and ending on March 31, 2020 to be fixed at RMB5,000,000.

The annual cap is determined with reference to (i) the current advertising needs of the clients of Guangzhou Juyao on other comparable online platforms and channels and (ii) the historical rate of usage and demand for the advertising services during the term of the Advertising Services Framework Agreement, with an additional buffer of a certain percentage on top to provide for operational flexibility and potential increment in the transaction volume.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED ADVERTISING SERVICES FRAMEWORK AGREEMENT

Guangzhou Juyao is a leading company specialized in online digital advertising, with strong operating track records and large client bases. The growing popularity of the Group's online ticketing platform Tao Piao Piao has attracted its interests in using its online platforms and channels for digital advertising. To maximize the commercial value of its online platforms and channels, Shanghai TPP has entered into the Renewed Advertising Services Framework Agreement.

Having reviewed the terms of the Renewed Advertising Services Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the terms of the Renewed Advertising Services Framework Agreement and the annual cap for the transactions contemplated under the Renewed Advertising Services Framework Agreement are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms to the Company and that the entering into of the Renewed Advertising Services Framework Agreement is in the ordinary and usual course of business of the Group and in the interest of the Company and its shareholders as a whole.

5. LISTING RULES IMPLICATIONS

Guangzhou Juyao is an indirect wholly-owned subsidiary 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. Guangzhou Juyao is an associate of Ali CV and hence a connected person of the Company. The entering into of the Renewed Advertising Services Framework 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 transactions contemplated under the Renewed Advertising Services Framework Agreement are over 0.1% but less than 5%, the entering into of the Renewed Advertising Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is also made to the announcement of the Company dated April 1, 2019 with respect to the Renewed Alimama Advertising Services Framework Agreement. On April 1, 2019, Shanghai TPP, Hangzhou Yihong and Alimama entered into the Renewed Alimama Advertising Services Framework Agreement in respect of the provision of the advertising services for one year commencing from April 1, 2019 to March 31, 2020. The annual cap with respect to the transactions contemplated under the Renewed Alimama Advertising Services Framework Agreement for the financial year ending March 31, 2020 is RMB50,000,000.

Since the Renewed Advertising Services Framework Agreement and the Renewed Alimama Advertising Services Framework Agreement are of a similar nature and have been entered into by the Group with wholly-owned subsidiaries of AGH within a 12-month period, the transactions contemplated under the Renewed Advertising Services Framework Agreement and the Renewed Alimama Advertising Services Framework Agreement shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. All the applicable percentage ratios in respect of the total annual cap under the Renewed Advertising Services Framework Agreement and the Renewed Alimama Advertising Services Framework Agreement, when aggregated, are below 5%.

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 Advertising Services Framework Agreement, the relevant annual cap and the transactions contemplated thereunder. 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 in the Renewed Advertising Services Framework Agreement, the relevant annual cap and the transactions contemplated thereunder. Save for the aforesaid Directors, none of the other Directors has a material interest in the Renewed Advertising Services Framework Agreement, the relevant annual cap and the transactions contemplated thereunder, and therefore none of them has abstained from voting on the relevant resolutions passed by the Board.

6. INFORMATION ON THE COMPANY AND SHANGHAI TPP

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.

Shanghai TPP, being a company established under the laws of the PRC, is a consolidated subsidiary of the Company which is principally engaged in film investment, film distribution, film agency, advertising production, advertising distribution, advertising agency, technological consultation, technology transfer and technological services in the professional field of network technology and e-commerce.

7. INFORMATION ON AGH, ALIBABA GROUP AND GUANGZHOU JUYAO

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.

Guangzhou Juyao, being a company established under the laws of the PRC, is an indirect wholly-owned subsidiary of AGH which is principally engaged in advertising services, computer technology development, technical services, information technology consulting services, software development and online game services.

DEFINITIONS

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

"Advertising Services Framework Agreement"	the advertising services framework cooperation agreement entered into between Guangzhou Juyao and Shanghai TPP on January 19, 2018 for promotion and marketing of the products or services of the clients of Guangzhou Juyao on the online platform and channels of Shanghai TPP
"AGH"	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
"Alibaba Group"	AGH and its subsidiaries
"Alimama"	杭州阿里媽媽軟件服務有限公司 (Hangzhou Alimama Software Services Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of AGH
"Ali CV"	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands, an indirect wholly-owned subsidiary of AGH
"associate(s)"	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
"Board"	the board of Directors
"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 with stock code 1060, which also has a secondary listing on the Singapore Exchange Securities Trading Limited (stock code: S91)
"connected person(s)"	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
"Directors"	the directors of the Company

"Group"	the Company and its subsidiaries
"Guangzhou Juyao"	廣州聚耀信息科技有限公司 (Guangzhou Juyao Information Technology Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of AGH
"Hangzhou Yihong"	杭州易宏廣告有限公司 (Hangzhou Yihong Advertising Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of AGH
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
"Renewed Advertising Services Framework Agreement"	the advertising services framework cooperation agreement entered into between Guangzhou Juyao and Shanghai TPP on August 8, 2019 for promotion and marketing of the products or services of the clients of Guangzhou Juyao on the online platform and channels of Shanghai TPP
"Renewed Alimama Advertising Services Framework Agreement"	the advertising services framework cooperation agreement entered into among Hangzhou Yihong, Alimama and Shanghai TPP on April 1, 2019 for promotion and marketing of the products or services of the clients of Hangzhou Yihong and Alimama on the online platform and channels of Shanghai TPP
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai TPP"	上海淘票票影視文化有限公司 (Shanghai Tao Piao Piao Movie & TV Culture Co., Ltd.*), a consolidated subsidiary of the Company established under the laws of the PRC

"Share(s)"	ordinary share(s) of HK$0.25 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to this term under the Listing Rules
"%"	per cent.

** For identification purpose only*

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

Hong Kong, August 8, 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.