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

CONTINUING CONNECTED TRANSACTIONS - PROMOTION COOPERATION FRAMEWORK AGREEMENT

PROMOTION COOPERATION FRAMEWORK AGREEMENT

The Board announces that Shanghai TPP, a consolidated subsidiary of the Company, entered into the Promotion Cooperation Framework Agreement with Shanghai Rajax, a consolidated entity of AGH, on January 25, 2019 for a term commencing from January 25, 2019 to March 31, 2020. Pursuant to the Promotion Cooperation Framework Agreement, Shanghai TPP and Shanghai Rajax agree to provide advertising resources and/or services to each other for promoting brand names of the other party and/or their respective clients on their respective apps/platforms on the basis that the total market prices of such advertising resources and/or services provided to each other are equal, subject to the annual caps of the market price of the advertising resources and/or services concerned, and thus neither party has to pay the other party a cash consideration.

LISTING RULES IMPLICATIONS

Shanghai Rajax 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 49% of the issued share capital of the Company as at the date of this announcement. Accordingly, Shanghai Rajax is an associate of Ali CV and hence a connected person of the Company. The entering into of the Promotion Cooperation 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 highest annual cap of the market price of the advertising resources and/or services provided by Shanghai TPP or Shanghai Rajax to the other party under the Promotion Cooperation Framework Agreement are more than 0.1% but less than 5%, the entering into of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On June 8, 2018, Shanghai TPP entered into the Information Dissemination Cooperation Agreement with Hangzhou Yihong, an indirect wholly-owned subsidiary of AGH, for a term commencing from June 10, 2018 to March 31, 2019 in respect of its provision of the Information Dissemination Services to Hangzhou Yihong. The annual cap for the transactions contemplated under the Information Dissemination Cooperation Agreement for the financial year ending March 31, 2019 is RMB15,000,000.

On April 20, 2018, Beijing Asian Union, a consolidated subsidiary of the Company, entered into the Marketing Cooperation Framework Agreement with Alimama and Youku Tudou, a subsidiary and a consolidated entity of AGH respectively, for a term commencing from April 20, 2018 to March 31, 2019 in respect of its procurement of online advertising and relevant services from Alimama and/or Youku Tudou for and on behalf of its clients. The annual cap for the transactions contemplated under the Marketing Cooperation Framework Agreement for the financial year ending March 31, 2019 is RMB45,000,000.

Since the Information Dissemination Cooperation Agreement, the Marketing Cooperation Framework Agreement and the Promotion Cooperation Framework Agreement are of a similar nature and have been entered into by the Group with subsidiaries and consolidated entities of AGH within a 12-month period, the transactions contemplated under the Information Dissemination Cooperation Agreement, the Marketing Cooperation Framework Agreement and the Promotion Cooperation 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 annual caps under the Information Dissemination Cooperation Agreement, the Marketing Cooperation Framework Agreement and the Promotion Cooperation Framework Agreement for the financial year ending March 31, 2019, when aggregated, are more than 0.1% but below 5%.

PROMOTION COOPERATION FRAMEWORK AGREEMENT

Date: January 25, 2019

Parties: (1) Shanghai TPP, a consolidated subsidiary of the Company
(2) Shanghai Rajax, a consolidated entity of AGH

Term: the period commencing from January 25, 2019 to March 31, 2020

Subject matter

Pursuant to the Promotion Cooperation Framework Agreement, Shanghai TPP and Shanghai Rajax agree to provide advertising resources and/or services to each other for promoting brand names of the other party and/or their respective clients on their respective apps/platforms on the basis that the total market prices of such advertising resources and/or services provided to each other are equal, subject to the annual caps of the market price of the advertising resources and/or services concerned, and thus neither party has to pay the other party a cash consideration.

Under the Promotion Cooperation Framework Agreement, the parties may carry out specific cooperation by reaching agreements via emails on the contents of each single cooperation, including but not limited to, the category(ies), quantity and unit price(s) of advertising resources and/or services to be used, regions to be covered by the advertising, the total market price of the advertising resources and/or services as well as the time and period for advertising. Upon mutual agreement, any of the parties may transfer its rights and obligations under the Promotion Cooperation Framework Agreement to its affiliates.

Annual caps and pricing basis

Since the cooperation under the Promotion Cooperation Framework Agreement is established on the basis of the equal total market prices of the advertising resources and/or services provided by Shanghai TPP and Shanghai Rajax to each other, the annual caps for the market prices of the advertising resources and/or services provided by Shanghai Rajax to Shanghai TPP shall be the same as those for the market prices of the advertising resources and/or services provided by Shanghai TPP to Shanghai Rajax under the Promotion Cooperation Framework Agreement, which are RMB11,700,000 for the period from January 25, 2019 to March 31, 2019 and RMB43,200,000 for the financial year ending March 31, 2020.

The above annual caps are determined based on the total market price of advertising resources and/or services to be required by either party from the other party, which are calculated with reference to the possible categories, estimated quantity, and corresponding unit prices of the advertising resources and/or services concerned.

In any event, the terms of the Promotion Cooperation Framework Agreement are not more favourable to Shanghai Rajax, nor are they less favourable to Shanghai TPP, than those available to or from any independent third party under the same or similar conditions.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROMOTION COOPERATION FRAMEWORK AGREEMENT

Shanghai Rajax (along with its affiliates) operates Ele.me (餓了麼), a leading online food delivery service platform of Alibaba Group local services business in the PRC. The Group believes that the promotion cooperation between Tao Piao Piao (as an online ticketing platform that is operated by the Group and Internet users access to make decisions for selecting movies) and Ele.me will promote the access to movie information and movie promotion offers for Internet users, enrich their consumption experience and attract more new users to Tao Piao Piao, thereby satisfying Internet users' entertainment needs in their local services. At the same time, by cooperating with Tao Piao Piao, Ele.me will be able to broaden its business exposure, reach more new users and achieve higher user activity.

Having reviewed the terms of the Promotion Cooperation Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the terms of the Promotion Cooperation Framework Agreement and the relevant annual caps are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms to the Company and that the entering into of the Promotion Cooperation 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.

LISTING RULES IMPLICATIONS

Shanghai Rajax 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 49% of the issued share capital of the Company as at the date of this announcement. Accordingly, Shanghai Rajax is an associate of Ali CV and hence a connected person of the Company. The entering into of the Promotion Cooperation 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 highest annual cap of the market price of the advertising resources and/or services provided by Shanghai TPP or Shanghai Rajax to the other party under the Promotion Cooperation Framework Agreement are more than 0.1% but less than 5%, the entering into of the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On June 8, 2018, Shanghai TPP entered into the Information Dissemination Cooperation Agreement with Hangzhou Yihong, an indirect wholly-owned subsidiary of AGH, for a term commencing from June 10, 2018 to March 31, 2019 in respect of its provision of the Information Dissemination Services to Hangzhou Yihong. The annual cap for the transactions contemplated under the Information Dissemination Cooperation Agreement for the financial year ending March 31, 2019 is RMB15,000,000.

On April 20, 2018, Beijing Asian Union, a consolidated subsidiary of the Company, entered into the Marketing Cooperation Framework Agreement with Alimama and Youku Tudou, a subsidiary and a consolidated entity of AGH respectively, for a term commencing from April 20, 2018 to March 31, 2019 in respect of its procurement of online advertising and relevant services from Alimama and/or Youku Tudou for and on behalf of its clients. The annual cap for the transactions contemplated under the Marketing Cooperation Framework Agreement for the financial year ending March 31, 2019 is RMB45,000,000.

Since the Information Dissemination Cooperation Agreement, the Marketing Cooperation Framework Agreement and the Promotion Cooperation Framework Agreement are of a similar nature and have been entered into by the Group with subsidiaries and consolidated entities of AGH within a 12-month period, the transactions contemplated under the Information Dissemination Cooperation Agreement, the Marketing Cooperation Framework Agreement and the Promotion Cooperation 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 annual caps under the Information Dissemination Cooperation Agreement, the Marketing Cooperation Framework Agreement and the Promotion Cooperation Framework Agreement for the financial year ending March 31, 2019, when aggregated, are more than 0.1% but below 5%.

As Mr. Fan Luyuan, Mr. Yu Yongfu and Mr. Shao Xiaofeng are members of the Alibaba Partnership and Mr. Fan Luyuan and Mr. Shao Xiaofeng are employees of AGH or its subsidiaries, each of them is deemed or may be perceived to have a material interest in the

Promotion Cooperation Framework Agreement and the transactions contemplated thereunder. As such, Mr. Fan Luyuan, Mr. Yu Yongfu and Mr. Shao Xiaofeng have abstained from voting on the relevant resolution(s) of the Board. Save as aforesaid, none of the other Directors has a material interest in the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder which requires any of them to abstain from voting on the Board resolution(s) in relation to the Promotion Cooperation Framework Agreement and the transactions contemplated thereunder.

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 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 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.

INFORMATION ON AGH, ALIBABA GROUP AND SHANGHAI RAJAX

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.

Shanghai Rajax, being a company established under the laws of the PRC, is a consolidated entity of AGH which is principally engaged in, along with its affiliates, the operation of Ele.me, a leading online food delivery service platform of Alibaba Group local services business in the PRC.

DEFINITIONS

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

“affiliate(s)”	with respect to any person that is not an individual, any other person that directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such person; for the avoidance of doubt, it shall include any subsidiaries of any person that is not an individual; for the purpose of this announcement, Shanghai Rajax together with its affiliates and the Group shall not be deemed to be an affiliate of each other
“AGH”	Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), 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
“Ali CV”	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of AGH
“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
“associate(s)”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Beijing Asian Union”	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
“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
“Control”	the power or authority, whether exercised or not, to direct the business, management and policies of a person, directly or indirectly,

whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of the board of directors (or similar governing body) of such person; the term “Controlled” has the meaning correlative to the foregoing

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Information Dissemination Cooperation Agreement”	the agreement entered into between Hangzhou Yihong and Shanghai TPP on June 8, 2018, pursuant to which Hangzhou Yihong has agreed to use, and Shanghai TPP has agreed to provide, the Information Dissemination Services based on Hangzhou Yihong’s business needs
“Information Dissemination Services”	the information dissemination services provided by Shanghai TPP to Hangzhou Yihong pursuant to the Information Dissemination Cooperation Agreement, which mainly include the provision of space for dissemination of information relating to the advertising business of Hangzhou Yihong on the online platforms and channels of Shanghai TPP
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Marketing Cooperation Framework Agreement”	the business cooperation agreement entered into between Beijing Asian Union, Alimama and Youku Tudou on April 20, 2018 in relation to the procurement of the online advertising and relevant services by Beijing Asian Union from Alimama and Youku Tudou
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan

“Promotion Cooperation Framework Agreement”	the promotion cooperation framework agreement entered into between Shanghai TPP and Shanghai Rajax on January 25, 2019 for a term commencing from January 25, 2019 to March 31, 2020 in relation to provision of advertising resources and/or services by the parties to each other
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Rajax”	上海拉扎斯信息科技有限公司 (Shanghai Rajax Information Technology Co., Ltd.*), a company established under the laws of the PRC and a consolidated entity of AGH
“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 company established under the laws of the PRC and a consolidated subsidiary of the Company
“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
“subsidiary(ies)”	has the meaning ascribed to this term under the Listing Rules
“substantial shareholder”	has the meaning ascribed to this term under the Listing Rules
“Tao Piao Piao”	Tao Piao Piao, an online ticketing platform in the PRC operated by the Group
“Youku Tudou”	上海全土豆文化傳播有限公司 (Shanghai Quan Tudou Cultural Communication Co., Ltd. *), a company established in the PRC and a consolidated entity of AGH
“%”	per cent.

** For identification purpose only*

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

Hong Kong, January 25, 2019

As at the date of this announcement, the Board comprises Mr. Fan Luyuan, Mr. Yu Yongfu and Ms. Zhang Wei, being the executive Directors; Mr. Li Lian Jie and Mr. Shao Xiaofeng, being the non-executive Directors; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being the independent non-executive Directors.