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

CONTINUING CONNECTED TRANSACTIONS - TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT

TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT

The Board announces that Cool Young, an indirect non-wholly-owned subsidiary of the Company, entered into the Talent Agency Cooperation Framework Agreement with AGH in relation to talent agency cooperation on April 11, 2019 for a term commencing from April 1, 2019 and ending on March 31, 2022. Pursuant to the Talent Agency Cooperation Framework Agreement, Cool Young and AGH or any of its affiliates may enter into the following types of specific agreements during the term of the Talent Agency Cooperation Framework Agreement:

- (1) engagement contract, whereby AGH or any of its affiliates will directly engage Cool Young's artist(s) to perform the Relevant Task(s) as required by AGH or any of its affiliates or any of their third-party clients by paying the Engagement Fees; and
- (2) agency service contract or (together with a third-party client of AGH or any of its affiliates as a party) engagement contract, whereby AGH or any of its affiliates will recommend to, and coordinate with, such third-party client to engage Cool Young's artist(s) to perform the Relevant Task(s) as required by such third-party client; in return, Cool Young shall pay the Agency Service Fees to AGH or any of its affiliates.

LISTING RULES IMPLICATIONS

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, AGH is an associate of Ali CV and hence a connected person of the Company. The entering into of the Talent Agency 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 applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of (i) the highest annual cap of the Engagement Fees or (ii) the highest annual cap of the Agency Service Fees under the Talent Agency Cooperation Framework Agreement are more than 0.1% but less than 5%, the entering into of the Talent Agency 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.

TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT

Date: April 11 , 2019

Parties: (1) Cool Young, an indirect non-wholly-owned subsidiary of the Company

(2) AGH

Term: three years commencing from April 1, 2019 and ending on March 31, 2022

Subject matter

Pursuant to the Talent Agency Cooperation Framework Agreement, Cool Young and AGH or any of its affiliates may enter into the following types of specific agreements during the term of the Talent Agency Cooperation Framework Agreement:

- (1) engagement contract, whereby AGH or any of its affiliates will directly engage Cool Young's artist(s) to perform the Relevant Task(s) as required by AGH or any of its affiliates or any of their third-party clients by paying the engagement fees (the "Engagement Fees"); and
- (2) agency service contract or (together with a third-party client of AGH or any of its affiliates as a party) engagement contract, whereby AGH or any of its affiliates will recommend to, and coordinate with, such third-party client to engage Cool Young's artist(s) to perform the Relevant Task(s) as required by such third-party client; in return, Cool Young shall pay the agency service fees (the "Agency Service Fees") to AGH or any of its affiliates.

Details of the cooperation arrangements, including but not limited to, selection of artists, scope of work, working hours, standards of work, the amount of the Engagement Fees or the Agency Service Fees and payment terms shall be set out in the specific agreements after arm's length negotiations between the parties.

Basis of determination of the Engagement Fees and the Agency Service Fees

The Engagement Fees payable by AGH or any of its affiliates (as the case may be) to Cool Young shall be determined after arm's length negotiations between the parties with reference to (i) the popularity of an artist which is based on Cool Young's internal assessment (including, among others, the artist's appearance, character, education level, working experience, strengths, past performance, development potential and working parties' comments); (ii) the prevailing market rates of engagement fees for attending the same and similar functions by artists of the same ranking; (iii) the quality and impacts of the Relevant Task; and (iv) the workload and duration of the Relevant Task. In any event, the Engagement Fees will not be less than the fees chargeable by Cool Young to any independent third party under the same or similar conditions. The Group will from time to time review the Engagement Fees by comparing them against fees for comparable services chargeable by Cool Young to any independent third party.

The Agency Service Fees payable by Cool Young to AGH or any of its affiliates (as the case may be) shall be calculated as follows:

Engagement fee payable by a third party to Cool Young x commission rate

where the commission rate shall be determined by both parties prior to the commencement of each financial year (from April 1 of a year up to March 31 of the following year), subject to amendment based on any changes in the cooperation within a particular financial year as mutually agreed by the parties. The commission rate for the current financial year ending March 31, 2020 is fixed at 4%. The commission rate for the subsequent financial years shall be calculated with reference to that of the current financial year with upward or downward adjustments of not more than 2.5% (i.e. the commission rate for any of the subsequent financial years shall be in the range between 1.5% and 6.5%). The final commission rate for the subsequent financial years shall be agreed upon by both parties in writing with reference to various factors, including but not limited to the popularity of an artist, the availability and quality of resources. In any event, the Agency Service Fees will not be more than the fees payable by Cool Young to any independent third party under the same or similar conditions.

Payment terms

The Engagement Fees payable by AGH or any of its affiliates (as the case may be) to Cool Young and the Agency Service Fees payable by Cool Young to AGH or any of its

affiliates (as the case may be) shall be settled pursuant to the payment terms set out in the specific agreements to be entered into between the parties.

Annual caps

During the financial year ended March 31, 2019, the aggregate engagement fees paid/payable by Alibaba Group to the Group and the aggregate agency service fees paid/payable by the Group to Alibaba Group for transactions of the same or similar nature as those contemplated under the Talent Agency Cooperation Framework Agreement were approximately RMB1,345,000 and RMB201,000, respectively.

The annual caps for the Engagement Fees under the Talent Agency Cooperation Framework Agreement for the three financial years ending March 31, 2020, March 31, 2021 and March 31, 2022 are fixed at RMB35 million, RMB55 million and RMB75 million, respectively.

The annual caps for the Agency Service Fees under the Talent Agency Cooperation Framework Agreement for the three financial years ending March 31, 2020, March 31, 2021 and March 31, 2022 are fixed at RMB2 million, RMB3 million and RMB4.5 million, respectively.

The above annual caps are determined with reference to (i) the number, quality and popularity of artists available at Cool Young; (ii) the market values of artists and their volatility; and (iii) the demand for artist resources and services for previous transactions, and a certain buffer for a potential growth in such demand.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT

The Company considers that the entering into of the Talent Agency Cooperation Framework Agreement will allow Cool Young to fully utilize and integrate platform-based resources of Alibaba Group, expose itself to a wider variety of diversified operations, provide its artists with more performance opportunities (including but not limited to film, television and variety show performance, host jobs and business activities), thereby helping its artists improve their skills and expanding their professional horizons. Meanwhile, by increasing the influence and media exposure of its artists through market-oriented cooperation with various business units of Alibaba Group, Cool Young will be able to create higher market value for its artists. Therefore, as artists from Cool Young become, to some extent, more professional, more sophisticated and more popular, they will be creating greater value for the Group in the future.

Having reviewed the terms of the Talent Agency Cooperation Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the terms of the Talent Agency 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 Talent Agency 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

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, AGH is an associate of Ali CV and hence a connected person of the Company. The entering into of the Talent Agency 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 applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of (i) the highest annual cap of the Engagement Fees or (ii) the highest annual cap of the Agency Service Fees under the Talent Agency Cooperation Framework Agreement are more than 0.1% but less than 5%, the entering into of the Talent Agency 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.

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 Talent Agency Cooperation Framework Agreement, the relevant annual caps and the transactions contemplated thereunder. As such, Mr. Fan Luyuan, Mr. Meng Jun, Ms. Zhang Yu and Mr. Chang Yang 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 Talent Agency Cooperation Framework Agreement, the relevant annual caps and the transactions contemplated thereunder which requires any of them to abstain from voting on the Board resolution(s) in relation thereto.

INFORMATION ON THE COMPANY AND COOL YOUNG

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.

Cool Young, being a company established under the laws of the PRC and an indirect non-wholly-owned subsidiary of the Company, is principally engaged in talent agency services and production of broadcasting and television programs and exhibition.

INFORMATION ON AGH AND ALIBABA GROUP

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.

DEFINITIONS

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

“Agency Service Fees”	has the meaning as defined in the paragraph headed “Subject matter” under the section headed “TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT” of this announcement
“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 and consolidated entities
“Ali CV”	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of AGH

“associate”	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”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Cool Young”	酷漾文化傳播有限公司 (Cool Young Culture Communication Co., Ltd.*), a company established under the laws of the PRC and an indirect non-wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“Engagement Fees”	has the meaning as defined in the paragraph headed “Subject matter” under the section headed “TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT” of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“Relevant Tasks”	performances, celebrity endorsement in advertising, commercial and non-commercial business activities, development of celebrity products and

personal brands, management of personal interests (including but not limited to the right to control the use of one's name, image and reputation) and any other matters relating to the entertainment career of Cool Young's artists which meet the business needs of AGH or any of its affiliates or any of their third-party clients

“RMB”

Renminbi, the lawful currency 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

“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

“Talent Agency Cooperation Framework Agreement”

the Talent Agency Cooperation Framework Agreement entered into between Cool Young and AGH on April 11, 2019 for a term commencing from April 1, 2019 and ending on March 31, 2022 in relation to talent agency cooperation

“%”

per cent.

** For identification purpose only*

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

Hong Kong, April 11, 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.