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

CONTINUING CONNECTED TRANSACTIONS - ADVERTISING SERVICES COOPERATION FRAMEWORK AGREEMENT

ADVERTISING SERVICES COOPERATION FRAMEWORK AGREEMENT

The Board announces that Shanghai TPP, a consolidated subsidiary of the Company, entered into the Advertising Services Cooperation Framework Agreement with Youku Tudou, a consolidated entity of AGH, on March 26, 2020 for a term commencing from April 1, 2020 and ending on March 31, 2021. Pursuant to the Advertising Services Cooperation Framework Agreement, Youku Tudou has agreed to procure its or its affiliates' clients to use, and Shanghai TPP has agreed to provide, advertising resources and services to promote the products or services of the clients of Youku Tudou or its affiliates on the ticketing platforms and channels operated by Shanghai TPP or its affiliates.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Youku Tudou is a consolidated entity of AGH and AGH is the ultimate sole shareholder of Ali CV, which is a controlling shareholder and a connected person of the Company holding approximately 50.29% of the issued share capital of the Company. Accordingly, Youku Tudou is an associate of Ali CV and hence a connected person of the Company. The entering into of the Advertising Services Cooperation Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since 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 Advertising Services Cooperation Framework Agreement are above 0.1% but below 5%, the entering into of the Advertising Services Cooperation Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

ADVERTISING SERVICES COOPERATION FRAMEWORK AGREEMENT

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

Date: March 26, 2020

Parties: (1) Youku Tudou as advertising services agent
(2) Shanghai TPP as advertising services provider

Term: one year commencing from April 1, 2020 and ending on March 31, 2021

Subject Matter

In consideration of the fees payable by Youku Tudou to Shanghai TPP, Youku Tudou has agreed to procure its or its affiliates' clients to use, and Shanghai TPP has agreed to provide, advertising resources and services to promote the products or services of the clients of Youku Tudou or its affiliates on the ticketing platforms and channels operated by Shanghai TPP or its affiliates.

Pricing Basis

The fee receivable by Shanghai TPP for provision of the advertising resources and services to Youku Tudou or any of its affiliates (as agent for and on behalf of their respective clients) under the Advertising Services Cooperation Framework Agreement is 70% of the total advertising fee, which is calculated based on the actual usage of the advertising resources and services by the clients of Youku Tudou or any of its affiliate measured by the number of days that the relevant advertisement has been placed and displayed on the ticketing platforms and channels operated by Shanghai TPP or any of its affiliates and the published standard service fee at a pre-determined discount rate, which is subject to downward or upward adjustments (prior written consent from Shanghai TPP is required in case of an upward adjustment) by Youku Tudou or its affiliates to cater to different commercial circumstances, and with reference to the specific location or the space at which the relevant advertisement is placed or displayed.

In any event, the pre-determined discount rate offered by Shanghai TPP to Youku Tudou will not be more favourable than the discount rate generally offered by Shanghai TPP to independent third parties in respect of the provision of comparable resources and services.

In accordance with the terms of the Advertising Services Cooperation Framework Agreement, Youku Tudou will be entitled to receive 30% of the aforesaid total advertising fee.

Payment Terms

Shanghai TPP and Youku Tudou shall, at the beginning of each month, calculate the total fee of the advertising resources and services used by the clients of Youku Tudou or any of its affiliates in the previous month. Shanghai TPP shall provide the bill of the aforesaid total fees on the last working day of each month, and Youku Tudou 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 Youku Tudou. Upon the receipt of the aforesaid invoice(s), Youku Tudou shall settle such invoice(s).

ANNUAL CAP AND BASIS OF DETERMINATION OF ANNUAL CAP

The historical transaction amounts of transactions contemplated under the Expiring Advertising Services Framework Agreements, which are the same as or similar to the transactions contemplated under the Advertising Services Cooperation Framework Agreement, for the financial year ended March 31, 2019 was approximately RMB20,545,000 and for the financial year ending March 31, 2020 is expected to be approximately RMB10,153,000.

The Board has determined the annual cap with respect to the transactions contemplated under the Advertising Services Cooperation Framework Agreement for the financial year ending on March 31, 2021 to be fixed at RMB30,000,000.

The annual cap is determined with reference to (i) the current advertising needs of the clients of Youku Tudou or its affiliates on other comparable ticketing platforms and channels, and (ii) the historical rate of usage and demand for the advertising resources and services of Shanghai TPP and its affiliates, with an additional buffer of a certain percentage on top to provide for operational flexibility and potential increment in the transaction volume.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ADVERTISING SERVICES COOPERATION FRAMEWORK AGREEMENT

As a company engaged in operating the leading online video platform in China, Youku boasts a large client base for brand advertising and an experienced sales team for advertising in the cultural and entertainment industry. In light of the overlapping client bases between Youku and the Group's online ticketing platform - Tao Piao Piao, the Group is of the view that the entering into of the Advertising Services Cooperation Framework Agreement would help Tao Piao Piao maximize the commercial value of its online platforms and offline channels.

Having reviewed the terms of the Advertising Services Cooperation Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the terms of the Advertising Services Cooperation Framework Agreement and the annual cap for the transactions contemplated under the Advertising Services Cooperation 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 Advertising Services 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

As at the date of this announcement, Youku Tudou is a consolidated entity of AGH and AGH is the ultimate sole shareholder of Ali CV, which is a controlling shareholder and a connected person of the Company holding approximately 50.29% of the issued share capital of the Company. Accordingly, Youku Tudou is an associate of Ali CV and hence a connected person of the Company. The entering into of the Advertising Services Cooperation Framework Agreement

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

Since 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 Advertising Services Cooperation Framework Agreement are above 0.1% but below 5%, the entering into of the Advertising Services Cooperation Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of Mr. Fan Luyuan, Mr. Meng Jun, Mr. Chang Yang and Mr. Xu Hong is an employee of AGH or its subsidiaries, each of them is deemed or may be perceived to have a material interest in the Advertising Services Cooperation Framework Agreement and the transactions contemplated thereunder (including the annual cap). As such, Mr. Fan Luyuan, Mr. Meng Jun, Mr. Chang Yang and Mr. Xu Hong have abstained from voting on the resolutions passed by the Board in relation to the Advertising Services Cooperation Framework Agreement and the transactions contemplated thereunder (including the annual cap). Save as the aforesaid, none of the other Directors has a material interest in the Advertising Services Cooperation Framework Agreement and the transactions contemplated thereunder (including the annual cap) which requires any of them to abstain from voting on the Board resolutions in relation thereto.

INFORMATION ON THE COMPANY AND SHANGHAI TPP

The Company is listed on both the Main Board of 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 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.

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 YOUKU TUDOU

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

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

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

“affiliate(s)”	in relation to an entity, it means any other entity controlling and controlled by or under common control with such entity, and the term “control” means directly or indirectly holding the majority of the shareholding, voting rights or management rights
“Advertising Services Cooperation Framework Agreement”	the advertising services cooperation framework agreement entered into between Youku Tudou and Shanghai TPP on March 26, 2020 for the promotion and marketing of the products or services of the clients of Youku Tudou or its affiliates on the ticketing platform and channels operated by Shanghai TPP or its affiliates
“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)
“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 and an indirect wholly-owned subsidiary of AGH
“associate”, “connected person” and	each has the meaning ascribed to it under the Listing Rules

“subsidiary(ies)”	
“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 (stock code:1060), which also has a secondary listing on the Singapore Exchange Securities Trading Limited (stock code: S91)
“Directors”	the directors of the Company
“Expiring Advertising Services Framework Agreements”	(i) the advertising services framework cooperation agreement entered into among Hangzhou Yihong, Alimama and Shanghai TPP on April 1, 2019 for a term commenced from April 1, 2019 and ending on March 31, 2020, and (ii) the advertising services framework cooperation agreement entered into between Guangzhou Juyao and Shanghai TPP on August 8, 2019 for a term commenced from August 8, 2019 and ending on March 31, 2020
“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 under the laws of 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 under the laws of the PRC and an indirect wholly-owned subsidiary of AGH
“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
“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
“Tao Piao Piao”	Tao Piao Piao, an online ticketing platform in the PRC operated by the Group
“Youku”	an online video service platform operated by Youku Tudou’s affiliate
“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 under the laws of 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, March 26, 2020

As at the date of this announcement, the Board comprises Mr. Fan Luyuan and Mr. Meng Jun, being the executive Directors; Mr. Chang Yang and Mr. Xu Hong, being the non-executive Directors; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being the independent non-executive Directors.