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

CONTINUING CONNECTED TRANSACTIONS – RENEWED TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT

RENEWED TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT

The Board announces that Cool Young, an indirect non-wholly-owned subsidiary of the Company, entered into the Renewed Talent Agency Cooperation Framework Agreement with AGH in relation to talent agency cooperation on March 28, 2022 for a term commencing from April 1, 2022 and ending on March 31, 2025. Pursuant to the Renewed 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 Renewed 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 controlling shareholder and a connected person of the Company holding approximately 50.0007% 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 Renewed 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 the highest Annual Cap of (i) the Engagement Fees; or (ii) the Agency Service Fees under the Renewed Talent Agency Cooperation Framework Agreement are more than 0.1% but less than 5%, the entering into of the Renewed 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.

INTRODUCTION

Reference is made to the announcement of the Company dated April 11, 2019 in relation to the entering into of the Talent Agency Cooperation Framework Agreement. As the Talent Agency Cooperation Framework Agreement will expire on March 31, 2022, Cool Young, an indirect non-wholly-owned subsidiary of the Company, entered into the Renewed Talent Agency Cooperation Framework Agreement with AGH on March 28, 2022 to renew the Talent Agency Cooperation Framework Agreement for a term commencing from April 1, 2022 and ending on March 31, 2025.

RENEWED TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT

The principal terms of the Renewed Talent Agency Cooperation Framework Agreement are set out below:

Date: March 28, 2022

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

Term: three years commencing from April 1, 2022 and ending on March 31, 2025

Subject matter

Pursuant to the Renewed 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 Renewed 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 impact 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 financial year ending March 31, 2023 is fixed at 4%. The commission rate for the subsequent financial years shall be calculated with reference to that of the financial year ending March 31, 2023 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 AND BASIS OF DETERMINATION OF ANNUAL CAPS

The annual caps for the Engagement Fees under the Renewed Talent Agency Cooperation Framework Agreement for the three financial years ending March 31, 2023, March 31, 2024 and March 31, 2025 are fixed at RMB75,000,000, RMB100,000,000 and RMB120,000,000, respectively.

The annual caps for the Agency Service Fees under the Renewed Talent Agency Cooperation Framework Agreement for the three financial years ending March 31, 2023, March 31, 2024 and March 31, 2025 are fixed at RMB4,500,000, RMB6,000,000 and RMB6,000,000, respectively.

The above annual caps for the Engagement Fees and the Agency Services Fees under the Renewed Talent Agency Cooperation Framework Agreement for the three financial years ending March 31, 2023, March 31, 2024 and March 31, 2025 (the “Annual Caps”) are determined with reference to (i) the historical Engagement Fees payable or paid by AGH or any of its affiliates (as the case may be) to Cool Young under the Talent Agency Cooperation Framework Agreement for the two financial years ended March 31, 2020 and March 31, 2021 and the period from April 1, 2021 to February 28, 2022, being approximately RMB13,042,000, RMB29,993,000 and RMB37,620,000, respectively; (ii) the historical Agency Service Fees payable or paid by Cool Young to AGH or any of its affiliates (as the case may be) under the Talent Agency Cooperation Framework Agreement for the period from April 1, 2021 to February 28, 2022, being approximately RMB40,000, while there were no actual Agency Service Fees incurred for the two financial years ended March 31, 2020 and March 31, 2021; (iii) the number, quality and popularity of artists available at Cool Young; (iv) the market values of artists and their volatility; (v) the Group’s relevant business development plan and the expected demand for artist resources and services in the next three years; and (vi) a certain percentage of buffer for potential increment in the transaction volume year-on-year.

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

The Company considers that the entering into of the Renewed Talent Agency Cooperation Framework Agreement will allow Cool Young to continue 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 Renewed Talent Agency Cooperation Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the terms of the Renewed Talent Agency Cooperation Framework Agreement and the relevant Annual Caps are fair and reasonable, the transactions contemplated thereunder are

on normal commercial terms and that the entering into of the Renewed 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 controlling shareholder and a connected person of the Company holding approximately 50.0007% 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 Renewed 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 Listing Rules in respect of the highest Annual Cap of (i) the Engagement Fees; or (ii) the Agency Service Fees under the Renewed Talent Agency Cooperation Framework Agreement are more than 0.1% but less than 5%, the entering into of the Renewed 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 (i) each of Mr. Fan Luyuan, Mr. Meng Jun and Mr. Liu Zheng is an employee of AGH or its subsidiaries, and (ii) Mr. Li Jie is currently taking up a management role in a subsidiary of AGH, they are deemed or may be perceived to have a material interest in the Renewed Talent Agency Cooperation Framework Agreement and the transactions contemplated thereunder (including the Annual Caps). As such, each of Mr. Fan Luyuan, Mr. Meng Jun, Mr. Liu Zheng and Mr. Li Jie has abstained from voting on the relevant resolution(s) of the Board in relation to the Renewed Talent Agency Cooperation Framework Agreement and the transactions contemplated thereunder (including the Annual Caps). Save as disclosed above, none of the other Directors has a material interest in the Renewed Talent Agency Cooperation Framework Agreement and the transactions contemplated thereunder (including the Annual Caps), and therefore none of them has abstained from voting on the said resolution(s) passed by the Board.

INFORMATION ON THE COMPANY AND COOL YOUNG

The Company is listed on the Stock Exchange (stock code: 1060). 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: content, technology and IP merchandising and commercialization. These segments encompass (i) investment in and production and distribution of entertainment content, such as film and drama series, both domestically and internationally; (ii) digitalization in the entertainment sector, including platform ticketing, digital intelligence business and other technology products; and (iii) centered around content IP, provision of professional services such as IP development and operation, and production and distribution of IP derivatives, 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 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 good company that will last for 102 years. Alibaba Group's businesses are comprised of China commerce, International commerce, Local consumer services, Cainiao logistics services, Cloud services, Digital media and entertainment, and Innovation initiatives and others.

DEFINITIONS

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

“affiliate(s)” with respect to any designated entity, any other entity(ies) that, individually or collectively, controls, has common control on or insert material influence over such entity. For the purpose of this definition, “control” means the possession of the power to decide on the financial and operation policies of an entity and receives benefits from the operation activities of such entity; “common control” means common control on certain economic activities according to the terms of the relevant agreements and such common control will only exists on the material financial and operation decisions and policies relating to the relevant economic activities upon the investing parties sharing control has unanimous consent on it; and “material influence” means the right to participate in the decision making on the financial and operation decisions and policies of an entity but not the right to control or has the common control with other entities on the development of such financial and operation policies. For the purpose of this announcement, AGH together with its affiliates and the Company together with its subsidiaries shall not be deemed to be an affiliate of each other

“Agency Service Fees”	has the meaning as defined in the section headed “RENEWED TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT – Subject matter” of this announcement
“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
“Annual Caps”	has the meaning as defined in the section headed “ANNUAL CAPS AND BASIS OF DETERMINATION OF ANNUAL CAPS” of this announcement, each the “ <u>Annual Cap</u> ”
“associate(s)”, “connected person(s)”, “controlling shareholder” and “subsidiary(ies)”	each has the meaning ascribed to it under 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 (stock code: 1060)
“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 with limited liability 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 section headed “RENEWED TALENT AGENCY COOPERATION FRAMEWORK AGREEMENT – Subject matter” 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
“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 technical, consulting and marketing services and/or 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
“Renewed Talent Agency Cooperation Framework Agreement”	the renewed talent agency cooperation framework agreement entered into between Cool Young and AGH on March 28, 2022 for a term commencing from April 1, 2022 and ending on March 31, 2025 in relation to talent agency cooperation
“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
“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 commenced from April 1, 2019 and ending on March 31, 2022 in relation to talent agency cooperation

“%”

per cent

** For identification purposes only*

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

Hong Kong, March 28, 2022

As at the date of this announcement, the Board comprises Mr. Fan Luyuan, Mr. Li Jie and Mr. Meng Jun, being executive Directors; Mr. Liu Zheng, being a non-executive Director; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being independent non-executive Directors.