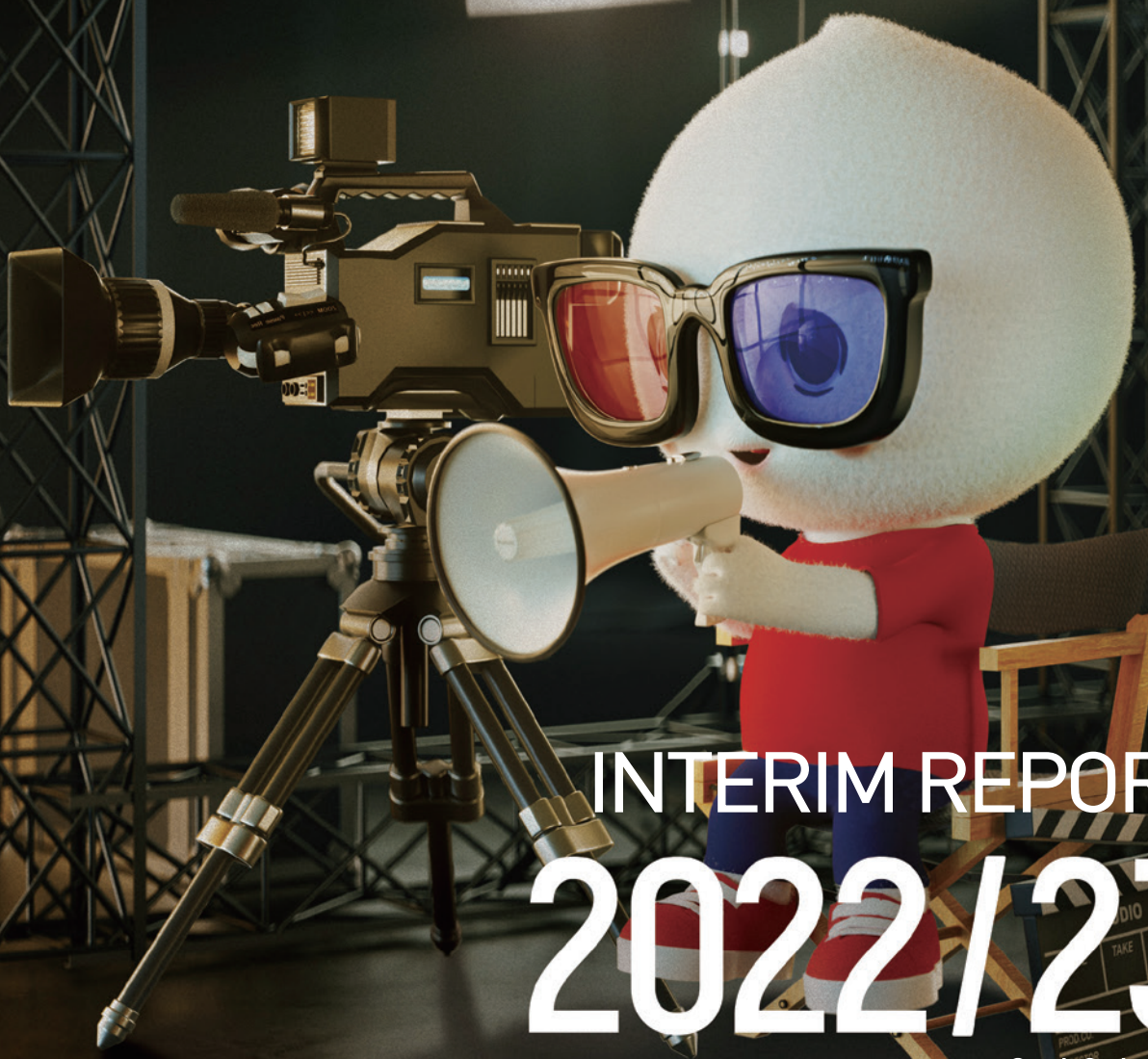




Alibaba Pictures Group Limited
阿里巴巴影業集團有限公司



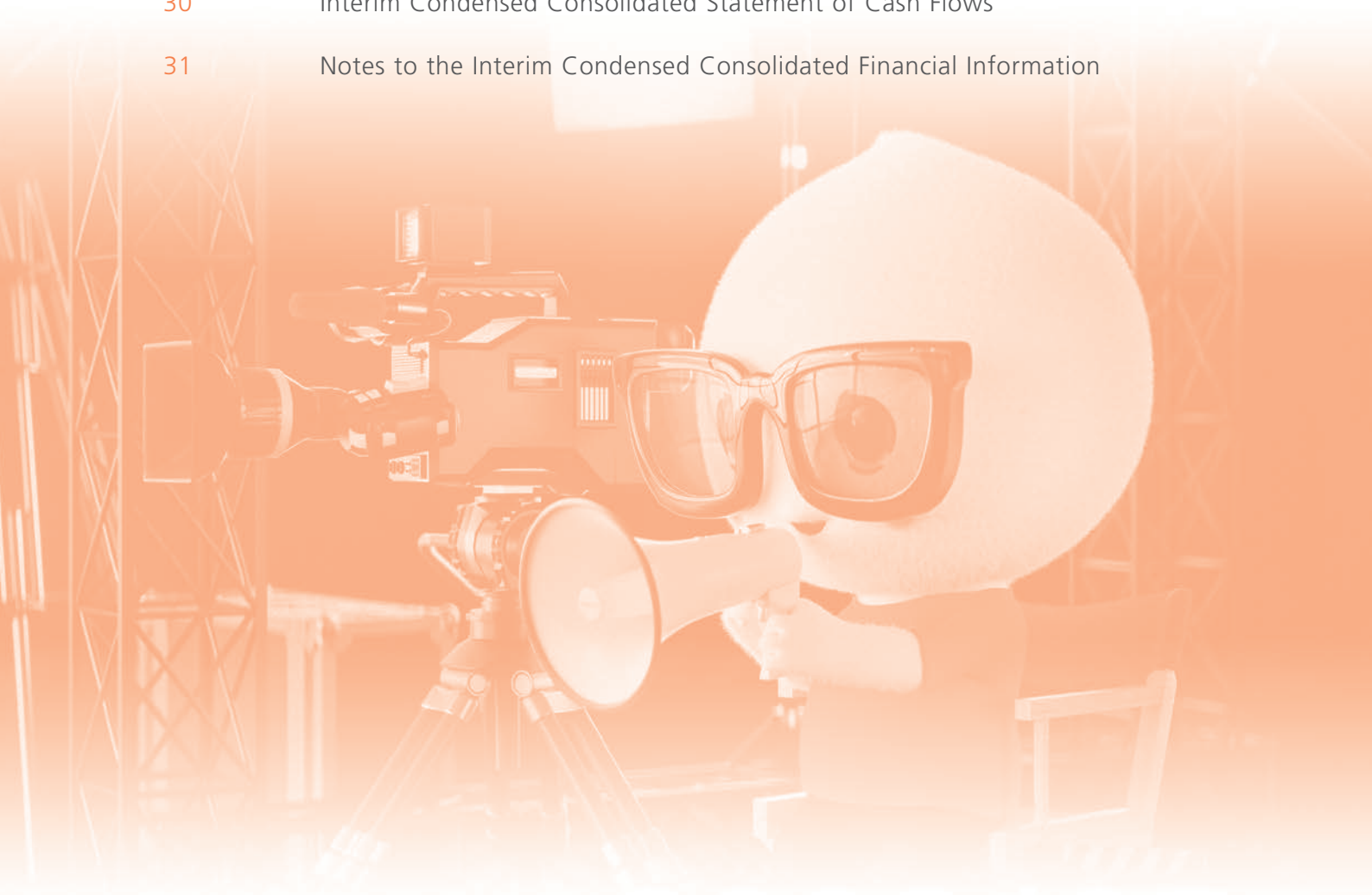
INTERIM REPORT 2022/23

Stock Code: 1060

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. FAN Luyuan (*Chairman & Chief Executive Officer*)
Mr. LI Jie (*President*)
Mr. MENG Jun (*Chief Financial Officer*)

Non-Executive Director

Mr. LIU Zheng

Independent Non-Executive Directors

Ms. SONG Lixin
Mr. TONG Xiaomeng
Mr. Johnny CHEN

EXECUTIVE COMMITTEE

Mr. FAN Luyuan (*Chairman*)
Mr. LI Jie
Mr. MENG Jun

AUDIT COMMITTEE

Mr. Johnny CHEN (*Chairman*)
Ms. SONG Lixin
Mr. TONG Xiaomeng

REMUNERATION COMMITTEE

Mr. TONG Xiaomeng (*Chairman*)
Mr. FAN Luyuan
Ms. SONG Lixin

NOMINATION COMMITTEE

Mr. FAN Luyuan (*Chairman*)
Mr. TONG Xiaomeng
Mr. Johnny CHEN

COMPANY SECRETARY

Ms. CHUN Ka Yan (Appointed on June 30, 2022)
Ms. LEW Aishan Nicole (Resigned on June 30, 2022)

LEGAL ADVISORS

Mayer Brown

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

China CITIC Bank International Limited
China Merchants Bank Co., Ltd.
Bank of Communications Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited
Citibank (China) Co., Ltd.
East West Bank
JPMorgan Chase Bank, N.A.
China Everbright Bank Co., Ltd, Hong Kong Branch

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton, Pembroke, HM 11
Bermuda

HEAD OFFICE

Block B, Wangjing
Ali Center
Building 4, Zone 4, Wangjing East Park
Chaoyang District
Beijing, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

26/F, Tower One
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue, Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

STOCK CODE

1060

COMPANY'S WEBSITE

www.alibabapictures.com

Management Discussion and Analysis

Overview

Alibaba Pictures Group Limited (the “Company”, together with its subsidiaries, the “Group”) is committed to its dual engine strategy, notwithstanding changes in market conditions caused by the COVID-19 pandemic during the six months ended September 30, 2022 (the “Reporting Period”). By offering curated content and being empowered by innovative technology, the Group continues to explore business models and increased its investments in technology which creates long-term value for the Group, enabling it to transform into a dual engine technology-and-content strategy, to proactively optimize the business management strategy and to achieve solid business growth.

The Group’s revenue was approximately RMB1,829 million for the Reporting Period, compared to approximately RMB1,358 million for the six months ended September 30, 2021 (the “Corresponding Period”), an increase of 35% year-over-year. The significant revenue growth was mainly attributable to the improvement in the quality and quantity of films and drama series as a result of the Group’s continuous investment in content. Due to the diversified business structure and improved operating efficiency, the adjusted EBITA turned positive and increased by approximately RMB154 million from a loss of approximately RMB5 million for the Corresponding Period to approximately RMB149 million.

The following table sets forth certain key indicators of the Group’s financial results for the periods indicated:

	For the six months ended September 30, 2022 RMB’000 (Unaudited)	For the six months ended September 30, 2021 RMB’000 (Unaudited)
Operating loss	(60,066)	(76,435)
Add:		
Share-based compensation	80,256	77,513
Amortization of intangible assets arising on business combinations	6,334	6,321
Allowance for impairment of long-term assets	–	41,756
Profit or loss on equity investment and change in fair value, net	122,848	(54,165)
Adjusted EBITA	149,372	(5,010)

The following table sets forth the Group's segment revenue and results for the periods indicated:

Segments	For the six months ended September 30,			
	Segment revenue		Segment results	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Content	1,040,115	561,616	208,734	95,636
Technology	565,878	567,006	145,466	228,887
IP merchandising and commercialization	222,693	229,538	75,613	106,254
Total	1,828,686	1,358,160	429,813	430,777

Note: Segment results = revenue – cost of sales and services –selling and marketing expenses allocated to the relevant segment

The Group's revenue was approximately RMB1,829 million for the Reporting Period, an increase of approximately RMB471 million compared to the Corresponding Period. The Group selected, and made continuous investment in high-quality content, resulting in a substantial year-over-year increase in revenue from film content and drama series content. As a result, revenue from the content segment was approximately RMB1,040 million for the Reporting Period, an increase of approximately RMB478 million compared to approximately RMB562 million for the Corresponding Period. Due to impacts of COVID-19 pandemic on the film industry and consumer market, the Group's revenue from the technology segment and the IP merchandising and commercialization segment was approximately RMB566 million and RMB223 million, respectively, and remained stable as the Group created synergies with live events and offline services for movies and launched IP-derived merchandises.

Content

Content segment is one of the Group's core businesses, mainly comprising content from films, drama series and others. Due to the COVID-19 pandemic, the total box office revenue in Mainland China decreased by approximately RMB5 billion (or 30%) year-over-year to approximately RMB11.7 billion for the Reporting Period. Benefited from the Group's forward-looking layout in the content industry and steady improvement in its production capabilities, the Group produced, jointly produced and distributed a total of 18 films covering various genres such as comedy, romance, drama series and animation, generating over RMB7 billion in the box office, which accounted for 60% of the box office of all domestic films released during the Reporting Period and achieved growth under the tough business environment. With the Group's profound insights into high-quality content, six out of which ranked among top ten domestic films released during the same period in terms of box office, including the top three films: "Moon Man (獨行月球)", "Lighting Up The Stars (人生大事)" and "Detective vs Sleuths (神探大戰)". In addition, "One Week Friends (一周的朋友)" (a production of the Group's Canno studio (可能製造廠牌)) ranked first in terms of the first-day box-office in 2022 and a Chinese-made animated film "New Gods: Yang Jian (新神榜: 楊戩)" (a joint production of the Group's XiaoYuZhou WeiLai studio (小宇宙廠牌) and Light Chaser Animation) ranked first in terms of China's box office revenue from animated films during the summer movie season in this year. Films invested by the Group won numerous awards in the industry, such as the 35th China Golden Rooster Awards (i.e. one of the prestigious and coveted awards in the industry) for the Best Actor, Best Director, Best Feature Film and Best Art Direction. The Group has built an abundant reserve of original intellectual properties ("IP") and a number of high-quality films which promote the value of selflessness involving ordinary persons performing heroic deeds that grows strong sentiment and positive vibes, such as "Lost in the stars (消失的她)", "Ride On (龍馬精神)", "Post Truth (保你平安)", "Exchange Lives (交換人生)", "All Ears (不虛此行)", "Godspeed (人生路不熟)", "World's Greatest Dad (二手傑作)", "I Did It My Way (潛行)" and "The Wandering Earth 2 (流浪地球2)" have either been scheduled for release (subject to market conditions) or are in the process of being scheduled.

In addition to its significant investment in films, the Group has also been expanding its presence in other field of the content industry. Through operating its studios, it has established close relationships with platforms, screenwriters and business partners. By leveraging their respective resources, the Group is empowered to create high-quality content in the industrialization of content production. During the Reporting Period, works produced by the Group's studios were well received by the Chinese market. The works include sports-themed drama series "*Falling into You* (熾道)" (a production of Dunqi Studio (敦淇工作室)) which ranked first in terms of, drama series' influence on Weibo for eight times, weekly popularity on TikTok and, daily popularity for 20 consecutive days on Youku; urban-themed idol drama series "*Lighter & Princess* (點燃我·溫暖你)" (adapted from a popular novel "*Lighter & Skirt* (打火機與公主裙)") which obtained a good rating of 7.5 on Douban, was very popular on Youku and ranked first in terms of, popularity on various platforms in particular Weibo and TikTok for numerous times during its broadcast period, and the number of searches on "Weibo hot search (微博主榜)" exceeded 690 times; suspenseful blockbuster drama series "*Be Reborn* (重生之門)" which accounted for almost 11% of the total viewership rates measured by Beacon (燈塔正片播放市佔率) and received lots of positive feedback and comments from various media companies and is a finalist of the 31st China TV Golden Eagle Award for the best television show; and self-produced drama series "*Rising Lady* (她們的名字)" (a production of Shisui Studio (拾穗工作室) released on Zhejiang STV and Youku) which reached the viewership of at least 1.8%, topped the total viewership rates measured by Beacon (燈塔正片播放市佔率) for two consecutive weeks and ranked first in terms of popularity on various social media platforms such as Weibo and TikTok and was discussed widely on those platforms. The Group will continue to invest in high-quality content that enhances consumer engagement and create timeless, touching and popular works. The Group plans to release drama series, such as medical-themed drama series "*Surgery Live Room* (手術直播間)", motivational drama series "*Pegasus* (飛馳人生)" and countryside-themed drama series "*Fifth Place Fortune* (第五名發家)".

The Group's revenue from the content segment was approximately RMB1,040 million for the Reporting Period, an increase of 85% compared to approximately RMB562 million for the Corresponding Period. Its segment result from the content segment was approximately RMB209 million, an increase of 118% compared to approximately RMB96 million for the Corresponding Period.

Technology

The technology business is an important part of the Group's strategy and an essential force for the construction of its pan-entertainment infrastructure that increase the use of technology in the entertainment industry. The segment mainly comprises platform ticketing, digitalization and other businesses.

The Group's platform ticketing business covers Tao Piao Piao (2C platform), Yunzhi (2B platform) and Damai (a platform which the Group is entrusted to manage and operate). Tao Piao Piao is the Group's key platform, which provides ticketing services to cinemas and caters for consumers at large when they make their viewing decisions. During the Reporting Period, Tao Piao Piao and Damai jointly improved their "Taomai VIP" (淘麥VIP) membership program, where VIP members can have ticketing privileges and better consumer experience, such as ticket price discounts, VIP fast pass and access to star-studded events. Yunzhi, a leading cloud-based digital intelligence product that offers operation and management services to cinemas, is designed to use technology to help cinemas improve operational and management efficiency and reduce their operating cost. During the Reporting Period, Yunzhi ranked first among industry peers in terms of the number of ticket-issuing cinemas. To integrate live entertainment business into the Group's business, the Group provided Damai with entrusted operation management services during the Reporting Period to enhance operating efficiency while jointly exploring the business potential of live entertainment.

The Group's digitalization platform business comprises an integrated content promotion and distribution platform, consisting of "Beacon (燈塔)" (a promotion and distribution platform), "Dark Horse (黑馬)" (a comprehensive marketing solutions designer) and "Taoxiu Media Group (淘秀光影)" (a content marketing agency), for the purpose of providing a comprehensive coverage of the marketing services. The digitalization platform creates the underlying prediction logic and business models for promotion and distribution through two digital platforms of Beacon (i.e. "Beacon Research (燈塔研究院)" and "Beacon Professional (燈塔專業版)"), and offers comprehensive marketing solutions through Taoxiu Media Group and Dark Horse. Those solutions will be constantly adjusted depending on the market feedback. During the Reporting Period, the digitalization platform provided exclusive live streaming marketing services and content marketing services for a number of films, drama series and variety shows, such as films "Moon Man (獨行月球)" and "Table for Six (還是覺得你最好)", drama series "Lighter & Princess (點燃我·溫暖你)" and also content marketing services for various online drama series and brands.

Other technology products of the Group include the Cloud Production business, which is closely integrated with the production of film content and drama series content. Cloud Production is a digital product covering the entire production process and multiple production scenarios and is designed to increase the use of technology in the pan-entertainment industry. Featuring functions include production crew management, shooting management and financial management, which assist production companies and crew in monitoring filming quality and filming schedule, improving production efficiency and reducing production cost. During the Reporting Period, Cloud Production used its core technology to support more than 200 projects in the pan-entertainment industry, covering various genres such as drama series, films, animation, variety shows and documentaries. In addition, Cloud Production has launched a new live event management system, which enables the crew to control the filming quality on-site and creates synergies with live events. The function has been used by a number of production crew.

The Group will continue to explore opportunities in smart digital technology business, to use technology in the film production process and to use innovative technology to create film content and drama series content.

The Group's revenue from the technology segment was approximately RMB566 million for the Reporting Period and remained stable compared to the Corresponding Period. Its segment result from the technology segment was approximately RMB145 million, a decline of 36% from the Corresponding Period, primarily due to impacts of the COVID-19 pandemic on the Chinese film market.

IP merchandising and commercialization

IP merchandising and commercialization business is one of the Group's core businesses for expanding its presence in the entertainment industry. As a part of the Alibaba Ecosystem, the Group has an abundant reserve of heartwarming and storytelling IPs derived from films, drama series and variety shows and could use those IPs to express and convey consumers' emotions and needs. IP merchandises provide consumers with a richer, better and more tangible product experience. This segment creates synergies with the content segment and allows consumers to build a deeper connection with IP characters and their stories across online and offline channels.

To better connect with its consumers, the Group created the series of distinctive pop toys, featuring drama scenes based on three of its proprietary IPs “Moon White (月白)”, “Jelly – Comedian (果凍 – 喜劇人)” and “YOKUKU” and its pop toy brand “KOITAKE”. During the Reporting Period, pop toys were created based on “Moon Man (獨行月球)” (the Company’s summer blockbuster), “Immortal Samsara (沉香如屑)” (a popular drama broadcast on Youku) and “Street Dance of China (這！就是街舞)” (a popular variety show broadcast on Youku). In particular, “Street Dance of China” collaborated with Yakult to create crossover merchandises, which managed to inject new energy into its brand. During the Reporting Period, the Group also partnered with studio artists to launch, on an exclusive basis, pop toys “Aroma Princess - Dunhuang Giraku (香料公主 – 敦煌伎樂系列)” and “Kayla’s Asylum (凱拉十世 – 瘋人院系列)”, offering rich content to meet demands of different consumers.

Apart from pop toys, the Group is committed to acquiring high-quality IPs, facilitating its business partners to generate economic benefits from those IPs, and satisfying consumers’ needs with innovative IPs. During the Reporting Period, the Group entered into an agreement with Sanrio, where the Group could enjoy an exclusive right to manufacture and sell merchandises of 26 Sanrio characters, such as Hello Kitty, Melody and Little Twin Stars, for a term of five years commencing from January 1, 2023. Such cooperation allows the Group to introduce high-quality IP products, to improve consumer experience and to form a win-win situation with its business partner. During the Reporting Period, the Group also partnered with multiple brands to create IP products. For example, the Group linked up Häagen-Dazs with Louvre Museum (the IP owner) to launch an ice-cream mooncake gift box, featuring the pyramid (an iconic symbol of Louvre), which was awarded the “Best Licensed Product Award 2022” by Licensing International. It enables IP products “created in Mainland China” to be recognized by industry peers as well as the international market.

The Group is not only a discoverer of IP content, but also a service platform to commercialise IPs. Backed by the Group’s licensing and marketing capabilities, the Group could integrate resources within or outside the Alibaba Ecosystem to provide comprehensive distribution channels connecting with both corporate customers and individual consumers (IP2B2C). The Group aims to help develop the licensing industry in Mainland China by providing leading merchants with ongoing support, incubating new brands and exploring popular and emerging trends. During the Reporting Period, sales within the category of toys and figures at Tmall increased by 29% year-over-year as the Group introduced crossover products and seasonal and innovative products.

The Group will continue to explore ways to realize the intrinsic value of its IPs, such that high-quality and storytelling IPs are timeless, collectible and valuable.

The Group’s revenue and segment result from the IP merchandising and commercialization segment were approximately RMB223 million and RMB76 million for the Reporting Period, respectively. Revenue remained stable compared to the Corresponding Period and such segment result decreased by approximately RMB31 million, mainly due to the closure of offline stores during the COVID-19 pandemic and increased its investments in high-quality IP content and products.

PROSPECTS

The Group focuses on creating high-quality content for the entertainment industry and increases its presence in the pan-entertainment industry through enhancing its dual engine technology-and-content strategy. In the face of a complex and changing market environment, the Group will continue to invest in high-quality content, innovations and customer value and to focus on three key areas for its business growth: creating high-quality content, building the infrastructure in the cultural and entertainment industry and enriching the pan-entertainment ecosystem. The Group will continue to collaborate with the Alibaba Ecosystem and to leverage its unique strengths in content and technology to offer diversified content at different points in time and through multiple channels, while benefiting more market participants and the cultural industry.

Looking ahead, the Group will continue to:

1. make significant investments in a full range of entertainment content and improve its capabilities to produce a broader set of content, including film content and drama series content, with a view to delivering high-quality content to the market steadily;
2. expand the scope of its technology platform services to promote the use of internet and technology in the industry, and explore multiple business models for IP merchandising and commercialization segment; and
3. promote its collaboration and cooperation with Alibaba Group within the Alibaba Ecosystem to unlock the potential of “technology + content”.

The Group expects to finance its business initiatives in the coming year with its own internal resources, but may seek external financing if appropriate opportunities and conditions arise.

FINANCIAL REVIEW

Revenue and Profit

During the Reporting Period, revenue of the Group was approximately RMB1,829 million, an increase of 35% year-over-year. The adjusted EBITA turned positive and significantly increased by approximately RMB154 million to approximately RMB149 million for the Reporting Period. Net loss attributable to owners of the Company was approximately RMB22 million for the Reporting Period, a significant decrease of 58% year-over-year from a net loss of approximately RMB53 million for the Corresponding Period, mainly due to the Group’s diversified business structure and the focused investment strategy of the Group.

Basic and diluted loss per share of the Company (“Share”) significantly narrowed from RMB0.20 cents for the Corresponding Period to RMB0.08 cents for the Reporting Period.

Selling, Marketing and Administrative Expenses

Selling and marketing expenses of the Group decreased by approximately RMB69 million year-over-year from approximately RMB200 million for the Corresponding Period to approximately RMB131 million for the Reporting Period. Selling and marketing expenses as a percentage of revenue decreased from 14.73% for the Corresponding Period to 7.17% for the Reporting Period, reflecting the Group's prudence in incurring marketing expenses for navigating through market uncertainties.

Administrative expenses of the Group decreased by approximately RMB119 million year-over-year from approximately RMB545 million for the Corresponding Period to approximately RMB426 million for the Reporting Period as the Group improved its operating efficiency whilst reducing cost.

Net Finance Income

During the Reporting Period, net finance income of the Group was approximately RMB49 million, mainly comprising interest income on bank deposits and gains on foreign exchange. As the Group held cash reserves in various foreign currencies, gains on foreign exchange were due to the depreciation of RMB against U.S. dollar ("USD") during the Reporting Period.

Material Investments

As of September 30, 2022, the Group held 17 investments in joint ventures and associates, all of which were accounted for using the equity method, with a total book value of approximately RMB1,620 million. As of September 30, 2022, the Group also held 14 investments in unlisted companies and one investment in a listed company, all of which were classified as financial assets at fair value through profit or loss, with a total book value of approximately RMB1,405 million.

The Group's three largest investments were Bona Film Group Co., Limited ("Bona Film"), YH Entertainment Group and Shanghai Tingdong Film Co., Ltd.* (上海亭東影業有限公司), all of which were engaged in film production and distribution business, artist management and other pan-entertainment businesses. The investment in Bona Film constitutes a significant investment of the Group, with an investment amount of approximately RMB840 million, representing approximately 6.18% of the equity interest in Bona Film. As of September 30, 2022, the carrying amount of the Group's long-term equity investment in Bona Film was approximately RMB897 million, representing 5.58% of the Group's total assets. During the Reporting Period, the Group did not receive any dividend and recorded an unrealized loss of approximately RMB122 million in respect of such investment. The Company expects that there will not be material adverse change in its investment in Bona Film in the second half of the financial year, but its value may still be affected by future market conditions.

The Group adopted a conservative investment strategy to manage its investment portfolio (including its investment in Bona Film) during the Reporting Period. Save as disclosed in this report, the Group did not have other plans for material investments and capital assets as of September 30, 2022.

Financial Resources and Liquidity

As of September 30, 2022, the Group held cash and cash equivalents and bank deposits of approximately RMB3,850 million (March 31, 2022: RMB3,557 million), which were denominated in RMB, USD and Hong Kong dollar. As of September 30, 2022, the Group had a net cash position with a gearing ratio (being net borrowings over total equity) of nil (March 31, 2022: nil). The Group actively and regularly reviews and manages its capital structure to maintain a balance between shareholder returns and a sound capital position. The Group may make adjustments, where necessary, to maintain an optimal capital structure and to reduce the cost of capital.

Foreign Exchange Risks

While the majority of the Group's production costs and administrative costs are denominated and settled in RMB, the Group requires foreign currencies for some of its offshore investments and collaborations with studios outside Mainland China. The Group will continue to closely monitor its capital needs and manage foreign exchange risks accordingly. As of September 30, 2022, the Group did not have a foreign currency hedging policy nor has it used any currency hedging instruments or financial instruments for hedging purpose, but will closely monitor its foreign currency exposure in a cost-effective manner.

Charge on Assets

As of September 30, 2022, the Group did not have any indebtedness secured by assets. As of March 31, 2022, the Group's fixed assets with a value of approximately RMB9 million were pledged for borrowings in the amount of approximately RMB9 million.

Contingent Liabilities

As of September 30, 2022, the Group did not have any material contingent liabilities (March 31, 2022: nil).

Material Acquisitions and Disposals

As of September 30, 2022, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Employees and Remuneration Policies

As of September 30, 2022, the Group had 1,444 employees (September 30, 2021: 1,348 employees). The total employee benefit expenses of the Group were approximately RMB467 million for the Reporting Period (September 30, 2021: RMB350 million). The remuneration policies of the Group are determined based on prevailing market rates and the performance of the Group and individual employees. These policies are reviewed on a regular basis. In addition to salary, the Group also provides its employees with other fringe benefits, including year-end bonuses, discretionary bonuses, grant of share options under the Share Option Schemes (as defined below), grant of Awarded Shares (as defined below) under the Share Award Scheme (as defined below), contributory provident fund, social security fund, medical benefits, and training.

In addition, each of the Company and Alibaba Group Holding Limited (“Alibaba Holding”) is committed to providing their employees with a nurturing work environment that supports personal growth and therefore allows internal transfers between the Group and Alibaba Holding, its subsidiaries and affiliates (“Alibaba Holding entities”). In order to attract, incentivize and retain those employees, the Company allows its employees (whose employment status is transferred from Alibaba Holding entities to the Group) to retain their equity-based awards of Alibaba Holding entities. For further details, please refer to the Company’s announcement dated September 29, 2022.

Subsequent Events

There was no significant event which might affect the Group after September 30, 2022 and up to the date of this report.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As of September 30, 2022, the interests and short positions of the directors (the "Directors") and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Shares and underlying Shares

Name of Director	Nature of interest	Number of Shares (L) held	Number of underlying Shares held		Total number of Shares and underlying Shares	Approximate percentage of Shares in issue
			Share Options	Awarded Shares		
Mr. FAN Luyuan	Beneficial owner	665,882	11,175,000	9,480,000	21,320,882	0.08%
Mr. LI Jie	Beneficial owner	4,118,336	30,625,000	10,537,500	45,280,836	0.17%
Mr. MENG Jun	Beneficial owner	177,796	2,280,000	2,215,000	4,672,796	0.02%

Notes:

- (1) The letter "L" denotes the person's long position in the securities.
- (2) Based on 26,975,740,156 Shares in issue as of September 30, 2022.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Shares and underlying shares of the associated corporation of the Company – Alibaba Holding

Name of Director	Nature of interest	Number of shares (L)/ underlying shares held		Approximate percentage of total issued shares of the associated corporation (Note 3)
		(in the number of American Depositary Shares ("ADS(s)") of Alibaba Holding)	(in the number of ordinary shares of Alibaba Holding) (Note 2)	
Mr. FAN Luyuan	Note 4	640,008	5,120,064	0.02%
Mr. LI Jie	Note 5	81,347	650,776	0.00%
Mr. MENG Jun	Note 6	15,490	123,920	0.00%
Mr. LIU Zheng	Note 7	22,382	179,056	0.00%
Mr. TONG Xiaomeng	Note 8	117,647	941,176	0.00%
Mr. Johnny CHEN	Note 9	100	800	0.00%

Notes:

- (1) The letter "L" denotes the person's long position in the securities.
- (2) One ADS of Alibaba Holding represents eight ordinary shares of Alibaba Holding and one restricted share unit of Alibaba Holding ("RSU(s)") represents one ADS.
- (3) Based on 21,180,285,568 ordinary shares of Alibaba Holding in issue as of September 30, 2022.
- (4) The interest represents (i) 8,483 ADSs and 22,668 RSUs held by Mr. FAN Luyuan beneficially; and (ii) 608,857 ADSs held by a trust, of which Mr. FAN Luyuan is a founder.
- (5) The interest represents 55,995 ADSs and 25,352 RSUs held by Mr. LI Jie beneficially.
- (6) The interest represents (i) 7,917 ADSs and 5,450 RSUs held by Mr. MENG Jun beneficially; and (ii) 2,123 ADSs held by the spouse of Mr. MENG Jun.
- (7) The interest represents 11,882 ADSs and 10,500 RSUs held by Mr. LIU Zheng beneficially.
- (8) The interest represents 117,647 ADSs held by Mr. TONG Xiaomeng beneficially.
- (9) The interest represents 100 ADSs held by Mr. Johnny CHEN beneficially.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)**Shares and underlying shares of the associated corporation of the Company – Cainiao Smart Logistics Network Limited (“Cainiao”)**

Name of Director	Nature of interest	Number of relevant class of shares (L)/ underlying shares held		Approximate percentage of total issued shares of the associated corporation (Note 2)
		(Class A ordinary shares)	(Class B ordinary shares)	
Mr. LIU Zheng	Beneficial owner	5,460,000	6,200,000	0.07%

Notes:

- (1) The letter “L” denotes the person’s long position in the securities.
- (2) As of September 30, 2022, the issued share capital of Cainiao was made up of 15,212,555,296 ordinary shares, 472,737,227 class A ordinary shares and 161,342,183 class B ordinary shares.
- (3) Mr. LIU Zheng was interested in 5,460,000 class A ordinary shares and 6,200,000 class B ordinary shares, representing approximately 1.15% and 3.84% of the relevant class of shares of Cainiao in issue respectively as of September 30, 2022.
- (4) As of September 30, 2022, Mr. LIU Zheng was not interested in any other ordinary shares of Cainiao.

Save as disclosed above, to the best knowledge, information and belief of the Company, as of September 30, 2022, none of the Directors nor chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE INCENTIVE SCHEMES**Share Option Schemes**

On August 31, 2021, the shareholders of the Company (the “Shareholders”) approved (i) the termination of a share option scheme adopted on June 11, 2012 (the “2012 Share Option Scheme”), and (ii) the adoption of a new share option scheme (the “2021 Share Option Scheme”, together with the 2012 Share Option Scheme, the “Share Option Schemes”). Details of the 2012 Share Option Scheme and the 2021 Share Option Scheme are set out in the annual report of the Company.

No share options of the Company pursuant to the 2021 Share Option Scheme were outstanding, granted, exercised, expired, lapsed or cancelled during the Reporting Period.

SHARE INCENTIVE SCHEMES (Continued)

Share Option Schemes (Continued)

Movements of the share options granted by the Company pursuant to the 2012 Share Option Scheme (the “Share Options”) during the Reporting Period were as follows:

Category	Date of grant	Exercise price per share (HK\$)	Closing price per Share immediately before the date of grant (HK\$)	Weighted average closing price of shares immediately before the date on which the Share Options were exercised (HK\$)	Number of Share Options outstanding as of April 1, 2022	Number of Share Options granted during the period	Number of Share Options exercised during the period	Number of Share Options lapsed during the period	Number of Share Options cancelled during the period	Number of Share Options outstanding as of September 30, 2022	Exercise/ vesting period (Notes)
Directors											
Mr. FAN Luyuan	05/06/2020	1.070	1.050	-	3,675,000	-	-	-	-	3,675,000	1(iv)
	16/06/2021	1.066	1.060	-	7,500,000	-	-	-	-	7,500,000	1(iv)
Mr. LI Jie	21/05/2018	0.912	0.910	-	5,000,000	-	-	-	-	5,000,000	1(ii)
	31/05/2019	1.630	1.600	-	6,000,000	-	-	-	-	6,000,000	1(ii)
	05/06/2020	1.070	1.050	-	14,000,000	-	-	-	-	14,000,000	1(ii)
Mr. MENG Jun	16/06/2021	1.066	1.060	-	5,625,000	-	-	-	-	5,625,000	1(ii)
	05/06/2020	1.070	1.050	-	780,000	-	-	-	-	780,000	1(ii)
	16/06/2021	1.066	1.060	-	1,500,000	-	-	-	-	1,500,000	1(ii)
	Sub-total				44,080,000	-	-	-	-	44,080,000	
Employees											
	28/01/2015	1.670	1.650	-	600,000	-	-	-	-	600,000	1(i)
	13/04/2016	1.880	1.890	-	5,200,000	-	-	-	-	5,200,000	1(ii)
	03/06/2016	1.860	1.860	-	450,000	-	-	-	-	450,000	1(ii)
	24/10/2017	1.276	1.270	-	6,200,000	-	-	-	-	6,200,000	1(ii)
	18/01/2018	1.060	1.070	-	1,200,000	-	-	-	-	1,200,000	1(i)
	21/05/2018	0.912	0.910	-	7,700,000	-	-	-	-	7,700,000	1(i)
	21/05/2018	0.912	0.910	-	30,000,000	-	-	-	-	30,000,000	1(ii)
	26/09/2018	1.020	1.010	-	9,549,000	-	-	-	-	9,549,000	1(i)
	26/09/2018	1.020	1.010	-	11,250,000	-	-	1,400,000	-	9,850,000	1(ii)
	31/05/2019	1.630	1.600	-	7,800,000	-	-	-	-	7,800,000	1(i)
	31/05/2019	1.630	1.600	-	33,601,000	-	-	1,660,000	-	31,941,000	1(ii)
	31/05/2019	1.630	1.600	-	3,600,000	-	-	-	-	3,600,000	1(iii)
	23/09/2019	1.340	1.320	-	700,000	-	-	-	-	700,000	1(i)
	23/09/2019	1.340	1.320	-	13,650,000	-	-	-	-	13,650,000	1(ii)
	15/01/2020	1.460	1.470	-	10,000,000	-	-	-	-	10,000,000	1(i)
	05/06/2020	1.070	1.050	-	35,905,600	-	-	1,135,000	-	34,770,600	1(ii)
	05/06/2020	1.070	1.050	-	1,500,000	-	-	-	-	1,500,000	1(i)
11/09/2020	1.144	1.100	-	16,800,000	-	-	1,200,000	-	15,600,000	1(ii)	
	Sub-total				195,705,600	-	-	5,395,000	-	190,310,600	
	Total				239,785,600	-	-	5,395,000	-	234,390,600	

SHARE INCENTIVE SCHEMES (Continued)

2012 Share Option Scheme

Notes:

- (1) The Share Options granted under the 2012 Share Option Scheme are subject to a vesting schedule and can be exercised in the following manner:

(i) Category A

Vesting Date	Percentage that can be exercised
First vesting date (being second anniversary of employment commencement date)	Up to 50% of the Share Options granted
First anniversary of first vesting date	Up to 75% of the Share Options granted
Second anniversary of first vesting date	Up to 100% of the Share Options granted

The vesting period of the Share Options under Category A commences on the date of commencement of employment of the relevant grantee, and the first vesting date falls on the second anniversary of the date of commencement of employment.

(ii) Category B

Vesting Date	Percentage that can be exercised
First vesting date (being first anniversary of promotion effective date or performance incentive effective date or employment commencement date)	Up to 25% of the Share Options granted
First anniversary of first vesting date	Up to 50% of the Share Options granted
Second anniversary of first vesting date	Up to 75% of the Share Options granted
Third anniversary of first vesting date	Up to 100% of the Share Options granted

The vesting period of the Share Options under Category B commences on promotion effective date, performance incentive effective date or the date of commencement of employment of the relevant grantee, and the first vesting date falls on the first anniversary of the date of commencement of the vesting period.

(iii) Category C

Vesting Date	Percentage that can be exercised
First vesting date (being second anniversary of March 19, 2019)	Up to 1/3 of the Share Options granted
Second anniversary of first vesting date	Up to 2/3 of the Share Options granted
Fourth anniversary of first vesting date	Up to 100% of the Share Options granted

The vesting period of the Share Options under Category C commences on March 19, 2019, and the first vesting date falls on the second anniversary of the date of commencement of the vesting period.

(iv) Category D

Vesting Date	Percentage that can be exercised
First vesting date (being first anniversary of performance incentive effective date)	Up to 1/6 of the Share Options granted
First anniversary of first vesting date	Up to 1/3 of the Share Options granted
Second anniversary of first vesting date	Up to 1/2 of the Share Options granted
Third anniversary of first vesting date	Up to 2/3 of the Share Options granted
Fourth anniversary of first vesting date	Up to 5/6 of the Share Options granted
Fifth anniversary of first vesting date	Up to 100% of the Share Options granted

The vesting period of the Share Options under Category D commences on performance incentive effective date of the relevant grantee, and the first vesting date falls on the first anniversary of the commencement date of the vesting period.

- (2) The period within which the Share Options must be exercised shall not be more than 10 years from the date of grant.

SHARE INCENTIVE SCHEMES (Continued)

Share Award Scheme

The share award scheme of the Company ("Share Award Scheme") was adopted by the board of Directors (the "Board") on December 30, 2016 (as amended on March 29, 2019 and January 17, 2020).

Movements of the Shares granted by the Company under the Share Award Scheme (the "Awarded Shares") during the Reporting Period were as follows:

Date of Grant	Total number of Awarded Shares granted on the date of grant	Closing price per Share immediately before the date on which the Awarded Shares were granted (HK\$)	Number of Awarded Shares outstanding as of April 1, 2022	Number of Awarded Shares granted during the period	Number of Awarded Shares vested during the period	Number of Awarded Shares lapsed during the period	Number of Awarded Shares outstanding as of September 30, 2022
21/05/2018	94,378,600 (Notes 1 & 12)	0.910	8,302,080	-	8,002,080	300,000	-
26/09/2018	50,120,000 (Notes 2 & 12)	1.010	6,110,000	-	2,420,000	570,000	3,120,000
31/05/2019	145,872,700 (Notes 3 & 12)	1.600	41,985,601	-	19,802,800	1,647,275	20,535,526
23/09/2019	35,870,000 (Notes 4 & 12)	1.320	10,690,000	-	575,000	360,000	9,755,000
15/01/2020	12,850,000 (Notes 5 & 12)	1.470	3,975,000	-	75,000	-	3,900,000
05/06/2020	127,281,100 (Notes 6 & 12)	1.050	68,240,200	-	22,583,400	2,784,450	42,872,350
11/09/2020	37,760,000 (Notes 7 & 12)	1.100	16,125,000	-	750,000	935,000	14,440,000
16/06/2021	144,803,746 (Notes 8 & 12)	1.060	122,187,370	-	29,134,339	8,746,937	84,306,094
09/09/2021	28,420,000 (Notes 9 & 12)	0.850	27,460,000	-	-	2,880,000	24,580,000
17/06/2022	138,522,954 (Notes 10 & 12)	0.74	-	138,522,954	-	4,376,000	134,146,954
09/09/2022	17,620,000 (Notes 11 & 12)	0.57	-	17,620,000	-	-	17,620,000
Total	833,499,100		305,075,251	156,142,954	83,342,619	22,599,662	355,275,924

SHARE INCENTIVE SCHEMES (Continued)

Share Award Scheme (Continued)

Notes:

- (1) Among these Awarded Shares, 2,500,000 Awarded Shares were granted to a former Director, and 1,200,000 Awarded Shares were granted to a director of certain subsidiaries of the Company. The remaining 90,678,600 Awarded Shares were granted to 326 employees of the Company who were not connected persons of the Company as of the grant date.
- (2) These Awarded Shares were granted to 85 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (3) Among these Awarded Shares, 3,000,000 Awarded Shares were granted to a person who was a former Director, and 2,400,000 Awarded Shares were granted to a director of certain subsidiaries of the Company. The remaining 140,472,700 Awarded Shares were granted to 377 employees of the Company who were not connected persons of the Company as of the grant date.
- (4) These Awarded Shares were granted to 79 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (5) These Awarded Shares were granted to 18 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (6) Among these Awarded Shares, 1,470,000 Awarded Shares and 330,000 Awarded Shares were granted to Mr. FAN Luyuan and Mr. MENG Jun respectively, each an executive Director, and 7,000,000 Awarded Shares were granted to a director of certain subsidiaries of the Company. The remaining 118,481,100 Awarded Shares were granted to 335 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (7) These Awarded Shares were granted to 80 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (8) Among these Awarded Shares, 3,000,000 Awarded Shares, 2,250,000 Awarded Shares and 600,000 Awarded Shares were granted to Mr. FAN Luyuan, Mr. LI Jie and Mr. MENG Jun respectively, each an executive Director. The remaining 138,953,746 Awarded Shares were granted to 410 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (9) These Awarded Shares were granted to 55 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (10) Among these Awarded Shares, 6,000,000 Awarded Shares, 4,750,000 Awarded Shares and 1,600,000 Awarded Shares were granted to Mr. FAN Luyuan, Mr. LI Jie and Mr. MENG Jun respectively and 1,964,286 Awarded Shares were granted to a director of a significant subsidiary of the Company. The remaining 124,208,668 Awarded Shares were granted to 334 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (11) These Awarded Shares were granted to 28 employees of the Company, who were not connected persons of the Company, as of the grant date.
- (12) The Awarded Shares granted to each grantee have a specific vesting schedule of not more than 6 years, and the grantees are not required to pay for the grant, vesting or exercise of the Awarded Shares.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As of September 30, 2022, the following persons (other than the Directors and chief executive of the Company whose interests have been disclosed in this report) had interests and short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Shares and underlying Shares

Name of Shareholder	Nature of interest	Number of Shares (L)/underlying Shares held	Approximate percentage of Shares in issue (Note 3)
Ali CV Investment Holding Limited	Beneficial owner (Note 2)	13,488,058,846	50.0007%
Alibaba Investment Limited	Interest in controlled corporation (Note 2)	13,488,058,846	50.0007%
Alibaba Holding	Interest in controlled corporation (Note 2)	13,488,058,846	50.0007%
BIAN Ximing/YANG Minghua	Beneficial owner	1,865,160,000	6.91%

Notes:

- (1) The letter "L" denotes the entity's/person's long position in the securities.
- (2) The interest represents 13,488,058,846 Shares held by Ali CV Investment Holding Limited ("Ali CV"). As of September 30, 2022, Ali CV was wholly-owned by Alibaba Investment Limited ("AIL"), which in turn was wholly-owned by Alibaba Holding. Accordingly, each of Alibaba Holding and AIL was deemed to be interested in those Shares.
- (3) Based on 26,975,740,156 Shares in issue as of September 30, 2022.

Save as disclosed above, as of September 30, 2022, so far as was known to the Directors or chief executive of the Company, no other persons had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. It has adopted the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules.

During the Reporting Period, the Company has complied with all applicable code provisions as set out in the CG Code, save as disclosed below:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Mr. FAN Luyuan currently performs two roles. The Board considers that vesting the roles of both chairman and chief executive officer in the same person will facilitate the development and execution of the Group’s business strategies, which will help the Company overcome market challenges and create more value for the Shareholders. The Board believes that the balance of power and authority for the present arrangement would not be impaired given that there are sufficient checks and balances in the Board as a decision to be made by the Board requires approval by a majority of the Directors and such balance is ensured by the Board which comprises experienced and high caliber individuals and three of whom are independent non-executive Directors.

In addition, the Company provided children in rural areas with free movies such as “Moon Man (獨行月球)” and “Mozart from Space (外太空的莫札特)” during the Reporting Period, to promote charity projects championing sustainability.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors’ securities transactions on terms not less exacting than the required standard set out in the Model Code.

Having made specific enquiry of all Directors, each of the Directors confirmed that he/she has complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions during the Reporting Period.

INTERIM DIVIDEND

The Board has resolved that no interim dividend will be declared for the six months ended September 30, 2022 (For the six months ended September 30, 2021: nil).

CONTROLLING SHAREHOLDERS’ INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the Company’s connected transactions as disclosed in its annual report 2021/2022 and its announcements dated April 14, 2022, August 29, 2022 and September 29, 2022, respectively, and the related party transactions as disclosed in Note 18 to its unaudited consolidated financial statements, no controlling shareholder of the Company or its subsidiaries has a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party, during the Reporting Period.

USE OF PROCEEDS FROM ISSUE OF EQUITY SECURITIES

On March 5, 2019, the Company issued and allotted 1,000,000,000 new Shares (the “Subscription Share(s)”) of total nominal value of HK\$250,000,000 in the capital of the Company to Ali CV as the subscriber at the subscription price of HK\$1.25 per Subscription Share (the “Subscription”).

The Directors considered that the Subscription would further strengthen the collaboration between the Company and Alibaba Group’s other media content and distribution businesses and lay down a more solid foundation for the Company’s future business development. The closing price per Share as quoted on the Stock Exchange was HK\$1.23 on December 8, 2018, being the last trading day immediately prior to the date on which the terms of the Subscription were fixed. The net proceeds, after deduction of all relevant expenses incidental to the Subscription, were approximately HK\$1,247.5 million and the net subscription price per Subscription Share was approximately HK\$1.25. The net proceeds from the Subscription would mainly be used for content investment, further expansion of customer base, sales and marketing activities, selective mergers and acquisitions when opportunities arise and general corporate purposes.

Set out below are (i) a detailed breakdown and description of the net proceeds from the Subscription utilized during the six months ended September 30, 2022; and (ii) a detailed breakdown and description of the intended use of the remaining net proceeds from the Subscription as of September 30, 2022:

Planned use of net proceeds	Unutilized amount as of April 1, 2022 (RMB million)	Utilized amount during the six months ended September 30, 2022 (RMB million)	Unutilized amount as of September 30, 2022 (RMB million)	Expected timeline for utilizing the remaining net proceeds (Note 1)
Content investment	144	(20)	124	≤1.5 years
Further expansion of customer base	102	(7)	95	≤1.5 years
Sales and marketing activities	23	(4)	19	≤1.5 years
General corporate purposes	20	(8)	12	≤1.5 years
Total	289	(39)	250	

Notes:

- (1) The expected timeline for utilizing the remaining net proceeds is based on the best estimation of the future market conditions and business operation made by the Company and remains subject to change based on future development of market conditions and actual business needs.
- (2) The net proceeds for selective mergers and acquisitions were fully utilized. For details, please refer to the Company’s announcement dated October 15, 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

CHANGES IN DIRECTORS' INFORMATION

Mr. Johnny CHEN ceased to be an adjunct associate professor of Department of Finance and Department of Management of the Hong Kong University of Science and Technology.

Save as disclosed above, as of September 30, 2022, the Directors have confirmed that there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the Reporting Period have been reviewed by the Audit Committee of the Company.

The unaudited interim results of the Group for the Reporting Period are unaudited, but have been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Hong Kong, November 29, 2022



羅兵咸永道

Report On Review of Interim Financial Information
To the Board of Directors of Alibaba Pictures Group Limited
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 24 to 56, which comprises the interim condensed consolidated balance sheet of Alibaba Pictures Group Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2022 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, November 29, 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the six months ended	
		September 30, 2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Revenue	5	1,828,686	1,358,160
Cost of sales and services		(1,270,417)	(735,633)
Gross profit		558,269	622,527
Selling and marketing expenses		(131,172)	(200,048)
Administrative expenses		(426,285)	(544,600)
Impairment losses on financial assets, net		(11,440)	(89,256)
Other income	6	30,045	29,077
Other (losses)/gains, net	7	(79,483)	105,865
Operating loss		(60,066)	(76,435)
Finance income	8	53,464	42,532
Finance expenses	8	(4,257)	(7,465)
Finance income, net		49,207	35,067
Share of losses of investments accounted for using the equity method	11	(2,306)	(26,235)
Loss before income tax		(13,165)	(67,603)
Income tax (expense)/credit	9	(6,898)	2,264
Loss for the period		(20,063)	(65,339)
Attributable to:			
Owners of the Company		(22,319)	(53,239)
Non-controlling interests		2,256	(12,100)
Loss per share attributable to owners of the Company			
for the period (expressed in RMB cents per share)	10		
– Basic		(0.08)	(0.20)
– Diluted		(0.08)	(0.20)

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the six months ended	
		September 30, 2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Loss for the period		(20,063)	(65,339)
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Share of other comprehensive (loss)/income of an associate	11	(6,802)	528
Currency translation differences attributable to owners of the Company		251,433	(34,057)
<i>Items that may not be reclassified to profit or loss</i>			
Currency translation differences attributable to non-controlling interests		2,579	(619)
Other comprehensive income/(loss) for the period, net of tax		247,210	(34,148)
Total comprehensive income/(loss) for the period		227,147	(99,487)
Attributable to:			
Owners of the Company		222,312	(86,768)
Non-controlling interests		4,835	(12,719)
Total comprehensive income/(loss) for the period		227,147	(99,487)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at September 30, 2022 (Unaudited) RMB'000	As at March 31, 2022 (Audited) RMB'000
	Note		
Assets			
Non-current assets			
Property, plant and equipment	12	22,420	23,352
Investment property	12	20,819	21,400
Goodwill	12	3,551,116	3,551,116
Intangible assets	12	106,748	113,676
Right-of-use assets		136,937	148,043
Deferred income tax assets		14,003	13,401
Investments accounted for using the equity method	11	1,619,997	1,723,173
Film and TV rights and investments		193,556	204,067
Financial assets at fair value through profit or loss	4	1,404,627	1,317,685
Trade and other receivables, and prepayments	13	609,856	598,989
		<u>7,680,079</u>	<u>7,714,902</u>
Current assets			
Inventory		35,176	17,831
Film and TV rights and investments		1,871,172	1,740,729
Trade and other receivables, and prepayments	13	2,636,237	2,546,345
Financial assets at fair value through profit or loss	4	7,500	–
Cash and cash equivalents		3,829,802	3,538,214
Restricted cash		20,785	18,677
		<u>8,400,672</u>	<u>7,861,796</u>
Total assets		<u>16,080,751</u>	<u>15,576,698</u>
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	14	5,452,976	5,452,976
Reserves		8,911,944	8,564,131
		<u>14,364,920</u>	14,017,107
Non-controlling interests		<u>30,730</u>	25,895
Total equity		<u>14,395,650</u>	<u>14,043,002</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

		As at September 30, 2022 (Unaudited) RMB'000	As at March 31, 2022 (Audited) RMB'000
	Note		
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		55,931	49,302
Lease liabilities		<u>134,397</u>	<u>137,231</u>
		<u>190,328</u>	<u>186,533</u>
Current liabilities			
Borrowings		–	9,375
Trade and other payables, and accrued charges	16	1,303,706	1,119,921
Contract liabilities		153,532	186,345
Current tax liabilities		816	883
Lease liabilities		23,669	30,639
Financial liabilities at fair value through profit or loss	4	<u>13,050</u>	<u>–</u>
		<u>1,494,773</u>	<u>1,347,163</u>
Total liabilities		<u>1,685,101</u>	<u>1,533,696</u>
Total equity and liabilities		<u>16,080,751</u>	<u>15,576,698</u>

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme RMB'000	Other reserve RMB'000	Shareholder's contribution reserve RMB'000	Translation reserve RMB'000	Share-based compensation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
For the six months ended September 30, 2022 (Unaudited)											
At April 1, 2022	5,452,976	13,423,271	(233,757)	(1,071,020)	48,527	(248,885)	350,359	(3,704,364)	14,017,107	25,895	14,043,002
Loss for the period	-	-	-	-	-	-	-	(22,319)	(22,319)	2,256	(20,063)
Other comprehensive income for the period	-	-	-	-	-	244,631	-	-	244,631	2,579	247,210
Total comprehensive income for the period	-	-	-	-	-	244,631	-	(22,319)	222,312	4,835	227,147
Share of other reserves of investments accounted for using the equity method	11	-	-	1,472	-	-	-	-	1,472	-	1,472
Shares vested under share award scheme	-	-	98,795	-	-	-	(98,795)	-	-	-	-
Value of employee services provided under share option scheme and share award scheme	15	-	-	-	-	-	92,165	-	92,165	-	92,165
Value of employee services provided in relation to share-based payment transactions with ultimate parent	15	-	-	-	-	-	34,372	-	34,372	-	34,372
Value of share-based compensation allocated to ultimate parent	15	-	-	(5,016)	-	-	5,016	-	-	-	-
Settlement of share-based compensation cost with ultimate parent	15	-	-	-	-	-	(2,508)	-	(2,508)	-	(2,508)
At September 30, 2022	5,452,976	13,423,271	(134,962)	(1,074,564)	48,527	(4,254)	380,609	(3,726,683)	14,364,920	30,730	14,395,650

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Continued)

Note	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme RMB'000	Other reserve RMB'000	Shareholder's contribution reserve RMB'000	Translation reserve RMB'000	Share-based compensation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
For the six months ended September 30, 2021 (Unaudited)											
At April 1, 2021	5,424,523	13,371,892	(264,317)	(1,071,288)	48,527	(170,587)	321,788	(3,874,217)	13,786,321	51,617	13,837,938
Loss for the period	-	-	-	-	-	-	-	(53,239)	(53,239)	(12,100)	(65,339)
Other comprehensive loss for the period	-	-	-	-	-	(33,529)	-	-	(33,529)	(619)	(34,148)
Total comprehensive loss for the period	-	-	-	-	-	(33,529)	-	(53,239)	(86,768)	(12,719)	(99,487)
Exercise of share options under share option scheme	14	382	2,535	-	-	-	(1,355)	-	1,562	-	1,562
Shares purchased for share award scheme	-	-	(10,062)	-	-	-	-	-	(10,062)	-	(10,062)
Shares vested under share award scheme	-	-	88,145	-	-	-	(88,145)	-	-	-	-
Value of employee services provided under share option scheme and share award scheme	15	-	-	-	-	-	77,513	-	77,513	-	77,513
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,872)	(1,872)
At September 30, 2021	5,424,905	13,374,427	(186,234)	(1,071,288)	48,527	(204,116)	309,801	(3,927,456)	13,768,566	37,026	13,805,592

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from/(used in) operating activities	172,968	(552,654)
Income tax (paid)/refund	(938)	866
Net cash inflow/(outflow) from operating activities	172,030	(551,788)
Cash flows from investing activities		
Interest received	47,077	37,490
Principal received on investments in wealth management products	6,000	4,000
Proceeds from disposal of property, plant and equipment	55	3,478
Investment interest received on investments in wealth management products	28	61
Proceeds from disposal of equity investments	–	138,743
Proceeds from derecognition of unlisted investments	–	1,727
Purchases of wealth management products	(13,500)	–
Purchases of property, plant and equipment and investment property	(4,815)	(7,537)
Payment of acquisition of a subsidiary	(3,000)	(3,000)
Capital injection of equity investments	(1,375)	(5,250)
Purchases of intangible assets	(166)	(60)
Net cash inflow from investing activities	30,304	169,652
Cash flows from financing activities		
Principal and interests elements of lease payments	(18,323)	(44,204)
Repayment of borrowings	(9,375)	(7,500)
Interest paid	(469)	(679)
Exercise of share options under share option scheme	–	1,562
Shares purchased for share award scheme	–	(10,062)
Dividends paid to non-controlling interests	–	(1,872)
Net cash outflow from financing activities	(28,167)	(62,755)
Net increase/(decrease) in cash and cash equivalents	174,167	(444,891)
Cash and cash equivalents at beginning of the period	3,538,214	3,897,802
Exchange gains/(losses) on cash and cash equivalents	117,421	(8,110)
Cash and cash equivalents at end of the period	3,829,802	3,444,801

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Alibaba Pictures Group Limited (the “Company”) and its subsidiaries (together, the “Group”, each, a “Group Entity”) form an internet-driven integrated platform that covers content production, promotion and distribution, IP licensing, cinema ticketing management and data services for the entertainment industry.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda.

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As at September 30, 2022, the Company is approximately 50.0007% owned by Ali CV Investment Holding Limited (“Ali CV”). Ali CV is a wholly-owned subsidiary of Alibaba Investment Limited (“AIL”) which is in turn wholly-owned by Alibaba Group Holding Limited (“Alibaba Holding”).

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended September 30, 2022 has been prepared in accordance with Hong Kong Accounting Standard 34, “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended March 31, 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended March 31, 2022, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

2 BASIS OF PREPARATION (Continued)

(a) New and amended standards adopted by the Group

The Group has applied new and amended standards effective for the current financial period. The adoption of these new and revised standards does not have any significant impact on the interim condensed consolidated financial information.

(b) New standards and amendments not yet adopted by the Group

Certain new standards and amendments have been issued but not yet effective on April 1, 2022 and not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Classification of liabilities as current or non-current	January 1, 2023
HKFRS 17 and Amendments to HKFRS 17	Insurance contracts	January 1, 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023
Amendments to HKAS 8	Definition of accounting estimates	January 1, 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of assessing potential impact of the above new standards and amendments that are relevant to the Group upon initial application. According to the preliminary assessment, management does not anticipate any significant impact on the Group's consolidated financial position and consolidated results of operations upon adopting the above new standards and amendments. Management plans to adopt these new standards and amendments when they become mandatory.

3 ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended March 31, 2022.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at March 31, 2022.

There have been no material changes in the risk management policies since March 31, 2022.

4.2 Fair value estimation

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(Continued)

4.2 Fair value estimation (Continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, wealth management products, film and TV investments, at fair value, and film investments from business partners.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at September 30, 2022 and March 31, 2022.

	As at September 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Financial assets at fair value through profit or loss (current)				
Investments in wealth management products	–	–	7,500	7,500
Film and TV Investments, at fair value (current)	–	–	43,568	43,568
Financial assets at fair value through profit or loss (non-current)				
Unlisted investments	–	–	1,345,295	1,345,295
Listed investment	–	59,332	–	59,332
Film and TV Investments, at fair value (non-current)	–	–	193,556	193,556
Total assets	–	59,332	1,589,919	1,649,251
Liabilities				
Financial liabilities at fair value through profit or loss (current)				
Film investments from business partners	–	–	13,050	13,050

	As At September 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.2 Fair value estimation (Continued)

	As At March 31, 2022(Audited)			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at fair value through profit or loss (current)				
Film and TV investments, at fair value (current)	–	–	13,000	13,000
Financial assets at fair value through profit or loss (non-current)				
Unlisted investments	–	–	1,272,547	1,272,547
Listed investment	–	45,138	–	45,138
Film and TV Investments, at fair value (non-current)	–	–	204,067	204,067
Total assets	–	45,138	1,489,614	1,534,752

4.3 Fair value measurements using significant unobservable inputs

The following table presents the significant changes in level 3 instruments for the six months ended September 30, 2022 and 2021.

	For the six months ended September 30,	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Investments in wealth management products		
Opening balance	–	7,000
Change in investment amount, net	7,472	(4,061)
Fair value changes (Note 7)	28	61
Closing balance	7,500	3,000

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

*(Continued)*4.3 Fair value measurements using significant unobservable inputs *(Continued)*

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Unlisted investments		
Opening balance	1,272,547	1,131,683
Fair value changes <i>(Note 7)</i>	(3,818)	39,336
Derecognition	–	(1,727)
Currency translation differences	76,566	(676)
	<u>1,345,295</u>	<u>1,168,616</u>
Closing balance	1,345,295	1,168,616
Film and TV investments, at fair value		
Opening balance	217,067	305,426
Fair value changes <i>(Note 7)</i>	39,257	52,887
Derecognition	(24,118)	(77,217)
Currency translation differences	4,918	(963)
	<u>237,124</u>	<u>280,133</u>
Closing balance	237,124	280,133

The film and TV investments, at fair value, are the investments on film and TV drama that do not meet solely payments of principal and interest condition.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.3 Fair value measurements using significant unobservable inputs (Continued)

	For the six months ended	
	September 30, 2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Film investments from business partners		
Opening balance	–	–
Change in investment amount, net	<u>13,050</u>	<u>–</u>
Closing balance	<u>13,050</u>	<u>–</u>

During the six months ended September 30, 2022, the Group further invested in self-produced films and entered into contractual financing arrangements with investors, who paid fixed amounts in exchange for variable returns, based on how the film would perform. Pursuant to the arrangements, the investors would not participate in any of the ongoing production or commercialisation decisions and the Group must make best efforts to complete and market the film within budget.

It is not an executory contract as an investor does not have performance obligations. The amount and timing of payment is contingent on the occurrence of future events that are outside the direct control of either party. The cash received is recorded as a financial liability. The liability is subsequently remeasured at each reporting date under HKAS 39 Financial instruments: recognition and measurement.

5 REVENUES AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors of the Company. Management has determined the operating segments based on the information reviewed by the board of directors of the Company for the purposes of allocating resources and assessing performance.

The board of directors of the Company considers the business from perspective of types of goods or services delivered or provided. During the six months ended September 30, 2022, the Group's operating and reportable segments are as follows:

- Content: the investment and production of entertainment content such as film and drama series both domestically and internationally.
- Technology: the construction of pan-entertainment infrastructure that promotes the digital upgrade of the entertainment sector. The business mainly comprises platform ticketing, digitalization business and others.
- IP merchandising and commercialization: backed by the Group's licensing and marketing capabilities, the Group could integrate resources within or outside the Alibaba Ecosystem to provide comprehensive distribution channels connecting with both corporate customers and individual consumers ("IP2B2C").

For the six months ended September 30, 2022
(Unaudited)

	Content <i>RMB'000</i>	Technology <i>RMB'000</i>	IP merchandising and commercialization <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
– recognized at a point in time	908,776	204,457	222,693	1,335,926
– recognized over time	131,339	361,099	–	492,438
	1,040,115	565,556	222,693	1,828,364
Income from film and TV investments	–	322	–	322
Total segment revenue	1,040,115	565,878	222,693	1,828,686

5 REVENUES AND SEGMENT INFORMATION (Continued)

For the six months ended September 30, 2021
(Unaudited)

	Content RMB'000	Technology RMB'000	IP merchandising and commercialization RMB'000	Total RMB'000
Segment revenue				
– recognized at a point in time	416,701	323,308	229,538	969,547
– recognized over time	144,915	242,668	–	387,583
	561,616	565,976	229,538	1,357,130
Income from film and TV investments	–	1,030	–	1,030
Total segment revenue	561,616	567,006	229,538	1,358,160

Segment revenue and resultsFor the six months ended September 30, 2022
(Unaudited)

	Content RMB'000	Technology RMB'000	IP merchandising and commercialization RMB'000	Total RMB'000
Segment revenue	1,040,115	565,878	222,693	1,828,686
Segment results	208,734	145,466	75,613	429,813
Unallocated selling and marketing expenses				(2,716)
Administrative expenses				(426,285)
Impairment losses on financial assets, net				(11,440)
Other income				30,045
Other losses, net				(79,483)
Finance income				53,464
Finance expenses				(4,257)
Share of losses of investments accounted for using the equity method				(2,306)
Loss before income tax				(13,165)

5 REVENUES AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	For the six months ended September 30, 2021 (Unaudited)			Total RMB'000
	Content RMB'000	Technology RMB'000	IP merchandising and commercialization RMB'000	
Segment revenue	561,616	567,006	229,538	1,358,160
Segment results	95,636	228,887	106,254	430,777
Unallocated selling and marketing expenses				(8,298)
Administrative expenses				(544,600)
Impairment losses on financial assets, net				(89,256)
Other income				29,077
Other gains, net				105,865
Finance income				42,532
Finance expenses				(7,465)
Share of losses of investments accounted for using the equity method				(26,235)
Loss before income tax				(67,603)

All of the segment revenue reported above is from external customers and there are no intersegment sales for both periods.

Segment results represent the gross profit generated by each segment after allocation of certain selling and marketing expenses. This is the measure reported to the board of directors of the Company for the purpose of resource allocation and performance assessments.

Segment assets and liabilities are not regularly reported to the board of directors of the Company and therefore information of separate segment assets and liabilities is not presented.

6 OTHER INCOME

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Investment income on loan receivable	14,017	14,025
Additional deduction of input VAT	12,358	4,771
Sundry income	2,729	2,488
Local government grants	941	7,793
Total	30,045	29,077

7 OTHER (LOSSES)/GAINS, NET

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Change in fair value of Film and TV investments, at fair value (Note 4)	39,257	52,887
Change in fair value of listed investment	11,903	–
Net gain on disposal of film and TV rights	4,800	–
Net gain/(loss) on disposal of property, plant and equipment	39	(7,338)
Change in fair value of investments in wealth management products (Note 4)	28	61
Loss on dilution of investments accounted for using the equity method (Note)	(130,933)	–
Change in fair value of unlisted investments (Note 4)	(3,818)	39,336
Gain on disposal of investments accounted for using the equity method	–	16,843
Others	(759)	4,076
Total	(79,483)	105,865

Note:

The amount represented the dilution loss on the Group's investment in Bona Film Group Co., Limited ("Bona Film") recognized upon the listing of this investment on August 18, 2022. The Group's interests in Bona Film was diluted from 7.72% to 6.18% after Bona Film listed on Shenzhen Stock Exchange. The difference between (1) the decrease in the carrying value of the Group's interest in Bona Film resulting from the decrease in percentage of shareholding and (2) the Group's share of the proceeds received for the new shares issued resulted in a dilution loss of RMB130,933,000 and was recognized in the interim condensed consolidated statement of profit or loss for the six months ended September 30, 2022.

8 FINANCE INCOME, NET

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Finance income		
– Interest income on bank deposits	47,077	37,429
– Exchange gains, net	6,387	5,103
	<u>53,464</u>	<u>42,532</u>
Finance expenses		
– Interest expenses on lease liabilities	(3,788)	(6,786)
– Interest expenses on bank borrowings	(469)	(679)
	<u>(4,257)</u>	<u>(7,465)</u>
Finance income, net	<u>49,207</u>	<u>35,067</u>

9 INCOME TAX EXPENSE/(CREDIT)

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax	871	242
Deferred income tax	6,027	(2,506)
	<u>6,898</u>	<u>(2,264)</u>

The Company, incorporated in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda, is exempted from Bermuda income tax.

Some of the subsidiaries, incorporated in BVI as exempted companies with limited liability under the Companies Law of BVI, are exempted from BVI income tax.

9 INCOME TAX EXPENSE/(CREDIT) (Continued)

Provision for the PRC enterprise income tax is calculated based on the statutory tax rate of 25% (the six months ended September 30, 2021: 25%) on the assessable income of each of the group companies, except that: (1) one subsidiary of the Company is taxed at preferential tax rate of 15% (the six months ended September 30, 2021: 15%) under the relevant PRC tax rules and regulations; (2) one subsidiary of the Company, incorporated in Horgos, Xinjiang Province, is exempted from income taxes from the first year of generating revenue before December 31, 2030 and the exemption period is five years according to the relevant PRC tax rules and regulations; and (3) certain subsidiaries of the Company are small low-profit enterprises, followed by a reduced tax rate of 20% (the six months ended September 30, 2021: 20%).

No provision for Hong Kong and the USA profit tax has been made as the group companies operating in Hong Kong and the USA do not have any assessable profit for both periods.

10 LOSS PER SHARE

	For the six months ended September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB cents	RMB cents
Basic/diluted loss per share	0.08	0.20

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue less shares held for share award scheme during the period.

	For the six months ended September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (RMB'000)	22,319	53,239
Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)	26,757,790	26,605,261

(b) Diluted

Diluted earnings or loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares for the six months ended September 30, 2022 and 2021, which are share options and unvested awarded shares.

The computation of diluted loss per share for the six months ended September 30, 2022 and 2021 did not assume the issuance of any dilutive potential ordinary share since they are antidilutive, which would decrease the loss per share.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Movements in investments accounted for using the equity method are as follows:

	For the six months ended	
	September 30, 2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Beginning of the period	1,723,173	2,075,319
Additions	1,375	5,250
Disposal of investment in an associate	–	(121,900)
Share of losses of investments (Note)	(2,306)	(26,235)
Loss on dilution of interest in an associate (Note 7)	(130,933)	–
Share of other comprehensive (loss)/income of an associate	(6,802)	528
Share of changes of other reserves of an associate	1,472	–
Currency translation differences	34,018	(6,012)
End of the period	<u>1,619,997</u>	<u>1,926,950</u>

Note:

When the most recently available financial statements of associates or joint ventures are different from the Group's reporting date, the Group may take advantage of the provision contained in HKAS 28 whereby it is permitted to include the attributable share of profit or loss of those associates or joint ventures based on the financial statements drawn up to a non-coterminous period end where the difference must be no greater than three months. Adjustments shall be made for the effects of significant transactions or events that occur between that date and the balance sheet date of the Group.

The financial year end date of the Group is March 31, which is different from those of certain of the associates and joint ventures of the Group. The financial information of certain of the Group's associates and joint ventures as at September 30, 2022 and 2021 are not available. As a result, the Group records its share of profit or loss of those investments accounted for using the equity method on one quarter in arrear basis for the six months ended September 30, 2022 and 2021.

Bona Film was listed on Shenzhen Stock Exchange on August 18, 2022 and could provide its financial statements as at September 30, 2022 before the results announcement of the Group. The Group ceases to take advantage of the non-coterminous period end provision for this investment upon its listing and included the attributable share of profit or loss of this investment based on its financial statements drawn up to a coterminous period end with the Group from this interim condensed consolidated financial statements for the six months ended 30 September 2022.

Hence, the Group records its shares of profit or loss of this investment for the nine months ended September 30, 2022 in this interim condensed consolidated financial statements of the Group for the six months ended September 30, 2022 including the loss of RMB9,315,000 in the interim condensed consolidated statement of profit or loss and a loss of RMB3,807,000 in the interim condensed consolidated statement of comprehensive income, respectively, for the period ended September 30, 2022.

12 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY, GOODWILL AND INTANGIBLE ASSETS

	Property, plant and equipment <i>RMB'000</i>	Investment property <i>RMB'000</i>	Goodwill <i>RMB'000</i>	Intangible assets <i>RMB'000</i>
At March 31, 2022				
Cost	318,974	23,240	3,607,047	223,936
Accumulated depreciation/amortization and impairment	(295,622)	(1,840)	(55,931)	(110,260)
Net book amount	23,352	21,400	3,551,116	113,676
For the six months ended September 30, 2022 (Unaudited)				
Opening net book amount as at April 1, 2022	23,352	21,400	3,551,116	113,676
Additions	4,806	–	–	166
Depreciation/amortization charge	(5,722)	(581)	–	(7,094)
Disposals	(16)	–	–	–
Closing net book amount as at September 30, 2022	22,420	20,819	3,551,116	106,748
At September 30, 2022				
Cost	321,887	23,240	3,607,047	224,102
Accumulated depreciation/amortization and impairment	(299,467)	(2,421)	(55,931)	(117,354)
Net book amount	22,420	20,819	3,551,116	106,748

As at September 30, 2022, the Group does not have any material capital commitment (March 31, 2022: nil).

13 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	As at September 30, 2022			As at March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Audited) RMB'000	(Audited) RMB'000	(Audited) RMB'000
Trade receivables (Note)						
– Related parties (Note 18(b))	1,053,847	–	1,053,847	1,170,109	–	1,170,109
– Third parties	933,408	–	933,408	652,250	–	652,250
Less: allowance for impairment of trade receivables	(146,317)	–	(146,317)	(147,621)	–	(147,621)
Trade receivables – net	<u>1,840,938</u>	<u>–</u>	<u>1,840,938</u>	<u>1,674,738</u>	<u>–</u>	<u>1,674,738</u>
Prepaid film deposits	–	48,500	48,500	10,000	38,500	48,500
Other prepayments	70,222	–	70,222	83,922	–	83,922
Other receivables arising from:						
– Receivables from related parties (Note 18(b))	75,253	–	75,253	63,383	–	63,383
– Loan receivables	148,125	700,000	848,125	126,769	700,000	826,769
– Receivables in relation to other film and TV investments	383,622	–	383,622	368,865	–	368,865
– Deductible VAT input	122,872	–	122,872	98,126	–	98,126
– Receivables in respect of reimbursement of distribution expenses	80,634	–	80,634	213,919	–	213,919
– Refund receivable in relation to the restructuring of an associate	38,883	–	38,883	38,883	–	38,883
– Interest income receivables	19,185	–	19,185	80,328	–	80,328
– Deposits receivables	13,800	–	13,800	17,436	–	17,436
– Others	107,948	21,356	129,304	111,720	20,489	132,209
Less: allowance for impairment of other receivables and prepayments	(265,245)	(160,000)	(425,245)	(341,744)	(160,000)	(501,744)
Other receivables and prepayments – net	<u>795,299</u>	<u>609,856</u>	<u>1,405,155</u>	<u>871,607</u>	<u>598,989</u>	<u>1,470,596</u>
Total trade and other receivables, and prepayments	<u>2,636,237</u>	<u>609,856</u>	<u>3,246,093</u>	<u>2,546,345</u>	<u>598,989</u>	<u>3,145,334</u>

The fair values of the current portion of trade and other receivables approximate their carrying value.

13 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS (Continued)

Note:

The normal credit period granted to the debtors of the Group is generally within 1 year. Before accepting any new debtor, the Group assesses the potential debtor's credit quality and defines credit limits by debtor. Credit limits granted to debtors are reviewed regularly.

The following is an aging analysis of trade receivables based on recognition date:

	As at September 30, 2022 (Unaudited) RMB'000	As at March 31, 2022 (Audited) RMB'000
0 – 90 days	924,715	891,276
91 – 180 days	58,189	243,470
181 – 365 days	654,933	143,960
Over 365 days	349,418	543,653
	<u>1,987,255</u>	<u>1,822,359</u>

14 SHARE CAPITAL

Ordinary shares of HK\$0.25 each, issued and fully paid:

	Number of shares	Share capital HK\$'000	Equivalent to RMB'000
At April 1 and September 30, 2022	<u>26,975,740,156</u>	<u>6,743,935</u>	<u>5,452,976</u>
At April 1, 2021	26,834,946,210	6,708,737	5,424,523
Exercise of share options under share option scheme	<u>1,840,200</u>	<u>460</u>	<u>382</u>
At September 30, 2021 (Unaudited)	<u>26,836,786,410</u>	<u>6,709,197</u>	<u>5,424,905</u>

15 SHARE-BASED PAYMENT

During the six months ended September 30, 2022 and 2021, share-based payment expenses recognized in the interim condensed consolidated statement of profit or loss include:

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Share-based payment under the Share Option Scheme (Note a)	18,111	13,329
Share-based payment under the Share Award Scheme (Note b)	74,054	64,184
Share-based payment transactions with ultimate parent (Note c)	34,372	—
	126,537	77,513

(a) The Share Option Scheme

The 2012 Share Option Scheme is adopted by the Company pursuant to a resolution passed by the Company's shareholders on June 11, 2012 for the primary purpose of providing incentives or rewards to any director, employee and other eligible participants who may make contribution to the Group. The 2012 Share Option Scheme has been terminated, and the 2021 Share Option Scheme has been adopted, on September 6, 2021. All outstanding options granted under the 2012 Share Option Scheme remain valid upon expiry of the 2012 Share Option Scheme.

The maximum aggregate number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2012 Share Option Scheme and any other share option schemes, must not exceed 30% of the total number of shares of the Company in issue from time to time.

Where the options are forfeited prior to the vesting date due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such options are reversed on the effective date of the forfeiture. No further adjustments should be made after the vesting date, regardless of whether the options are forfeited later.

There are no options granted during the six months ended September 30, 2022.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in the interim condensed consolidated statement of profit or loss, with a corresponding adjustment to the share option reserve.

15 SHARE-BASED PAYMENT (Continued)**(a) The Share Option Scheme** (Continued)

Movements of the share options granted by the Company pursuant to the Share Option Scheme are as below:

	For the six months ended September 30, 2022 (Unaudited)		For the six months ended September 30, 2021 (Unaudited)	
	Weighted average exercise price in HK\$ per share option	Number of share options	Weighted average exercise price in HK\$ per share option	Number of share options
Opening balance	1.220	239,785,600	1.236	261,538,100
Granted	–	–	1.066	16,725,000
Exercised	–	–	1.022	(1,840,200)
Lapsed	1.246	<u>(5,395,000)</u>	1.309	<u>(17,428,300)</u>
Closing balance	1.219	<u>234,390,600</u>	1.222	<u>258,994,600</u>

Note:

For the six months ended September 30, 2022, value of employee services provided under the Share Option Scheme recognized in the interim condensed consolidated statement of profit or loss was RMB18,111,000 (the six months ended September 30, 2021: RMB13,329,000).

15 SHARE-BASED PAYMENT *(Continued)*

(b) Share Award Scheme

On December 30, 2016 (“Adoption Date”), the Company adopted the Share Award Scheme as approved by the board of directors of the Company. The purpose of the Share Award Scheme is to (a) recognize the contributions by certain persons, including employees of the Group, any company in which a group company may have direct or indirect investment in 20% or more of its voting powers and Alibaba Holding (including its subsidiaries) to provide incentives thereto to retain them for the continual operation and development of the Group and (b) attract suitable personnel for further development of the Group.

The Group has established a trust (“Share Award Trust”) to hold and administer the Company’s shares before they are vested and transferred to selected grantees. Upon granting of shares to selected grantees, the awarded shares are either subscribed by the allotment and issuance of new shares of the Company or purchased from the open market by the Share Award Trust (with funds provided by the Company by way of settlement or otherwise contributed by the Company).

Subject to any early termination determined by the board of directors of the Company, the Share Award Scheme shall be valid and effective for a term commencing on the Adoption Date and ending on the first to happen of the following, namely:

- (a) the 15th anniversary date of the Adoption Date;
- (b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or
- (c) the date as may be informed by the Company that the Share Award Scheme shall be terminated.

Where shares are forfeited prior to the vesting date due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed on the effective date of the forfeiture. No further adjustments should be made after the vesting date, regardless of whether the shares are forfeited later.

15 SHARE-BASED PAYMENT (Continued)**(b) Share Award Scheme (Continued)**

As at September 30, 2022, the remaining life of the Share Award Scheme is approximately 9.5 years.

The board of directors of the Company shall not make any further award which will result in the aggregate number of shares awarded by the board of directors of the Company or held by the Share Award Trust under the Share Award Scheme to be in excess of 2% of the issued share capital of the Company from time to time. The maximum number of shares (including both vested and non-vested shares) which may be awarded to a selected grantee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

The Share Award Trust shall not exercise the voting rights in respect of any shares held by it under the Share Award Scheme. Dividends declared for any shares held by the Share Award Trust shall become part of the trust fund for future purchase of shares.

Movements of the awarded shares granted by the Company pursuant to the Share Award Scheme are as below:

	For the six months ended September 30, 2022 (Unaudited)		For the six months ended September 30, 2021 (Unaudited)	
	Weighted average fair value in HK\$ (per share)	Number of awarded shares	Weighted average fair value in HK\$ (per share)	Number of awarded shares
Opening balance	1.207	305,075,251	1.319	292,369,426
Granted	0.715	156,142,954	1.024	173,223,746
Vested	1.185	(83,342,619)	1.257	(70,127,675)
Lapsed	1.015	(22,599,662)	1.189	(40,157,626)
Closing balance	1.008	355,275,924	1.202	355,307,871

Note:

The fair value of awarded shares charged to the interim condensed consolidated statement of profit or loss is RMB74,054,000 during the six months ended September 30, 2022 (the six months ended September 30, 2021: RMB64,184,000).

15 SHARE-BASED PAYMENT (Continued)

(c) Share-based payment transactions with ultimate parent

On September 29, 2022, the Company and Alibaba Holding entered into a framework agreement relating to equity-based compensation (“EBC”) cost allocation and reimbursement (the “Framework Agreement”). As each of Alibaba Holding and the Company is committed to allow internal transfers between the Group and Alibaba Holding, its subsidiaries and affiliates (other than the Group) (the “Alibaba Holding Entities”, each an “Alibaba Holding Entity”) when equity-based awards are vital to attract, incentivize and retain employees, each of them agreed to enter into the Framework Agreement, allowing the grantees to retain their awards after the internal transfers and allocating their EBC costs to the relevant entity to which such grantee has joined.

In respect of the restricted share units, options or any other equity incentive awards of Alibaba Holding Entities pursuant to their respective equity incentive plans and/or any other EBC plans (the “Alibaba Holding Group Awards”) held by any grantees (whose employment is transferred from an Alibaba Holding Entity to a Group Entity), Alibaba Holding may allocate the EBC costs associated with those unvested Alibaba Holding Group Awards to the Company and subject to relevant adjustments upon vesting, the Company may reimburse Alibaba Holding the amount in respect of the relevant vested Alibaba Holding Group Awards. The cost allocation from Alibaba Holding to the Company was treated as share-based payment transactions with Alibaba Holding and the related share-based payment expenses were to be recognized in profit or loss over the remaining vesting periods of the share-based compensation in accordance with ‘HKFRS 2 – Share-based payment’. The Company recognized share-based payment expenses of RMB34,372,000 for Alibaba Holding Group Awards for the six months ended September 30, 2022, with a net amount of RMB2,508,000 to be reimbursed by the Company to Alibaba Holding as at September 30, 2022, after offsetting any payment payable to each other pursuant to the Framework Agreement.

In respect of the awarded shares, options or any other equity incentive awards of the Group pursuant to its share award scheme(s), share option scheme(s) and any other EBC plans (the “Group Awards”) held by any grantees (whose employment is transferred from a Group Entity to an Alibaba Holding Entity), the Company may allocate the EBC costs associated with those unvested Group Awards to Alibaba Holding and subject to relevant adjustments upon vesting, Alibaba Holding may reimburse the Company the amount in respect of the relevant vested Group Awards. During the six months ended September 30, 2022, the related share-based compensation recognized in relation to the cost allocation above and the corresponding amount derecognized in other reserve amounted to RMB5,016,000.

16 TRADE AND OTHER PAYABLES, AND ACCRUED CHARGES

	As at September 30, 2022 (Unaudited) RMB'000	As at March 31, 2022 (Audited) RMB'000
Trade payables (Note)		
– Related parties (Note 18(c))	107,403	77,075
– Third parties	343,864	311,837
	<u>451,267</u>	<u>388,912</u>
Other payables and accrued charges		
Amounts due to related parties (Note 18(c))	77,098	63,754
Payables in relation to distribution of films	397,118	250,654
Payroll and welfare payable	100,289	102,885
Other tax payable	72,157	58,783
Accrued marketing expense	71,722	107,133
Amounts received on behalf of cinema ticketing system providers	46,276	53,176
Professional fees payable	12,609	21,922
Deposits from customers	8,881	9,104
Amounts received on behalf of cinemas	1,238	1,161
Consideration payable for acquisition of a subsidiary	–	3,000
Others	65,051	59,437
	<u>852,439</u>	<u>731,009</u>
Total trade and other payables, and accrued charges	<u>1,303,706</u>	<u>1,119,921</u>

The carrying amounts of trade and other payables are considered to approximate their fair values, due to their short-term nature or interest-bearing nature.

Note:

The aging analysis of the trade payables based on invoice date is as follows:

	As at September 30, 2022 (Unaudited) RMB'000	As at March 31, 2022 (Audited) RMB'000
0 – 90 days	256,686	278,179
91 – 180 days	79,158	71,373
181 – 365 days	98,078	27,716
Over 365 days	17,345	11,644
	<u>451,267</u>	<u>388,912</u>

17 DIVIDENDS

The board of directors of the Company has resolved not to declare an interim dividend for the six months ended September 30, 2022 (the six months ended September 30, 2021: nil).

18 RELATED PARTY TRANSACTIONS

As at September 30, 2022, the Company is 50.0007% owned by Ali CV. The remaining 49.9993% of the Company's shares are widely held. The ultimate parent of the Company is Alibaba Holding, a company whose shares are listed on New York Stock Exchange and Hong Kong Stock Exchange and incorporated in Cayman Islands.

Save as disclosed elsewhere in this condensed consolidated interim financial information, the following transactions are carried out with related parties:

(a) Transactions with related parties

	For the six months ended	
	September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Sales of film and TV copyrights to Alibaba Holding's subsidiaries	420,538	109,002
Provision of services to Alibaba Holding's subsidiaries	268,446	122,284
Purchase of services from Alibaba Holding's subsidiaries	71,237	65,431
Share-based compensation expenses attributable to the Alibaba Holding Group Awards	34,372	–
Purchase of services from related companies of Alibaba Holding	15,143	15,418
Cost allocation of the Group Awards to Alibaba Holding	5,016	–
Provision of services to an associate	2,156	2,260
Provision of services to related companies of Alibaba Holding	1,628	–
Sales of film and TV copyrights to an associate	–	3,000

In the opinion of the Company's directors, the above related party transactions are carried out in the ordinary course of business and in accordance with the terms of the underlying agreements.

18 RELATED PARTY TRANSACTIONS (Continued)**(b) Balances due from related parties**

	As at September 30, 2022 (Unaudited) RMB'000	As at March 31, 2022 (Audited) RMB'000
Trade receivables		
Amounts due from Alibaba Holding's subsidiaries	743,087	849,899
Amounts due from associates	308,186	317,888
Amounts due from related companies of Alibaba Holding	2,574	2,322
Other receivables		
Amounts due from associates and joint venture	63,000	60,591
Amounts due from Alibaba Holding's subsidiaries	12,135	2,674
Amounts due from related companies of Alibaba Holding	118	118

Amounts due from related parties are unsecured, non-interest bearing and due in accordance with the terms of the underlying agreements.

As at September 30, 2022, the Group has placed deposits amounted to RMB224,388,000 (March 31, 2022: RMB226,122,000) in the Group's settlement accounts maintained with Alipay.com Co., Ltd (a related company of Alibaba Holding), which had been recorded as 'cash and cash equivalents' in the consolidated balance sheet.

18 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances due to related parties

	As at September 30, 2022 (Unaudited) RMB'000	As at March 31, 2022 (Audited) RMB'000
Trade payables		
Amounts due to a related company of Alibaba Holding	63,017	60,169
Amounts due to associates	25,425	3,416
Amounts due to Alibaba Holding's subsidiaries	18,961	13,490
Other payables		
Amounts due to Alibaba Holding's subsidiaries	61,233	57,918
Amounts due to associates	15,688	4,126
Amounts due to related companies of Alibaba Holding	177	1,710

Amounts due to related parties are unsecured, non-interest bearing and due in accordance with the terms of the underlying agreements.

(d) Key management compensation

The compensation paid or payable to key management for employee services is shown below:

	For the six months ended September 30, 2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Salaries, allowances and other benefits	1,142	5,262
Share-based payments	7,903	8,951
	9,045	14,213