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Alibaba Pictures Group Limited 阿里巴巴影业集团有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1060)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

The board (the “Board”) of directors (the “Directors”) of Alibaba Pictures Group Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce the unaudited interim results of the Group for the six months ended September 30, 2023 (the “Reporting Period”) together with the unaudited comparative figures for the six months ended September 30, 2022 (the “Corresponding Period”).

FINANCIAL HIGHLIGHTS

	For the six months ended		Change %
	2023	2022	
	<i>RMB'000</i>	<i>RMB'000</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
Revenue	2,615,532	1,828,686	43
Profit/(loss) attributable to owners of the Company	463,788	(22,319)	N/A
Adjusted EBITA	461,286	149,372	209

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW AND MATERIAL ACQUISITIONS

Given a rapid recovery of the entertainment consumer market and vibrant development of the offline entertainment industry during the Reporting Period, the total box office revenue in Mainland China was RMB29.7 billion, representing a year-over-year increase by 154% (or approximately RMB18.0 billion). The total box office revenue in Mainland China during the 2023 summer movie season reached RMB20.6 billion, an all-time high in the summer season. The Group continued to maintain the strengths of its online platform business and curate positive cultural content for the industry under the empowerment of innovative technology. Meanwhile, it proactively optimized its business management strategy and achieved business breakthrough and growth.

On September 19, 2023, the Group announced its plan to acquire from Alibaba Investment Limited, a direct wholly-owned subsidiary of Alibaba Group Holding Limited (the “Seller”) the performance business of Damai (“Damai”), at an aggregate consideration of USD167 million and shall be satisfied by the Company by allotting and issuing to the Seller 2,513,028,847 shares of the Company as consideration (the “Consideration Shares”) at an issue price of HK\$0.52 per Consideration Share at completion of the acquisition pursuant to the share purchase agreement dated September 19, 2023 entered into between the Company and the Seller (the “Acquisition”). The Acquisition is expected to complete in the fourth quarter of 2023, by which time the shareholding of Alibaba Group Holding Limited and its subsidiaries (“Alibaba Group”) in the Company will rise to 54.26%.

Engaged in the full life cycle of live performances from the ticketing of performances, on-site services, ticketing issuance system and venue operations to the organization, investment, production and promotion of the performance content, the Damai business covers, among others, concerts, musical festivals, Livehouse, plays, sports events and exhibitions. With more than 100 million registered users, the Damai business has served in aggregate over 1.8 million events.

Benefiting from signs of recovery in the offline entertainment industry, the box office for performances and events increased by 454% year-over-year in the first three quarters of 2023 while the gross merchandise value (GMV) of the Damai business during the Reporting Period registered a year-over-year growth of over 500% according to the China Association of Performing Arts. Damai enjoyed an absolutely leading edge in respect of the ticketing business in the market, particularly so for concerts as its core business, which covered nearly 100% of top-tier concerts during the Reporting Period. Damai was the general ticketing agent for numerous top-tier concerts (such as those of Jay Chou, Mayday, JJ Lin, Jason Zhang and Joker Xue) and users’ preferred ticketing platform for performances. Meanwhile, Damai exclusively provided the 19th Hangzhou Asian Games with a technology-driven ticketing platform for offline entertainment, which was a cloud-based digital ticketing system characterized by speed and stability.

Moreover, by furthering its development in performance content, Damai successfully organized mega shows involving Han Hong, Wallace Chung, Ele Yan and other artists. It also explored content development, production and investment of performances, promoting its brand awareness in recent years with various self-produced stage plays/dramas as well as the Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節).

As of the date of this announcement, the Acquisition is still in progress, and the financial information set out herein has not included the financial information of the Damai business proposed to be acquired. If the Acquisition had occurred on April 1, 2022 or 2023, the respective unaudited combined operating results (*Note 1*) of the Group and Damai for the six months period ended September 30, 2022 and September 30, 2023 would have been as follows. During the Reporting Period, the unaudited combined EBITA grew significantly year-over-year. Such encouraging operating results were achieved due to the Group's ongoing development and forward-looking planning in film content, as well as the unprecedented boom of the offline entertainment and event businesses for performances after the pandemic.

	For the six months ended September 30,			
	Combined operating results including the Group and Damai		The Group	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3,184,914	1,748,980	2,615,532	1,828,686
Film investment, production, promotion and distribution	1,269,579	647,757	1,269,579	647,757
Film ticketing and technology platform	558,479	238,407	558,479	238,407
Damai*	727,815	106,093	–	–
Drama series production	139,207	482,768	139,207	482,768
IP merchandising and innovation initiatives	489,834	273,955	648,267	459,754
Cost of sales and services	(1,729,325)	(1,301,990)	(1,502,295)	(1,270,417)
Gross profit	<u>1,455,589</u>	<u>446,990</u>	<u>1,113,237</u>	<u>558,269</u>
Adjusted EBITA	<u>878,794</u>	<u>51,569</u>	<u>461,286</u>	<u>149,372</u>

Note 1: The unaudited combined operating results are calculated by using the unaudited operating results of Damai for the respective periods and adjusting them for the effects of the transactions entered between the Group and Damai during the respective periods.

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

	For the six months ended	
	September 30,	
	2023	2022
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Operating profit/(loss)	402,670	(60,066)
Add:		
Share-based compensation	58,289	80,256
Amortization of intangible assets arising on business combinations	6,334	6,334
Allowance for impairment, and disposals, of long- term assets	14,644	–
Profit or loss on equity investment and change in fair value, net	(20,651)	122,848
Adjusted EBITA	<u>461,286</u>	<u>149,372</u>

Film investment, production, promotion and distribution

The content investment strategy of the Group is to build up its reserve by acquiring more investments and projects involving leading promoters and distributors every year, with an aim of covering important timeslots and top-tier projects and securing basic yields. Based on guaranteed coverage and yields, the Group proactively enhances its co-production and self-production capabilities to gradually establish the brand’s presence, thereby achieving a powerful and high-yielding film investment portfolio and further increasing the Group’s profit margin in content investment business. During the Reporting Period, the Group continued to step up its investment in co-production projects, strengthen its role as the leading promoter and distributor, and reinforce its core competency in investment and distribution services. By partaking in the projects at an early stage, we participated in content production such as IP creation and casting with other presenters and finalized promotion and distribution plans at the same time, leveraging our seasoned distribution team and mature promotion and distribution system to achieve a profitable combination of film content and assets. During the Reporting Period, the Group presented and distributed a total of 37 films (including 18 films with the Group as the leading promoter and distributor and 5 films with the Group as the co-producer) accounting for nearly 60% of the total box office. Seven of them ranked among the top 10 films released during the same period in terms of box office and achieved a higher return on investment compared with the industry peers. “*Lost in the stars* (消失的她)”, a co-production for which the Group played a leading role in marketing and distribution, recorded box office revenue of over RMB3.5 billion,

and secured the first and second place, respectively, in terms of the box office during the Dragon Boat Festival movie season and the summer movie season in 2023. “*No More Bets* (孤注一擲)”, of which the Group was a co-producer, recorded box office revenue of over RMB3.8 billion, and topped the box office chart during the summer movie season in 2023. In addition, a number of widely-acclaimed films, including “*Born to Fly* (長空之王)” and “*Chang’an* (長安三萬里)”, for both of which the Group played a leading role in marketing and distribution while acting as a co-producer for the former and one of the main producers for the latter, delivered satisfactory box office results during the Labor Day and summer movie seasons.

To further improve its capabilities to produce and develop film content and fully develop its IPs, the Group initiated collaborations with external studios, aimed at increasing its production of high-quality film content for the industry. Additionally, the Group launched the “*HINA International Young Director Program* (海納國際青年導演發展計劃)”, through which it has invited Mr. Zhang Yimou, Mr. Huang Jianxin and Mr. Bill Kong as main instructors, and recruited 20 outstanding directors to nurture youth directors and promote collaboration on film and television projects. The Group has a rich content reserve, which contains a number of high-quality films such as “*I Did It My Way* (潛行)”, “*Endless Journey* (三大隊)”, “*The Longest Day* (消防員)”, “*Welcome to My Side* (歡迎來到我身邊)”, “*The Trier of Fact* (守關者)”, “*Hengyang 1944* (援軍明日到達)” and “*Romance of the Butterfly Lovers* (梁祝綺緣)”. These films have either been scheduled for release (subject to market conditions) or are in the process of being scheduled.

During the Reporting Period, the Group’s film investment, production, promotion and distribution segment recorded revenue of approximately RMB1,270 million, an increase of around 96% compared with approximately RMB648 million for the Corresponding Period.

Film ticketing and technology platform

The film ticketing and technology platform, being Tao Piao Piao, Yunzhi and digitalization business, are an integral part of the Group’s film business and the infrastructure of the film industry. As the film ticketing platform for cinema-goers well-received by the market and the industry-leading ticket-issuing system platform for cinemas respectively, Tao Piao Piao and Yunzhi, which charged cinema-goers and cinemas service fees for the provision of online systems and services that allowed users to purchase tickets and cinemas to issue tickets, were the product combination that generated the highest gross margin for the Group. “*Beacon AI* (燈塔AI)”, a data product based on large AI models designed to provide intelligent promotion and distribution services for the entertainment industry, was launched to explore revolutionary AI interactive application scenarios by providing information and tools for public opinion analysis, smart enquiry, box office prediction, AI materials, etc. to customers and users in the film and television industry.

During the Reporting Period, Tao Piao Piao and the Damai business joined hands in further enhancing the “Taomai VIP” membership system, through which members can enjoy better consumer experience and ticketing privileges ranging from early online purchase for blockbusters and promotional offers to offline fast pass and access to star-studded events. Up to the date of this announcement, the Group has also entered into cooperation agreements with cinemas in Macau, China, as part of Yunzhi’s proactive drive to expand its overseas presence, which has laid the foundation for subsequent market development in other countries and regions. During the Reporting Period, Tao Piao Piao maintained its market share, while Yunzhi continued to rank first in terms of the number of ticket-issuing cinemas and tickets issued.

During the Reporting Period, the film ticketing and technology platform segment recorded revenue of approximately RMB558 million, an increase of around 134% compared with approximately RMB238 million for the Corresponding Period.

Drama series production

During the Reporting Period, the Group’s drama studios strived to build up premium-quality content and continued to create works well-received by the Chinese market. The Group will continue to invest in high-quality content that enhances consumer engagement and create timeless, touching and popular works, with plans to release its self-produced drama series, such as heroine-focused period drama series “*The Story of Hua Zhi* (惜花芷)”, urban-themed romance drama series “*Endless Love* (亦舞之城)”, medical-themed drama series “*Surgery Live Room* (手術直播間)”, motivational drama series “*Pegasus* (飛馳人生)” and inspirational science fiction drama series “*Derailment* (脱軌)”.

As a result of the drama release schedule, the Group’s drama series production segment recorded revenue of approximately RMB139 million for the Reporting Period, a decrease of around 71% compared with approximately RMB483 million for the Corresponding Period.

IP merchandising and innovative initiatives

As core operations, both IP merchandising and innovative initiatives (such as AIGC) help the Group expand its presence in the entertainment industry, with the former being mainly focused on the sub-licensing of IPs and creation of pop toys.

In recent years, the Group has been continuously investing in IP licensing. Through its production of film and drama content and the discovery of high-quality IPs, the Group has managed to build up an enormous and rich IP matrix, including Sanrio, Pokémon, Kakao, Universal Studios and Saint Seiya. During the Reporting Period, the Group's revenue from the sub-licensing business grew significantly by 104% year-over-year. The compound growth rate of the revenue from the sub-licensing business reached 49% over the past five years, showcasing a resilient performance in business growth. Not only has the Group provided more high-quality IP-licensed products and enriched entertainment experience for consumers, it has also achieved a win-win situation with its business partners.

Leveraging its rich IP matrix, direct and distribution channels, the Group has established a pop toy brand “KOITAKE”, which combines its proprietary IPs, namely “AZZO”, “Moon White (月白)” and “Jelly – Comedian (果凍-喜劇人)”, with a number of movies, drama series and variety shows to create a host of distinctive pop toys. During the Reporting Period, the Group created pop toys based on “Lost in the Stars (消失的她)” and “One and Only (熱烈)” (the Group's summer films), “Till The End of The Moon (長月燼明)” and “The Legend of Anle (安樂傳)” (exclusive drama series on Youku), “Mysterious Lotus Casebook (蓮花樓)” (an exclusive drama series on iQIYI), “The Longest Promise (玉骨遙)” (an exclusive drama series on Tencent Video) and “Empresses in the Palace (甄嬛傳)” (a classic Chinese drama series).

With a comprehensive application of AIGC by the digitalization business, the extensive use of AI has significantly improved the efficiency in producing posters and contents for film and drama promotion and distribution. Aimed at exploring additional opportunities for business digitalization, the Group has also introduced Leah (厘里), its first super-realistic virtual idol and digital human who collaborated with a variety of brands like Tmall, Huawei and Maogeping via endorsement, livestreaming, digital collectibles and other forms during the Reporting Period. Apart from being the brand spokesperson of “Taomai VIP”, Leah also debuted in “I Am Nobody (異人之下)”, an exclusive drama series on Youku. As the first digital actress participating in a live-action series, Leah has paved the way for a new sales model that integrates digital human into films and drama series. Digital human is also part of the Group's future plan for smart digital technology development.

During the Reporting Period, the Group's IP merchandising and innovative initiatives segment registered revenue of approximately RMB648 million, an increase of around 41% compared with approximately RMB460 million in the Corresponding Period.

PROSPECTS

As the entertainment industry maintains momentum in recovery and the market landscape remains complex and ever-changing, the Group will pursue its business growth by carrying on with its investment in high-quality content, innovations, customer value, as well as the development in AIGC and other digital initiatives.

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 films, drama series and live performances, with a view to delivering high-quality content to the market steadily;
2. expand the scope of its technology platform services and explore multiple business models, including AIGC; and
3. strengthen benefits of scale and barriers to entry by expanding the presence of Damai along the value chain of the live entertainment industry.

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, the Group recorded revenue of approximately RMB2,616 million, representing an increase of 43% year-over-year. The adjusted EBITA for the Reporting Period reached approximately RMB461 million, an increase of 209% year-over-year. Thanks to a flourishing business development and a diversified business structure, net profit attributable to owners of the Company recorded a significant turnaround from a net loss attributable to the owners of the Company of approximately RMB22 million for the Corresponding Period to a profit of approximately RMB464 million for the Reporting Period.

Earnings per share of the Group increased from basic and diluted loss per share of RMB0.08 cents for the Corresponding Period to basic earnings per share of RMB1.74 cents and diluted earnings per share of RMB1.73 cents for the Reporting Period.

Selling, Marketing and Administrative Expenses

During the Reporting Period, selling and marketing expenses of the Group amounted to approximately RMB377 million, representing a year-over-year increase of approximately RMB246 million when compared with approximately RMB131 million for the Corresponding Period. The proportion of selling and marketing expenses in revenue increased from 7% for the Corresponding Period to 14%, which was primarily due to the increase in marketing expenses of business operations brought by the recovery in the entertainment industry.

During the Reporting Period, administrative expenses of the Group decreased to approximately RMB391 million from approximately RMB426 million for the Corresponding Period, representing a year-over-year reduction of approximately RMB35 million, which was primarily due to the improvement in operational efficiency and reduction in costs.

Net Finance Income

During the Reporting Period, the Group recorded net finance income of approximately RMB74 million, which included interest income on bank deposits and gains on foreign exchange. As the Group's cash reserves are held in multiple currencies, the exchange gain resulted mainly from the depreciation of RMB against U.S. dollar ("USD") during the Reporting Period.

Material Investments

As of September 30, 2023, 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 RMB1,711 million; the Group also held 10 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 RMB780 million.

The Group's three largest investments were Bona Film Group Co., Limited, 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 the film production and distribution business, artist management and other pan-entertainment businesses.

As at September 30, 2023, there is no investment held by the Group with a value of 5% or more of the total assets of the Group.

The Group adopted a conservative investment strategy to manage its investment portfolio during the Reporting Period. Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets as of September 30, 2023.

Financial Resources and Liquidity

As of September 30, 2023, the Group held cash and cash equivalents and bank deposits with the maturity within one year of approximately RMB5,094 million (March 31, 2023: approximately RMB3,922 million), which were denominated in RMB, USD and Hong Kong dollar. As of September 30, 2023, the Group had a net cash position with a gearing ratio (being net borrowings over total equity) of nil (March 31, 2023: 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. Further, the Group may purchase wealth management products, where appropriate, in line with its treasury and investment policies, after taking into account, among other things, level of risk, return on investment, liquidity and term of maturity.

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, 2023, 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, 2023, the Group did not have any indebtedness secured by assets (March 31, 2023: nil).

Contingent Liabilities

As of September 30, 2023, the Group did not have any material contingent liabilities (March 31, 2023: nil).

Material Acquisitions and Disposals

Save for the Acquisition as disclosed in the section headed “MANAGEMENT DISCUSSION AND ANALYSIS – INDUSTRY OVERVIEW AND MATERIAL ACQUISITIONS” of this announcement, during the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Employees and Remuneration Policies

As of September 30, 2023, the Group had 1,505 employees (September 30, 2022: 1,444 employees). The total employee benefit expenses of the Group were approximately RMB398 million for the Reporting Period (September 30, 2022: RMB467 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. The Group strongly believes that our staff is an invaluable asset to the Group and is significant to the Group’s business. Therefore, the Group recognizes the importance of maintaining a good relationship with employees. In addition to salary, the Group also provides our employees with fringe benefits, including year-end bonuses, discretionary bonuses, share options under the Company’s share option schemes, awarded Shares under the Company’s share award scheme, contributory provident fund, social security fund, medical benefits and training.

Subsequent Events

Save for the completion of the Acquisition which will be taken place in the fourth quarter of 2023, there are no important events affecting the Group which have occurred since September 30, 2023 and up to the date of this announcement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended	
		September 30,	
		2023	2022
		(Unaudited)	(Unaudited)
<i>Note</i>		RMB'000	RMB'000
	Revenue	2,615,532	1,828,686
	Cost of sales and services	<u>(1,502,295)</u>	<u>(1,270,417)</u>
	Gross profit	1,113,237	558,269
	Selling and marketing expenses	(377,498)	(131,172)
	Administrative expenses	(390,597)	(426,285)
	Impairment losses on financial assets, net	(23,685)	(11,440)
	Other income	29,091	30,045
	Other gains/(losses), net	<u>52,122</u>	<u>(79,483)</u>
	Operating profit/(loss)	402,670	(60,066)
	Finance income	76,937	53,464
	Finance expenses	(2,537)	(4,257)
	Finance income, net	<u>74,400</u>	<u>49,207</u>
	Share of losses of investments accounted for using the equity method	(54,122)	(2,306)
	Impairment of investments accounted for using the equity method	<u>(96,911)</u>	<u>—</u>
	Profit/(loss) before income tax	326,037	(13,165)
	Income tax credit/(expense)	147,353	(6,898)
	Profit/(loss) for the period	<u>473,390</u>	<u>(20,063)</u>
	Attributable to:		
	Owners of the Company	463,788	(22,319)
	Non-controlling interests	<u>9,602</u>	<u>2,256</u>
	Earnings/(loss) per share attributable to owners of the Company for the period <i>(expressed in RMB cents per share)</i>		
	– Basic	1.74	(0.08)
	– Diluted	<u>1.73</u>	<u>(0.08)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended	
		September 30,	
		2023	2022
		(Unaudited)	(Unaudited)
<i>Note</i>		RMB'000	RMB'000
	Profit/(loss) for the period	473,390	(20,063)
	Other comprehensive income:		
	<i>Items that may be reclassified to profit or loss</i>		
	Share of other comprehensive loss of an associate	9 (2,569)	(6,802)
	Currency translation differences attributable to owners of the Company	130,828	251,433
	<i>Items that may not be reclassified to profit or loss</i>		
	Currency translation differences attributable to non-controlling interests	<u>1,642</u>	<u>2,579</u>
	Other comprehensive income for the period, net of tax	<u>129,901</u>	<u>247,210</u>
	Total comprehensive income for the period	<u><u>603,291</u></u>	<u><u>227,147</u></u>
	Attributable to:		
	Owners of the Company	592,047	222,312
	Non-controlling interests	<u>11,244</u>	<u>4,835</u>
	Total comprehensive income for the period	<u><u>603,291</u></u>	<u><u>227,147</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at September 30, 2023 (Unaudited) <i>RMB'000</i>	As at March 31, 2023 (Audited) <i>RMB'000</i>
	<i>Note</i>		
Assets			
Non-current assets			
Property, plant and equipment		14,951	17,517
Investment property		19,657	20,238
Goodwill		3,551,116	3,551,116
Intangible assets		94,544	99,750
Right-of-use assets		56,936	115,509
Deferred income tax assets		131,603	14,003
Investments accounted for using the equity method	9	1,710,656	1,827,249
Film and TV rights and investments		1,822	141,375
Bank deposits with the maturity over one year		305,913	300,880
Financial assets at fair value through profit or loss		779,659	760,321
Trade and other receivables, and prepayments	10	393,253	222,111
		7,060,110	7,070,069
Current assets			
Inventory		37,194	38,744
Film and TV rights and investments		1,828,312	1,834,661
Trade and other receivables, and prepayments	10	3,634,609	2,706,499
Bank deposits with the maturity over three months		821,276	—
Cash and cash equivalents		4,272,927	3,919,526
Restricted cash		214	2,139
		10,594,532	8,501,569
Total assets		17,654,642	15,571,638

		As at September 30, 2023 (Unaudited) <i>RMB'000</i>	As at March 31, 2023 (Audited) <i>RMB'000</i>
	<i>Note</i>		
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		5,452,976	5,452,976
Reserves		<u>9,210,165</u>	<u>8,616,859</u>
		14,663,141	14,069,835
Non-controlling interests		<u>52,134</u>	<u>40,376</u>
Total equity		<u>14,715,275</u>	<u>14,110,211</u>
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		18,173	48,373
Lease liabilities		<u>71,786</u>	<u>118,566</u>
		<u>89,959</u>	<u>166,939</u>
Current liabilities			
Trade and other payables, and accrued charges	11	2,451,272	1,083,571
Contract liabilities		371,438	170,405
Current tax liabilities		154	261
Lease liabilities		13,494	27,201
Financial liabilities at fair value through profit or loss		<u>13,050</u>	<u>13,050</u>
		<u>2,849,408</u>	<u>1,294,488</u>
Total liabilities		<u>2,939,367</u>	<u>1,461,427</u>
Total equity and liabilities		<u>17,654,642</u>	<u>15,571,638</u>

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, 2023, 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, 2023 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, 2023, 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, 2023, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

(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, 2023 and not been early adopted by the Group. These new standards and amendments 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, 2024
Amendments to HKAS 1	Non-current liabilities with covenants	January 1, 2024
Amendments to HKFRS 16	Lease liability in sale and leaseback	January 1, 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	January 1, 2024
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

3 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, 2023, the Group's operating and reportable segments are as follows:

- Film investment, production, promotion and distribution: the investment, production, promotion and distribution of film related entertainment content both domestically and internationally.
- Film ticketing and technology platform: mainly comprises Tao Piao Piao, Yunzhi and Beacon AI.
- Drama series production: the production and distribution of online drama series and variety shows.
- IP merchandising and innovative initiatives: 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, 2023 (Unaudited)

	Film investment, production, promotion and distribution <i>RMB'000</i>	Film ticketing and technology platform <i>RMB'000</i>	Drama series production <i>RMB'000</i>	IP merchandising and innovation initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue					
- recognized at a point in time	744,934	499,386	139,207	440,727	1,824,254
- recognized over time	<u>524,645</u>	<u>59,093</u>	<u>-</u>	<u>205,885</u>	<u>789,623</u>
	1,269,579	558,479	139,207	646,612	2,613,877
Income from film and TV investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,655</u>	<u>1,655</u>
Total segment revenue	<u><u>1,269,579</u></u>	<u><u>558,479</u></u>	<u><u>139,207</u></u>	<u><u>648,267</u></u>	<u><u>2,615,532</u></u>

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

	Film investment, production, promotion and distribution <i>RMB'000</i>	Film ticketing and technology platform <i>RMB'000</i>	Drama series production <i>RMB'000</i>	IP merchandising and innovation initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue					
- recognized at a point in time	426,007	193,584	482,768	233,567	1,335,926
- recognized over time	<u>221,750</u>	<u>44,823</u>	<u>-</u>	<u>225,865</u>	<u>492,438</u>
	647,757	238,407	482,768	459,432	1,828,364
Income from film and TV investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>322</u>	<u>322</u>
Total segment revenue	<u><u>647,757</u></u>	<u><u>238,407</u></u>	<u><u>482,768</u></u>	<u><u>459,754</u></u>	<u><u>1,828,686</u></u>

Segment revenue and results

For the six months ended September 30, 2023 (Unaudited)

	Film investment, production, promotion and distribution <i>RMB'000</i>	Film ticketing and technology platform <i>RMB'000</i>	Drama series production <i>RMB'000</i>	IP merchandising and innovation initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>1,269,579</u>	<u>558,479</u>	<u>139,207</u>	<u>648,267</u>	<u>2,615,532</u>
Segment results	<u>365,081</u>	<u>204,991</u>	<u>1,694</u>	<u>174,626</u>	746,392
Unallocated selling and marketing expenses					(10,653)
Administrative expenses					(390,597)
Impairment losses on financial assets, net					(23,685)
Other income					29,091
Other gains, net					52,122
Finance income					76,937
Finance expenses					(2,537)
Share of losses of investments accounted for using the equity method					(54,122)
Impairment of investments accounted for using the equity method					<u>(96,911)</u>
Profit before income tax					<u><u>326,037</u></u>

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

	Film investment, production, promotion and distribution <i>RMB'000</i>	Film ticketing and technology platform <i>RMB'000</i>	Drama series production <i>RMB'000</i>	IP merchandising and innovation initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>647,757</u>	<u>238,407</u>	<u>482,768</u>	<u>459,754</u>	<u>1,828,686</u>
Segment results	<u>175,785</u>	<u>91,131</u>	<u>45,732</u>	<u>117,165</u>	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					<u>(2,306)</u>
Loss before income tax					<u><u>(13,165)</u></u>

Comparative figures have been reclassified to conform with the changes in presentation adopted for the current period.

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.

4 OTHER INCOME

	For the six months ended	
	September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Investment income on loan receivable	16,829	14,017
Local government grants	7,323	941
Additional deduction of input VAT	3,342	12,358
Sundry income	1,597	2,729
	<u>16,829</u>	<u>14,017</u>
	<u>7,323</u>	<u>941</u>
	<u>3,342</u>	<u>12,358</u>
	<u>1,597</u>	<u>2,729</u>
Total	<u>29,091</u>	<u>30,045</u>

5 OTHER GAINS/(LOSSES), NET

	For the six months ended	
	September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Change in fair value of Film and TV investments, at fair value	23,118	39,257
Change in fair value of listed investment	21,340	11,903
Net gain on disposal of film and TV investment	8,162	4,800
Change in fair value of unlisted investments	(689)	(3,818)
Net gain on disposal of property, plant and equipment	255	39
Change in fair value of investments in wealth management products	–	28
Loss on dilution of investments accounted for using the equity method	–	(130,933)
Others	(64)	(759)
	<u>23,118</u>	<u>39,257</u>
	<u>21,340</u>	<u>11,903</u>
	<u>8,162</u>	<u>4,800</u>
	<u>(689)</u>	<u>(3,818)</u>
	<u>255</u>	<u>39</u>
	<u>–</u>	<u>28</u>
	<u>–</u>	<u>(130,933)</u>
	<u>(64)</u>	<u>(759)</u>
Total	<u>52,122</u>	<u>(79,483)</u>

6 FINANCE INCOME, NET

	For the six months ended	
	September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Finance income		
– Interest income on bank deposits	71,240	47,077
– Exchange gains, net	<u>5,697</u>	<u>6,387</u>
	<u>76,937</u>	<u>53,464</u>
Finance expenses		
– Interest expenses on lease liabilities	(2,537)	(3,788)
– Interest expenses on bank borrowings	<u>–</u>	<u>(469)</u>
	<u>(2,537)</u>	<u>(4,257)</u>
Finance income, net	<u>74,400</u>	<u>49,207</u>

7 INCOME TAX CREDIT/(EXPENSE)

	For the six months ended	
	September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax	(447)	(871)
Deferred income tax	<u>147,800</u>	<u>(6,027)</u>
	<u>147,353</u>	<u>(6,898)</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.

Provision for the PRC enterprise income tax is calculated based on the statutory tax rate of 25% (the six months ended September 30, 2022: 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, 2022: 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, 2022: 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.

The deferred income tax includes an amount of RMB121,500,000 which relates to carried-forward tax losses of the Group. The Group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the budgets for one subsidiary. The recoverability of deferred tax assets is assessed by the Group based on certain assumptions related to tax planning opportunities and the timing (by year) of future reversal of the deductible temporary differences.

8 EARNINGS/(LOSS) PER SHARE

	For the six months ended	
	September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB cents	RMB cents
Basic earnings/(loss) per share	1.74	(0.08)
Diluted earnings/(loss) per share	1.73	(0.08)

(a) Basic

Basic earnings or loss per share is calculated by dividing the profit or 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,	
	2023	2022
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company (RMB'000)	463,788	(22,319)
Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)	26,718,257	26,757,790

(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, 2023 and 2022, which are share options and unvested awarded shares.

For the six months ended September 30, 2023, diluted earnings per share is calculated based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares outstanding after adjustment only for unvested awarded shares granted to employees while share options granted to employees had anti-dilutive effect.

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

	For the six months ended	
	September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company (RMB'000)	463,788	(22,319)
Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)	26,718,257	26,757,790
Adjustments for share options and unvested awarded shares:		
– Unvested awarded shares assumed vested (thousands)	24,466	–
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousands)	26,742,723	26,757,790
Diluted earnings/(loss) per share (RMB cents)	1.73	(0.08)

9 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,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Beginning of the period	1,827,249	1,723,173
Additions	–	1,375
Share of losses of investments (<i>Note a</i>)	(54,122)	(2,306)
Loss on dilution of interest in an associate	–	(130,933)
Share of other comprehensive loss of an associate	(2,569)	(6,802)
Share of changes of other reserves of an associate	(471)	1,472
Impairment (<i>Note b</i>)	(96,911)	–
Currency translation differences	37,480	34,018
	<u>1,710,656</u>	<u>1,619,997</u>
End of the period	<u>1,710,656</u>	<u>1,619,997</u>

Notes:

- (a) 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, 2023 and 2022 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, 2023 and 2022. While Bona Film Group Co., Limited could provide its financial statements as at September 30, 2023 before the results announcement of the Group, the Group records its share of profit or loss based on its financial statements as at and for the period ended September 30, 2023.

- (b) The Group determines whether interests in investments accounted for using the equity method are impaired by regularly reviewing whether there is any indication of impairment in accordance with relevant accounting standards.

When impairment indicators of the investments accounted for using the equity method were identified, management determines the recoverable amounts, which was the higher of its fair value less costs of disposals and its value in use. When value in use calculations were undertaken, management estimates the present value of estimated future cash flows expected to arise from their businesses.

Based on the assessment results, the Group recognized an impairment loss of RMB96,911,000 (the six months ended September 30, 2022: nil) for the investments accounted for using the equity method of the Group for the period ended September 30, 2023.

10 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	As at September 30, 2023			As at March 31, 2023		
	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 (<i>Note</i>)						
– Related parties	813,936	–	813,936	942,431	–	942,431
– Third parties	1,465,235	–	1,465,235	627,036	–	627,036
Less: allowance for impairment of trade receivables	<u>(123,437)</u>	<u>–</u>	<u>(123,437)</u>	<u>(115,211)</u>	<u>–</u>	<u>(115,211)</u>
Trade receivables – net	<u>2,155,734</u>	<u>–</u>	<u>2,155,734</u>	<u>1,454,256</u>	<u>–</u>	<u>1,454,256</u>
Prepaid film deposits	12,500	37,296	49,796	–	49,796	49,796
Other prepayments	96,104	–	96,104	73,551	–	73,551
Other receivables arising from:						
– Receivables from related parties	55,453	–	55,453	61,549	–	61,549
– Loan receivables	778,494	332,505	1,110,999	768,319	147,960	916,279
– Receivables in respect of reimbursement of distribution expenses	366,568	–	366,568	155,206	–	155,206
– Receivables in relation to other film and TV investments	323,641	–	323,641	344,420	–	344,420
– Deductible VAT input	144,558	–	144,558	138,466	–	138,466
– Interest income receivables	44,835	–	44,835	31,975	–	31,975
– Deposits receivables	12,519	–	12,519	12,398	–	12,398
– Others	101,021	23,452	124,473	106,560	24,355	130,915
Less: allowance for impairment of other receivables and prepayments	<u>(456,818)</u>	<u>–</u>	<u>(456,818)</u>	<u>(440,201)</u>	<u>–</u>	<u>(440,201)</u>
Other receivables and prepayments – net	<u>1,478,875</u>	<u>393,253</u>	<u>1,872,128</u>	<u>1,252,243</u>	<u>222,111</u>	<u>1,474,354</u>
Total trade and other receivables, and prepayments	<u>3,634,609</u>	<u>393,253</u>	<u>4,027,862</u>	<u>2,706,499</u>	<u>222,111</u>	<u>2,928,610</u>

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

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, 2023 (Unaudited) RMB'000	As at March 31, 2023 (Audited) RMB'000
0 – 90 days	848,273	697,032
91 – 180 days	368,251	67,150
181 – 365 days	505,037	140,693
Over 365 days	557,610	664,592
	<u>2,279,171</u>	<u>1,569,467</u>

11 TRADE AND OTHER PAYABLES, AND ACCRUED CHARGES

	As at September 30, 2023 (Unaudited) RMB'000	As at March 31, 2023 (Audited) RMB'000
Trade payables (<i>Note</i>)		
– Related parties	51,550	52,229
– Third parties	<u>353,726</u>	<u>313,744</u>
	<u>405,276</u>	<u>365,973</u>
Other payables and accrued charges		
Amounts due to related parties	114,233	58,950
Payables in relation to distribution of films	1,445,488	195,690
Accrued marketing expense	132,907	101,293
Payroll and welfare payable	100,970	152,514
Other tax payable	89,431	84,484
Amounts received on behalf of cinema ticketing system providers	47,103	44,265
Professional fees payable	20,238	11,725
Deposits from customers	7,654	7,624
Amounts received on behalf of cinemas	3,090	3,020
Others	<u>84,882</u>	<u>58,033</u>
	<u>2,045,996</u>	<u>717,598</u>
Total trade and other payables, and accrued charges	<u><u>2,451,272</u></u>	<u><u>1,083,571</u></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, 2023 (Unaudited) RMB'000	As at March 31, 2023 (Audited) RMB'000
0 – 90 days	273,352	267,893
91 – 180 days	59,460	44,818
181 – 365 days	39,572	25,398
Over 365 days	32,892	27,864
	<u>405,276</u>	<u>365,973</u>

12 DIVIDENDS

The board of directors of the Company has resolved not to declare an interim dividend for the six months ended September 30, 2023 (the six months ended September 30, 2022: nil).

INTERIM DIVIDEND

The Board has resolved that no interim dividend will be declared for the six months ended September 30, 2023 (For the six months ended September 30, 2022: nil).

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “Shareholders”) and to enhance corporate value and accountability. It has adopted the code provisions as stipulated in the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as the basis of the corporate governance practices of the Company.

Throughout 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 these 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.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules.

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.

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 "Audit Committee").

The 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. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

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

Except that the trustee of the share award scheme of the Company adopted by the Board on December 30, 2016 and amended on March 29, 2019, January 17, 2020 and August 30, 2023, respectively (the "Share Award Scheme") purchased a total of 3,000,000 shares from the market pursuant to the terms and rules of the Share Award Scheme to satisfy the awarded shares granted to connected employees of the Company upon vesting during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the HKEXnews operated by the Stock Exchange (www.hkexnews.hk) and the Company (www.alibabapictures.com). The interim report of the Group for the Reporting Period will be dispatched to the Shareholders and published on the above websites in due course.

By order of the Board
Alibaba Pictures Group Limited
Fan Luyuan
Chairman & Chief Executive Officer

Hong Kong, November 13, 2023

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

** For identification purposes only*