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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)

## FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED MARCH 31, 2024

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 final results of the Group for the year ended March 31, 2024 (the “Reporting Period”) together with the comparative figures for the year ended March 31, 2023 (the “Corresponding Period”).

### FINANCIAL HIGHLIGHTS

	For the year ended March 31,		Change %
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
Revenue	<b>5,035,713</b>	3,500,553	44
Profit/(loss) attributable to owners of the Company	<b>284,790</b>	(291,132)	NM
Operating profit/(loss)	<b>309,680</b>	(203,139)	NM
Adjusted EBITA	<b>503,576</b>	312,910	61

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OFFLINE ENTERTAINMENT (FILM AND PERFORMANCE) INDUSTRIES OVERVIEW**

During the Reporting Period, there was a rapid recovery of the entertainment consumer market and vibrant development of film and performance industries. For the film market, the total box office revenue in Mainland China during the Reporting Period was RMB55.6 billion, representing an increase by 75% (or a year-over-year increase of approximately RMB23.8 billion); the number of viewers was 1.33 billion, representing an increase by 80% (or a year-over-year increase of 590 million); box office and the number of viewers basically recovered to the level of 2017. Meanwhile, during the Reporting Period, the national box office set a number of records. For example, 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. During the Reporting Period, with a box office share of 85%, the box office of domestic films in the year set records exceeding RMB47 billion, delivering an outstanding performance. At the same time, on the supply side of films, according to the announcement of the China Film Administration, the total number of film scripts filed and projects launched during the Reporting Period surpassed 2,500, representing a near 50% increase over the past financial year, basically restoring it to the level of 2019.

In the performance market, the market achieved explosive growth during the Reporting Period as consumer demand for live entertainment experiences increased. According to 2023 National Performance Market Development Briefing of the China Association of Performing Arts, the total revenue from the box office for the national performance market reached approximately RMB50.232 billion in 2023, representing a growth of 150.65% from 2019. One of the largest categories in the performance market, large and medium-scale commercial performance grossed a box office of approximately RMB20.171 billion, representing a growth of 373.60% from 2019, also setting a record.

In summary, with its abundant product supply, diverse forms of expression and great demand for film and performance, the film and performance industry demonstrated the market's vibrant development and huge growth potential.

During the Reporting Period, 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 optimised its business management strategy and achieved business breakthrough and growth.

### **Material Acquisitions: Acquisition of Damai**

On November 30, 2023, the Group completed the acquisition of the entire issued share capital of Pony Media Holdings Inc. (“Pony Media”) from Alibaba Investment Limited, a direct wholly-owned subsidiary of Alibaba Group Holding Limited (the “Acquisition”). Upon completion of the Acquisition, Pony Media became a wholly-owned subsidiary of the Group. Pony Media and its subsidiaries operate under the trade name “Damai” (“Damai”), which is a leading provider of live performances, including concerts, musical festivals, live house performances, plays, sports events and exhibitions in the PRC, and established the “Damai Brand”.

Damai was the general ticketing agent for numerous top-tier concerts (such as those of Jay Chou, Mayday, Joker Xue, JJ Lin and Jason Zhang) and users’ preferred ticketing platform for performances. During the Reporting Period, the gross merchandise value (GMV) of the Damai business grew rapidly, registering a year-over-year growth of over 500%. Damai enjoyed an absolutely leading edge in respect of the ticket agency in the market, particularly so for concerts as its core business, which covered nearly 100% of top-tier concerts.

Moreover, Damai’s business had a deep layout of performance content, ticketing system, and other non-ticketing-agency areas. Damai successfully organised 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, immersive plays as well as the Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節). 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 characterised by speed and stability.

During the Reporting Period, the Group has consolidated the financial position and results of operation of the Damai business from December 2023 to March 2024 into the financial statements of the Group. Had completion of the Acquisition occurred on April 1, 2022 or 2023, the respective unaudited combined operating results of the Group and Damai for each of the year ended March 31, 2023 and March 31, 2024 would have been as follows.

	For the year ended March 31,			
	Combined operating results		The Group	
	2024	2023	2024	2023
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Audited)
<b>Revenue</b>	<b>5,904,062</b>	3,423,501	<b>5,035,713</b>	3,500,553
Film investment, production, promotion and distribution	<b>2,071,949</b>	1,229,080	<b>2,071,949</b>	1,229,080
Film ticketing and technology platform	<b>920,216</b>	522,093	<b>920,216</b>	522,093
Damai	<b>1,481,820</b>	293,878	<b>394,277</b>	–
Drama series production	<b>596,124</b>	780,885	<b>596,124</b>	780,885
IP merchandising and innovation initiatives	<b>833,953</b>	597,565	<b>1,053,147</b>	968,495
<b>Gross profit</b>	<b>2,811,893</b>	1,296,907	<b>2,017,043</b>	1,116,989
<b>Adjusted EBITA (Unaudited)</b>	<b>1,163,023</b>	143,031	<b>503,576</b>	312,910

During the Reporting Period, the unaudited combined EBITA grew significantly year-over-year over 700%. Such encouraging operating results were achieved due to the booming performance market and the Group's ongoing development and forward-looking planning in film content.

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

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Operating profit/(loss)	<b>309,680</b>	(203,139)
Add:		
Share-based compensation	<b>120,274</b>	147,152
Amortization of intangible assets arising on business combinations	<b>18,003</b>	12,669
Profit or loss on equity investment and change in fair value, net	<b>55,619</b>	356,228
<b>Adjusted EBITA</b>	<b>503,576</b>	312,910

## **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 self-production and 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, the Group participated in production with other presenters, from IP procurement, storyline design, casting, to selection and matching of actors. Meanwhile, the Group leveraged its seasoned distribution team and mature promotion and distribution system to finalize promotion and distribution plans, achieving a profitable combination of film content and assets. During the Reporting Period, the Group integrated the promotion and distribution of film and drama series IPs, and realized basically consistent broadcasting schedules for the Chinese Lunar New Year film "*Peegasus 2* (飛馳人生2)" and the exclusive drama series on Youku "*Peegasus* (飛馳人生熱愛篇)", in which the Group participated in the production of the former and self-produced the latter. Apart from complementary car racing element and shared material library, the overlapping and resonance in the popularity of the IPs was also materialized in the process of promotion and distribution.

During the Reporting Period, the Group presented and distributed over 60 films (including nearly 30 films with the Group as the leading promoter and distributor and six films with the Group as the self-producer and co-producer) accounting for over 60% of the total box office. Fifteen of them ranked among the top 20 films released during the same period in terms of box office and achieved a higher return on investment compared with the industry peers.

During the Reporting Period, major film projects released by the Group are set out below:

No.	Film's Name	Box office revenue (RMB billion)	Mode
1	<i>No More Bets</i> (孤注一擲)	3.85	co-producer
2	<i>Lost in the stars</i> (消失的她)	3.52	co-producer, leading promoter and distributor
3	<i>YOLO</i> (熱辣滾燙)	3.46	main producer and distributor
4	<i>Pegasus 2</i> (飛馳人生2)	3.39	joint producer and joint distributor
5	<i>Boonie Bears: Time Twist</i> (熊出沒·逆轉時空)	1.99	joint producer and joint distributor
6	<i>Chang'an</i> (長安三萬里)	1.83	joint producer, leading promoter and distributor
7	<i>Godspeed</i> (人生路不熟)	1.18	joint producer and joint distributor
8	<i>The Ex-File 4</i> (前任4：英年早婚)	1.01	main producer, leading promoter and distributor
9	<i>One and Only</i> (熱烈)	0.91	joint producer and joint distributor
10	<i>Born to Fly</i> (長空之王)	0.85	co-producer, leading promoter and distributor
11	<i>Endless Journey</i> (三大隊)	0.71	joint producer, leading promoter and distributor
12	<i>The Pig, the Snake and the Pigeon</i> (周處除三害)	0.67	buyout, leading promoter and distributor

As of the date of the announcement, the Group has more than 80 films scheduled for release, of which, more than 50 are investment projects pending release and more than 30 are self-developed and co-produced projects. The above films scheduled for release will either be scheduled for release (subject to market conditions) or are in the process of being scheduled. The Group lists key films that have already been released or are in the process of being scheduled as follows.

<b>No.</b>	<b>Film's Name*</b>	<b>State</b>	<b>Mode</b>
1	<i>The Boy and the Heron</i> (你想活出怎樣的人生)	released	buyout, leading promoter and distributor
2	<i>Formed Police Unit</i> (維和防暴隊)	released	joint producer, leading promoter and distributor
3	<i>Creation of the Gods</i> (封神第二部)	scheduled for release	main producer, leading promoter and distributor
4	<i>Dongji Island</i> (東極島)	scheduled for release	main producer
5	<i>Shooting Stars</i> (群星閃耀時)	scheduled for release	self-producer, co-producer, leading promoter and distributor
6	<i>No Regrets</i> (無悔追蹤)	scheduled for release	main producer
7	<i>Blades Of The Guardians</i> (鏢人：風起大漠)	scheduled for release	self-producer, co-producer, leading promoter and distributor
8	<i>Welcome to the Chinese Restaurant</i> (歡迎來龍餐館)	scheduled for release	joint producer and joint distributor
9	<i>Decoded</i> (解密)	scheduled for release	joint producer and joint distributor
10	<i>White Snake 3</i> (白蛇：浮生)	scheduled for release	joint producer
11	<i>Sheep Without a Shepherd III</i> (誤殺3)	scheduled for release	joint producer
12	<i>Customs Frontline</i> (海關戰線)	scheduled for release	joint producer, leading promoter and distributor
13	<i>The Trier of Fact</i> (守關者)	scheduled for release	self-producer, co-producer, leading promoter and distributor
14	<i>Upstream</i> (逆行人生)	scheduled for release	joint producer, leading promoter and distributor
15	<i>The Blood of Youth</i> (少年歌行)	scheduled for release	self-producer, co-producer, leading promoter and distributor
16	<i>The Stage</i> (戲台)	scheduled for release	main producer, leading promoter and distributor

No.	Film's Name*	State	Mode
17	<i>A Place Called Silence</i> (默殺)	scheduled for release	joint producer and joint distributor
18	<i>The Incontrollable Family</i> (失控家族)	scheduled for release	self-producer, co-producer, leading promoter and distributor
19	<i>Break Up List</i> (分手清單)	scheduled for release	self-producer, co-producer, leading promoter and distributor
20	<i>Welcome to My Side</i> (歡迎來到我身邊)	scheduled for release	self-producer, co-producer, leading promoter and distributor
21	<i>Seven Days</i> (7天)	scheduled for release	self-producer, co-producer, leading promoter and distributor

\* For identification purpose only

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.

During the Reporting Period, the Group’s film investment, production, promotion and distribution segment recorded revenue of approximately RMB2.072 billion, an increase of around 69% compared with approximately RMB1.229 billion for the Corresponding Period. The segment results recorded was approximately RMB467 million, an increase of around 78% compared with approximately RMB263 million for the Corresponding Period.

## FILM TICKETING AND TECHNOLOGY PLATFORM

### Film ticketing platform business

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 one of the product combinations that generated the highest gross margin for the Group.



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 and other regions of Southeast Asia 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, the number of “Taomai VIP” members remained stable and showed an upward trend, while Yunzhi continued to rank first in terms of the number of ticket-issuing cinemas and tickets issued.

### **Technology Business**

With a comprehensive application of artificial intelligence (“AI”) business by the digitalisation business, “Beacon AI (燈塔AI)”, a data product designed to provide intelligent promotion and distribution services for the entertainment industry, was launched in 2023. It mainly included four functions: box office prediction, smart enquiry for promotion and distribution, public opinion analysis, distribution materials for AI. Through simulating and analysing abundant historical data, the “Beacon AI” provided T+3 days and total box office forecasts, efficiently solving promotion and distribution problems while receiving timely comments and market feedback across the internet, so as to rapidly produce promotion posters and copywriting content. These intelligent tools provided industry participants with timely, comprehensive, detailed and condensed summary of public opinion, more informative box office forecasts and more help for the films’ promotion and distribution, scheduling decisions and other work, significantly improving the efficiency.

The Company also launched the first digital human Leah (厘里) from Alibaba Digital Media & Entertainment Group. Since the launching of Leah in 2022, the Company has not only cooperated with a number of international renowned brands and IPs, such as Taomai VIP, Tmall and Huawei, but also debuted in “*I Am Nobody* (異人之下)”, an exclusive drama series on Youku, as well as acted in “*Mystery in the Box* (盒子裡的貓)” and “*Economics Unbound* (萬物經濟學)” on Youku. It is the first digital actress to act in a drama series and a reality show. Meanwhile, the Company invested in innovation areas such as virtual studios, promoting digital filming solutions in the film and television industry while contributing to the promotion and application of AI and new technologies, as well as reducing costs and increasing efficiency.

During the Reporting Period, the film ticketing and technology platform segment recorded revenue of approximately RMB920 million, an increase of around 76% compared with approximately RMB522 million for the Corresponding Period. The segment results recorded was approximately RMB346 million, an increase of around 52% compared with approximately RMB228 million for the Corresponding Period.

### **Drama series production**

During the Reporting Period, the Group's drama studios continued to create works which are widely-recognized 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. Up to the date of this announcement, a number of projects of the Group's drama studio were released, such as the heroine-focused "*The Story of Hua Zhi* (惜花芷)", the motivational motor racing drama "*Pegasus* (飛馳人生熱愛篇)" and the medical-themed "*Surgery Live Room* (手術直播間)". Currently, the studio is developing 35 projects, which will be successively introduced to the audience.

Due to the timing of release of drama series, the Group's drama series production segment recorded revenue of approximately RMB596 million for the Reporting Period, a decrease of around 24% compared with approximately RMB781 million for the Corresponding Period. The segment results recorded was approximately RMB14 million, a decrease of around 74% compared with approximately RMB55 million for the Corresponding Period.

## **IP merchandising and innovative initiatives**

As core operations, IP merchandising and other business help the Group to expand its presence in the entertainment industry, with the IP merchandising business being mainly focused on the Alifish business and creation of pop toys.

Alifish is the Group's professional platform focusing on IP operation, licensing and commercialisation and development. Since its establishment in 2016, Alifish has cooperated with hundreds of domestic and international quality IPs, and nearly 10,000 brands and channel merchants. 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 77% year-over-year. The compound growth rate of the revenue from the sub-licensing business reached approximately 60% over the past five years, showcasing a resilient performance in business growth.

The "Top Global Licensing Agents Report 2024" released by "LICENSE GLOBAL", the licensing industry magazine under the Global Licensing Show, showed that the total retail sales of global licensing agents in 2023 surpassed RMB93.63 billion, with the top 20 companies accounted for more than 90% of the retail sales. Moving up from the 25th in 2022, Alifish ranked the 11th, entering the top 20 on the list for the first time. As the largest platform for IP-licensing agents in China, not only has Alifish 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 independent pop toys IP with a number of movies, drama series and variety shows to create a host of distinctive pop toys. So far, “KOITAKE” has accumulated over 10 self-produced pop toys IPs with fair performance in “Kayla-X (凱拉十世)” and “PiPi”, which have been integrated with the contents of more than 40 films and television programs, including “*Lost in the Stars* (消失的她)” and “*One and Only* (熱烈)” (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)” and “*The Story of Minglan* (知否知否應是綠肥紅瘦)” (classic Chinese drama series).

During the Reporting Period, the Group’s IP merchandising and innovative initiatives segment registered revenue of approximately RMB1.053 billion, an increase of around 9% compared with approximately RMB968 million in the Corresponding Period. The segment results recorded was approximately RMB243 million, an increase of around 9% compared with approximately RMB224 million for the Corresponding Period.

## PROSPECTS

The entertainment industry is booming yet complicated and volatile, but the Group remains confident for the future. 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 AI 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 AI; 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 RMB5,036 million, representing an increase of 44% year-over-year. The adjusted EBITA for the Reporting Period reached approximately RMB504 million, an increase of 61% year-over-year. Thanks to a flourishing business development and a diversified business structure, net profit attributable to owners of the Company reached approximately RMB285 million for the Reporting Period, achieving a significant turnaround from a net loss of approximately RMB291 million for the Corresponding Period.

Earnings per share (basic and diluted) of the Group reached approximately RMB1.03 cents for the Reporting Period, compared with loss per share (basic and diluted) of approximately RMB1.09 cents for the Corresponding Period.

### **Selling, Marketing and Administrative Expenses**

During the Reporting Period, selling and marketing expenses of the Group amounted to approximately RMB710 million, representing a year-over-year increase of 104% when compared with approximately RMB348 million for the Corresponding Period. The proportion of selling and marketing expenses in revenue increased from 10% for the Corresponding Period to 14%. Administrative expenses of the Group increased to approximately RMB978 million from approximately RMB737 million for the Corresponding Period, representing a year-over-year increase of 33%. This was primarily due to the increase in activities-related marketing and administrative expenses of business operations brought by the recovery in the entertainment industry.

### **Net Finance Income**

During the Reporting Period, the Group recorded net finance income of approximately RMB182 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 March 31, 2024, 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 RMB1,672 million; the Group also held 9 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 RMB701 million.

The Group's three largest investments were Bona Film Group Co., Limited, Shanghai Tingdong Film Co., Ltd. (上海亭東影業有限公司) and YH Entertainment Group, all of which were engaged in the film production and distribution business, artist management and other pan-entertainment businesses.

As at March 31, 2024, there is no investment held by the Group with a value of 5% or more of the total asset 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 March 31, 2024.

## **Financial Resources and Liquidity**

As of March 31, 2024, the Group held cash and cash equivalents and bank deposits with the maturity within one year of approximately RMB6,715 million (March 31, 2023: RMB3,922 million), which were denominated in currencies including RMB, USD and Hong Kong dollar. As of March 31, 2024, 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 March 31, 2024, 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 March 31, 2024, the Group did not have any indebtedness secured by assets (March 31, 2023: nil).

## **Contingent Liabilities**

As of March 31, 2024, 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 – Material Acquisitions: Acquisition of Damai” 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 March 31, 2024, the Group had 1,455 employees (March 31, 2023: 1,328 employees). The total employee benefit expenses of the Group were approximately RMB880 million for the Reporting Period (March 31, 2023: approximately RMB852 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 its 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 its 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 (the “Share Award Scheme”), contributory provident fund, social security fund, medical benefits and training.

## **Subsequent Events**

There was no important event which might affect the Group after March 31, 2024 and up to the date of this announcement.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Note</i>	For the year ended March 31,	
		2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	3	5,035,713	3,500,553
Cost of sales and services	6	(3,018,670)	(2,383,564)
<b>Gross profit</b>		<b>2,017,043</b>	1,116,989
Selling and marketing expenses	6	(710,002)	(348,315)
Administrative expenses	6	(977,868)	(737,328)
(Impairment losses)/reversal of impairment losses on financial assets, net		(52,635)	56
Other income	4	57,366	48,614
Other losses, net	5	(24,224)	(283,155)
<b>Operating profit/(loss)</b>		<b>309,680</b>	(203,139)
Finance income	7	182,614	117,107
Finance expenses	7	(781)	(1,022)
Finance income, net		181,833	116,085
Share of loss of investments accounted for using the equity method	10	(78,616)	(39,472)
Impairment of investments accounted for using the equity method	10	(112,552)	(127,589)
<b>Profit/(loss) before income tax</b>		<b>300,345</b>	(254,115)
Income tax credit	8	58,610	415
<b>Profit/(loss) from continuing operations</b>		<b>358,955</b>	(253,700)
Loss from discontinued operation	14	(61,486)	(25,207)
<b>Profit/(loss) for the year</b>		<b>297,469</b>	(278,907)
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		284,790	(291,132)
Non-controlling interests		12,679	12,225
<b>Profit/(loss) attributable to owners of the Company:</b>			
Continuing operations		334,583	(273,521)
Discontinued operations		(49,793)	(17,611)
<b>Earnings/(loss) per share attributable to owners of the Company for the year</b> <i>(expressed in RMB cents per share)</i>			
– Basic	9	1.03	(1.09)
– Diluted		1.03	(1.09)



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended	
		March 31,	
		2024	2023
	Note	RMB'000	RMB'000
<b>Profit/(loss) for the year</b>		<b>297,469</b>	<b>(278,907)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss</i>			
Share of other comprehensive income/(loss) of associates	10	6,120	(4,958)
Currency translation differences attributable to owners of the Company		110,996	151,657
<i>Items that may not be reclassified to profit or loss</i>			
Currency translation differences attributable to non-controlling interests		1,158	2,256
<b>Other comprehensive income for the year, net of tax</b>		<b>118,274</b>	<b>148,955</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>415,743</b>	<b>(129,952)</b>
<b>Attributable to:</b>			
– Owners of the Company		401,906	(144,433)
– Non-controlling interests		13,837	14,481
<b>Total comprehensive income/(loss) for the year</b>		<b>415,743</b>	<b>(129,952)</b>
Total comprehensive income for the period attributable to equity holders of the company arising from:			
– Continuing operations		451,699	(126,822)
– Discontinued operations		(49,793)	(17,611)
		<b>401,906</b>	<b>(144,433)</b>

## CONSOLIDATED BALANCE SHEET

		As of March 31,	
		2024	2023
	Note	RMB'000	RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		38,423	17,517
Investment properties		443,546	20,238
Goodwill		3,554,882	3,551,116
Intangible assets		234,004	99,750
Right-of-use assets		6,566	115,509
Deferred income tax assets		94,718	14,003
Investments accounted for using the equity method	10	1,672,220	1,827,249
Film and TV rights and investments		2,894	141,375
Bank deposits with the maturity over one year		1,217,522	300,880
Financial assets at fair value through profit or loss		700,629	760,321
Trade and other receivables, and prepayments	11	400,820	222,111
		<u>8,366,224</u>	<u>7,070,069</u>
<b>Current assets</b>			
Inventories		31,100	38,744
Film and TV rights and investments		2,228,853	1,834,661
Trade and other receivables, and prepayments	11	3,412,739	2,706,499
Structured deposits		706,196	–
Cash and cash equivalents		4,413,697	3,919,526
Bank deposits with the maturity over three months		2,296,932	–
Restricted cash		4,159	2,139
		<u>13,093,676</u>	<u>8,501,569</u>
<b>Total assets</b>		<u><u>21,459,900</u></u>	<u><u>15,571,638</u></u>

		<b>As of March 31,</b>	
		<b>2024</b>	2023
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		56,925	48,373
Lease liabilities		<u>58,408</u>	<u>118,566</u>
		<u>115,333</u>	<u>166,939</u>
<b>Current liabilities</b>			
Trade and other payables, and accrued charges	12	5,094,022	1,083,571
Contract liabilities		415,029	170,405
Current tax liabilities		1,089	261
Lease liabilities		5,897	27,201
Financial liabilities at fair value through profit or loss		<u>7,650</u>	<u>13,050</u>
		<u>5,523,687</u>	<u>1,294,488</u>
<b>Total liabilities</b>		<u>5,639,020</u>	<u>1,461,427</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		6,026,151	5,452,976
Reserves		<u>9,696,245</u>	<u>8,616,859</u>
		15,722,396	14,069,835
<b>Non-controlling interests</b>		<u>98,484</u>	<u>40,376</u>
<b>Total equity</b>		<u>15,820,880</u>	<u>14,110,211</u>
<b>Total equity and liabilities</b>		<u>21,459,900</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 integrated platform with content and technology as the core, covering content production, promotion and distribution, IP merchandising licensing and commercial management, cinema and entertainment event ticketing management, and Internet 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 of March 31, 2024, the Company is approximately 54.26% owned by Alibaba Group Holding Limited (“Alibaba Holding”), of which 13,488,058,846 shares are held by Ali CV Investment Holding Limited (“Ali CV”) and 2,513,028,847 shares are held by Alibaba Investment Limited (“AIL”). Ali CV is a wholly-owned subsidiary of AIL which is in turn wholly-owned by Alibaba Holding.

On November 30, 2023, the Group completed the acquisition of the entire issued share capital of Pony Media Holdings Inc. (“Pony Media”) from AIL (the “Acquisition”). Upon completion of the Acquisition, Pony Media became a wholly-owned subsidiary of the Group. Pony Media and its subsidiaries operate under the trade name “Damai” (“Damai”), which is a leading provider of live performances, including concerts, musical festivals, live house performances, plays, sports events and exhibitions in the PRC, and established the “Damai Brand”.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

## 2 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation and change in accounting policies

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities – measured at fair value or revalued amount.

During the year ended March 31, 2024, the Company decided to dispose one of its subsidiaries operating the film screening business. Accordingly, this operation is considered as discontinued operation during the year ended March 31, 2024 and the related revenue, expenses and income tax are presented as a single amount in the statement of profit or loss under “Loss from discontinued operations”. Comparative figures are also reclassified for consistent presentation purpose.

**(a) New and amended standards adopted by the Group**

The Group has applied the following new and amended standards for its annual reporting period commencing April 1, 2023:

- HKFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to HKAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to HKAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to HKAS 12
- Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2.

Except for the Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to HKAS 12, the amendments listed above did not have any impact on the amounts recognised in prior periods or current period and are not expected to significantly affect future periods.

The amendments to HKAS 12 Income Taxes require the recognition of deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities. The Group therefore changed its accounting policies as a result of adopting this amendment to HKAS 12. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on April 1, 2023. There was no impact on retained earnings on April 1, 2023.

	<b>Year ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Deferred income tax assets	<b>16,137</b>	1,924
Deferred income tax liabilities	<b><u>(16,137)</u></b>	<b><u>(1,924)</u></b>

**(b) New and amended standards and interpretation not yet adopted**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for March 31, 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 3 REVENUE 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 year ended March 31, 2024, 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 contents both domestically and internationally.
- Film ticketing and technology platform: mainly comprises Tao Piao Piao, Yunzhi and Beacon AI.
- Damai: 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 contents.
- Drama series production: the production and distribution of online drama series and TV dramas.
- 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").

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	For the year ended March 31, 2024					
	Film investment, production, promotion and distribution RMB'000	Film ticketing and technology platform RMB'000	Damai RMB'000	Drama series production RMB'000	IP merchandising and innovation initiatives RMB'000	Total RMB'000
<b>Segment revenue</b>						
- recognized at a point in time	1,065,109	903,991	394,277	596,124	763,694	3,723,195
- recognized over time	1,006,840	16,225	-	-	287,050	1,310,115
	<u>2,071,949</u>	<u>920,216</u>	<u>394,277</u>	<u>596,124</u>	<u>1,050,744</u>	<u>5,033,310</u>
Film and TV related investment income	-	-	-	-	2,403	2,403
<b>Total segment revenue from continuing operations</b>	<u>2,071,949</u>	<u>920,216</u>	<u>394,277</u>	<u>596,124</u>	<u>1,053,147</u>	<u>5,035,713</u>
<i>Including: revenue recognized that was included in the contract liabilities balance at the beginning of the year</i>	<u>57,828</u>	<u>32,420</u>	<u>-</u>	<u>406</u>	<u>79,751</u>	<u>170,405</u>
	For the year ended March 31, 2023					
	Film investment, production, promotion and distribution RMB'000	Film ticketing and technology platform RMB'000	Damai RMB'000	Drama series production RMB'000	IP merchandising and innovation initiatives RMB'000	Total RMB'000
<b>Segment revenue</b>						
- recognized at a point in time	713,199	513,471	-	780,885	540,836	2,548,391
- recognized over time	515,881	8,622	-	-	417,375	941,878
	<u>1,229,080</u>	<u>522,093</u>	<u>-</u>	<u>780,885</u>	<u>958,211</u>	<u>3,490,269</u>
Film and TV related investment income	-	-	-	-	10,284	10,284
<b>Total segment revenue from continuing operations</b>	<u>1,229,080</u>	<u>522,093</u>	<u>-</u>	<u>780,885</u>	<u>968,495</u>	<u>3,500,553</u>
<i>Including: revenue recognized that was included in the contract liabilities balance at the beginning of the year</i>	<u>9,020</u>	<u>30,025</u>	<u>-</u>	<u>97,480</u>	<u>14,342</u>	<u>150,867</u>



## Segment revenue and results

For the year ended March 31, 2024

	Film investment, production, promotion and distribution <i>RMB'000</i>	Film ticketing and technology platform <i>RMB'000</i>	Damai <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>2,071,949</u>	<u>920,216</u>	<u>394,277</u>	<u>596,124</u>	<u>1,053,147</u>	<u>5,035,713</u>
Segment results	<u>467,490</u>	<u>346,422</u>	<u>253,277</u>	<u>14,459</u>	<u>243,041</u>	<u>1,324,689</u>
Unallocated selling and marketing expenses						(17,648)
Administrative expenses						(977,868)
Impairment losses on financial assets, net						(52,635)
Other income						57,366
Other losses, net						(24,224)
Finance income						182,614
Finance expenses						(781)
Share of loss of investments accounted for using the equity method						(78,616)
Impairment of investments accounted for using the equity method						<u>(112,552)</u>
<b>Profit before income tax</b>						<u><u>300,345</u></u>

For the year ended March 31, 2023

	Film investment, production, promotion and distribution <i>RMB'000</i>	Film ticketing and technology platform <i>RMB'000</i>	Damai <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>1,229,080</u>	<u>522,093</u>	<u>–</u>	<u>780,885</u>	<u>968,495</u>	<u>3,500,553</u>
Segment results	<u>263,085</u>	<u>228,450</u>	<u>–</u>	<u>55,347</u>	<u>223,816</u>	<u>770,698</u>
Unallocated selling and marketing expenses						(2,024)
Administrative expenses						(737,328)
Reversal of Impairment losses on financial assets, net						56
Other income						48,614
Other losses, net						(283,155)
Finance income						117,107
Finance expenses						(1,022)
Share of loss of investments accounted for using the equity method						(39,472)
Impairment of investments accounted for using the equity method						<u>(127,589)</u>
<b>Loss before income tax</b>						<u><u>(254,115)</u></u>

During the years ended March 31, 2024 and 2023, all of the segment revenue reported above was from external customers and there were no inter-segment sales.

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.

Most of the Group's segment revenue is derived from the Mainland of PRC except certain revenue from the film investment, production, promotion and distribution and Damai segment.

As of March 31, 2024, the Group's non-current assets, other than financial instruments and deferred income tax assets, were located in the Mainland of the PRC and other regions amounting to RMB5,492,860,000 and RMB456,781,000 respectively.

For the year ended March 31, 2024, approximately 13% of the total revenues of the Group were derived from one external customer (2023: approximately 18% and 11% of the total revenues of the Group were derived from two external customers). Other than this customer, no other customer contributed 10% or more of the Group's revenue during the years ended March 31, 2024 and 2023.

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

#### 4 OTHER INCOME

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Interest income on loan receivables	<b>35,376</b>	28,952
Local government grants	<b>9,611</b>	1,432
Additional deduction of input VAT	<b>7,031</b>	14,071
Refund of service fee for withholding IIT	<b>1,464</b>	1,526
Rental income	<b>1,185</b>	–
Sundry income	<b>2,699</b>	2,633
	<b><u>57,366</u></b>	<u>48,614</u>

**5 OTHER LOSSES, NET**

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Change in fair value of structured deposits	<b>12,655</b>	8,700
Change in fair value of film and TV investments, at fair value	<b>11,151</b>	73,787
Net gains on disposal of film and TV rights and investments	<b>9,748</b>	14,310
Change in fair value of unlisted investments	<b>(33,150)</b>	(239,316)
Change in fair value of listed investment	<b>(22,469)</b>	14,064
Net losses on disposal of property, plant and Equipment	<b>(1,309)</b>	(3,174)
Change in fair value of investment in wealth management products	-	63
Compensation fee	-	(18,744)
Loss on dilution of investments accounted for using the equity method	-	(130,976)
Others	<b>(850)</b>	(1,869)
	<b><u>(24,224)</u></b>	<u>(283,155)</u>

## 6 EXPENSE BY NATURE

	For the year ended March 31,	
	2024	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Film and TV copyrights recognized as cost of sales and services	<b>1,679,568</b>	1,375,990
Cost of inventories, intellectual property licenses and other services recognized as cost of sales and services	<b>1,030,214</b>	607,733
Employee benefit expense	<b>879,733</b>	851,588
Marketing and promotion expenses	<b>710,002</b>	348,315
Payment processing and other service fees	<b>109,310</b>	57,798
Technology service fees	<b>83,359</b>	82,691
Travel and entertainment fees	<b>27,712</b>	12,288
Amortization of intangible assets	<b>20,039</b>	14,211
Depreciation of property, plant and equipment	<b>15,521</b>	12,066
Depreciation of right-of-use assets	<b>14,316</b>	32,309
SMS platform service and customer service support fees	<b>12,649</b>	893
Auditor's remunerations		
– Audit services	<b>4,430</b>	3,500
Rental expense for short-term and low-value leases	<b>1,862</b>	1,226
Others	<b>117,825</b>	68,599
	<hr/>	<hr/>
<b>Total cost of sales and services, selling and marketing expenses and administrative expenses</b>	<b><u>4,706,540</u></b>	<b><u>3,469,207</u></b>

*Note:*

The amount of 'Film and TV copyrights recognized as cost of sales and services' included an impairment loss on film and TV rights of RMB204,643,000 for the year ended March 31, 2024 (2023: RMB58,052,000).

**7 FINANCIAL INCOME AND EXPENSES**

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Finance income		
– Interest income on bank deposits	<b>180,516</b>	101,655
– Exchange gain, net	<b>2,098</b>	15,452
	<u><b>182,614</b></u>	<u>117,107</u>
Finance expenses		
– Interest expenses on lease liabilities	<b>(781)</b>	(1,007)
– Interest expenses on bank borrowings	<u>–</u>	<u>(15)</u>
	<u><b>(781)</b></u>	<u>(1,022)</u>
<b>Finance income, net</b>	<u><b>181,833</b></u>	<u>116,085</u>

**8 INCOME TAX CREDIT**

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Current income tax expense	<b>(48,463)</b>	(1,116)
Deferred income tax credit	<b>107,073</b>	1,531
	<u><b>58,610</b></u>	<u>415</u>

The tax on the Group's profit/(loss) before income tax from continued operations differs from the theoretical amount that would arise using the PRC statutory tax rate as follows:

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Profit/(loss) from continued operation before income tax</b>	<b>300,345</b>	(254,115)
Tax calculated at a tax rate of 25% (2023: 25%)	<b>75,086</b>	(63,529)
Tax effects of:		
– Effect of different tax rates of subsidiaries	<b>(103,918)</b>	46,034
– Associates' and joint ventures' results reported net of tax	<b>16,536</b>	42,757
– Income not subject to tax	<b>(14,750)</b>	(3,308)
– Additional deduction in relation to research and development costs	<b>(5,543)</b>	(2,987)
– Expenses not deductible for tax purposes	<b>5,670</b>	7,297
– Refund of income tax from previous years	<b>(78)</b>	(840)
– Utilization of previously unrecognized temporary differences	<b>(220,569)</b>	(231,273)
– Recognition of temporary differences that have not been recognized in the previous periods	<b>(84,615)</b>	–
– Temporary differences and tax losses for which no deferred income tax asset was recognized	<b>273,571</b>	205,434
<b>Tax credit</b>	<b>(58,610)</b>	(415)

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

Some of the subsidiaries are incorporated in the British Virgin Islands (“BVI”) as exempted companies with limited liability under the Companies Law of BVI and accordingly, are exempted from BVI income tax.

Provision for the PRC enterprise income tax is calculated based on the statutory tax rate of 25% (The year ended March 31, 2023: 25%) on the assessable income of each of the group companies, except that: (1) two subsidiaries of the Group are taxed at preferential tax rates of 15% (The year ended March 31, 2023: one under 25% and the other under 15%) under the relevant PRC tax rules and regulations; (2) one subsidiary of the Group, 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 Group are small low-profit enterprises, followed by a reduced tax rate of 20% (The year ended March 31, 2023: 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 did not have any assessable profit for both years.

## 9 EARNINGS/(LOSS) PER SHARE

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
	<b><i>RMB cents</i></b>	<i>RMB cents</i>
Basic earnings/(loss) per share	<b>1.03</b>	(1.09)
Diluted earnings/(loss) per share	<b>1.03</b>	(1.09)

### (a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(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 year.

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
Profit/(loss) from continuing operations attributable to owners of the Company ( <i>RMB'000</i> )	<b>334,583</b>	(273,521)
Loss from discontinued operation attributable to owners of the Company ( <i>RMB'000</i> )	<b>(49,793)</b>	(17,611)
Weighted average number of ordinary shares in issue less shares held for share award scheme ( <i>thousands</i> )	<b>27,651,787</b>	26,790,977

	<b>For the year ended March 31,</b>	
	<b>2024</b>	2023
	<b><i>RMB cents</i></b>	<i>RMB cents</i>
From continuing operations attributable to the owners of the Company	<b>1.21</b>	(1.02)
From discontinued operation	<b>(0.18)</b>	(0.07)
Total basic earnings per share attributable to the owners of the Company	<b>1.03</b>	(1.09)

### (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 potential dilutive ordinary shares. The Company had two categories of potential ordinary shares during the years ended March 31, 2024 and 2023, which are share options and unvested awarded shares.

For the year ended March 31, 2024, 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 for unvested awarded shares and share options granted to employees.

The computation of diluted loss per share for the year ended March 31, 2023 did not assume the issuance of any dilutive potential ordinary share since they were antidilutive, which would decrease the loss per share.

	<b>For the year ended March 31, 2024</b>
From continuing operations attributable to the owners of the Company	<b>334,583</b>
From discontinued operation	<b><u>(49,793)</u></b>
Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)	<b>27,651,787</b>
Unvested awarded shares assumed vested (thousands)	<b><u>97,389</u></b>
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousands)	<b><u><u>27,749,176</u></u></b>
	<b>For the year ended March 31, 2024 RMB cents</b>
From continuing operations attributable to the owners of the Company	<b>1.21</b>
From discontinued operation	<b><u>(0.18)</u></b>
Total diluted earnings per share attributable to the owners of the Company	<b><u><u>1.03</u></u></b>



## 10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
At beginning of the year	1,827,249	1,723,173
Additions	–	1,375
Transfers	–	380,996
Share of loss of investments ( <i>Note a</i> )	(78,616)	(39,472)
Loss on dilution of interest in associates	–	(130,976)
Share of other comprehensive income/(loss) of associates	6,120	(4,958)
Share of changes of other reserves of an associate	(471)	1,481
Impairment ( <i>Note b</i> )	(112,552)	(127,589)
Currency translation differences	30,490	23,219
	<u>1,672,220</u>	<u>1,827,249</u>
At end of the year		

- (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 the 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 the associates and joint ventures of the Group. The financial information of certain of the Group's associates and joint ventures as of March 31, 2024 and 2023 are not available. As a result, the Group records its share of profit or loss of investments accounted for using the equity method for those associates and joint ventures on one quarter in arrear basis for the years ended March 31, 2024 and 2023.

Bona Film Group Co., Limited ("Bona Film") was listed on Shenzhen Stock Exchange on August 18, 2022 and could provide its financial statements as of March 31, 2024 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 consolidated financial statements for the year ended March 31, 2024.

- (b) The Group determines whether interests in the 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 determined 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 estimated the present value of estimated future cash flows expected to arise from their businesses. When fair value less costs of disposals calculations were undertaken, management estimated the fair value using market approach.

Based on the assessment results, the Group recognized an impairment loss of RMB112,552,000 (2023: RMB127,589,000) for the investments accounted for using the equity method of the Group for year ended March 31, 2024.

In respect of the recoverable amount determined with reference to the value in use assessment result, the estimated cash flows used in the assessments were based on assumptions, such as long-term growth rates, pre-tax discount rates, forecasted revenue and gross margin, with reference to the business plans and prevailing market conditions. In respect of the recoverable amount determined with reference to the fair value less costs of disposals assessment result, the estimated fair values were based on assumptions, such as selection of comparable companies and liquidity discount for lack of marketability.

- (c) The Directors of the Company are of the view that none of the Group's associates or joint ventures was individually material to the Group as of March 31, 2024.

As of March 31, 2024, the aggregate carrying amounts of individually immaterial associates and joint ventures were RMB1,631,361,000 and RMB40,859,000, respectively (2023: RMB1,773,865,000 and RMB53,384,000).

During the year ended March 31, 2024, the aggregate amounts of the Group's share of loss from continuing operations of individually immaterial associates and joint ventures were RMB71,953,000 and RMB6,663,000, respectively (2023: RMB32,370,000 and RMB7,102,000).

## 11 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	As of March 31, 2024			As of March 31, 2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade receivables ( <i>Note a</i> )						
– Related parties	1,187,094	–	1,187,094	942,431	–	942,431
– Third parties	776,962	–	776,962	627,036	–	627,036
Less: allowance for impairment of trade receivables	<u>(124,254)</u>	<u>–</u>	<u>(124,254)</u>	<u>(115,211)</u>	<u>–</u>	<u>(115,211)</u>
Trade receivables – net	<u>1,839,802</u>	<u>–</u>	<u>1,839,802</u>	<u>1,454,256</u>	<u>–</u>	<u>1,454,256</u>
Prepaid film deposits	12,500	34,000	46,500	–	49,796	49,796
Prepayments for licensed assets	133,285	–	133,285	6,700	–	6,700
Prepayments for entertainment events	96,321	–	96,321	–	–	–
Other prepayments	118,490	4,412	122,902	66,851	–	66,851
Other receivables arising from:						
– Receivables from related parties	55,372	–	55,372	61,549	–	61,549
– Loan receivables	413,354	338,707	752,061	768,319	147,960	916,279
– Receivables in respect of reimbursed live performance expenses	334,198	–	334,198	–	–	–
– Receivables in respect of reimbursed film distribution expenses	294,890	–	294,890	155,206	–	155,206
– Receivables in relation to other film and TV investments	266,646	–	266,646	344,420	–	344,420
– Deductible VAT input	180,366	–	180,366	138,466	–	138,466
– Interest income receivables	58,222	–	58,222	31,975	–	31,975
– Receivables in relation to tickets	13,475	–	13,475	–	–	–
– Deposits receivables	10,801	–	10,801	12,398	–	12,398
– Others	81,336	23,701	105,037	106,560	24,355	130,915
Less: allowance for impairment of prepayments and other receivables	<u>(496,319)</u>	<u>–</u>	<u>(496,319)</u>	<u>(440,201)</u>	<u>–</u>	<u>(440,201)</u>
Other receivables and prepayments – net	<u>1,572,937</u>	<u>400,820</u>	<u>1,973,757</u>	<u>1,252,243</u>	<u>222,111</u>	<u>1,474,354</u>
Total trade and other receivables, and prepayments	<u>3,412,739</u>	<u>400,820</u>	<u>3,813,559</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:*

**(a) Trade receivables**

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:

	<b>As of March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
0 – 90 days	<b>467,787</b>	697,032
91 – 180 days	<b>686,900</b>	67,150
181 – 365 days	<b>129,529</b>	140,693
Over 365 days	<b>679,840</b>	664,592
	<b><u>1,964,056</u></b>	<b><u>1,569,467</u></b>

## 12 TRADE AND OTHER PAYABLES, AND ACCRUED CHARGES

	As of March 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables ( <i>Note a</i> )		
– Related parties	101,002	52,229
– Third parties	363,742	313,744
	<u>464,744</u>	<u>365,973</u>
Notes payables	<u>480,000</u>	–
Other payable and accrued charges:		
Amounts due to related parties	171,931	58,950
Payables in relation to distribution of entertainment events tickets	2,808,251	–
Payables in relation to distribution of films	533,535	195,690
Payroll and welfare payable	230,125	152,514
Accrued marketing expense	134,008	101,293
Other tax payable	78,456	84,484
Amounts received on behalf of cinema ticketing system providers	49,573	44,265
Professional fees payable	45,997	11,725
Deposit from customers	12,278	7,624
Amounts received on behalf of cinemas	7,140	3,020
Others	77,984	58,033
	<u>4,149,278</u>	<u>717,598</u>
Total trade and other payables, and accrued charges	<u><u>5,094,022</u></u>	<u><u>1,083,571</u></u>

### (a) Trade payables

As of March 31, 2024 and 2023, the aging analysis of the trade payables based on invoice date is as follows:

	As of March 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 90 days	361,612	267,893
91 – 180 days	49,195	44,818
181 – 365 days	26,579	25,398
Over 365 days	27,358	27,864
	<u>464,744</u>	<u>365,973</u>

## 13 DIVIDEND

The Board of Directors of the Company has resolved not to recommend the payment of a dividend for the year ended March 31, 2024 (2023: nil).

## 14 DISCONTINUED OPERATION

### (i) Description

During the year ended March 31, 2024, the Group disposed one of its subsidiaries operating the film screening business, Tianjin Junsheng Film Management Co., Ltd (“Tianjin Junsheng”). Tianjin Junsheng is the holding company of Hangzhou Xingji Movie&TV Culture Co., Ltd. and Nanjing Pairui Cinema Management Co.,. Tianjin Junsheng was disposed in February 2024 and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

### (ii) Financial performance and cash flow information

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
Revenue	16,592	19,804
Other (losses)/gains	(18)	775
Expenses	(65,591)	(38,787)
Other income	80	375
Finance expense, (net)	<u>(3,580)</u>	<u>(7,374)</u>
Loss before income tax	(52,517)	(25,207)
Income tax expense	<u>6,162</u>	<u>–</u>
Loss after income tax of discontinued operation	(46,355)	(25,207)
Loss on sale of the subsidiary after income tax	<u>(15,131)</u>	<u>–</u>
<b>Loss from discontinued operation</b>	<b><u>(61,486)</u></b>	<b><u>(25,207)</u></b>
Net cash inflow from operating activities	9,604	8,813
Net cash inflow from investing activities	–	3,945
Net cash outflow from financing activities	<u>(9,264)</u>	<u>(18,281)</u>
<b>Net increase in cash generated by the subsidiary</b>	<b><u>340</u></b>	<b><u>(5,523)</u></b>

### (iii) Details of the sale of the subsidiary

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
Total disposal consideration	4,000	–
Carrying amount of net assets sold	<u>(19,131)</u>	<u>–</u>
<b>Loss on sale</b>	<b><u>(15,131)</u></b>	<b><u>–</u></b>

## 15 BUSINESS COMBINATION

On September 19, 2023, the Company entered into the Share Purchase Agreement, pursuant to which the Company had conditionally agreed to acquire, and Alibaba Investment Limited (the “Seller”) had conditionally agreed to sell, at the closing date, the entire issued share capital of Pony Media Holdings Inc. (the “Target Company”), in consideration for the issue of 2,513,028,847 Shares in aggregate by the Company to the Seller. The closing date of the transaction was November 30, 2023.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	<b><i>RMB’000</i></b>
Purchase consideration:	
Ordinary shares issued	<b><u>1,192,204</u></b>

The fair value of 2,513,028,847 shares issued as the consideration paid of US\$167 million for the Target Company (equivalent to approximately RMB1,192 million) was based on the results arrived at after arm’s length negotiations between the Company and the Seller, taking into account various factors, including the average Volume Weighted Average Price for the 30 consecutive trading days up to and include the Last Trading Day etc.

The assets and liabilities recognised as a result of the acquisition are as follows:

	<b>Fair value</b>
	<b><i>RMB’000</i></b>
Cash and cash equivalents	2,075,033
Bank deposits with the maturity over one year	200,000
Financial assets at fair value through profit or loss	1,300,000
Trade and other receivables, and prepayments	510,726
Property, plant and equipment	28,884
Investment property	19,077
Current income tax recoverable	805
Right-of-use assets	1,617
Intangible assets: Patent	6,005
Intangible assets: Brand name	38,285
Intangible assets: Customer Relationship	115,720
Trade and other payables, and accrued charges	(3,038,262)
Deferred income tax liabilities	(41,071)
Contract liabilities	(26,614)
<b>Lease liabilities</b>	<b><u>(1,767)</u></b>
Net identifiable assets acquired	1,188,438
Add: goodwill	<u>3,766</u>
Net assets acquired	<b><u>1,192,204</u></b>

The goodwill is attributable to the high profitability of the acquired business. It will not be deductible for tax purposes.

There were no acquisitions in the year ended March 31, 2023.

***Revenue and profit contribution***

The acquired business contributed revenues of RMB394,277,000 and net profit of RMB224,296,000 to the Group for the period from December 1, 2023 to March 31, 2024.

If the acquisition had occurred on April 1, 2023, consolidated pro-forma revenue and profit for the year ended March 31, 2024 would have been RMB5,904,062,000 and RMB980,077,000 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiary, and
- the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from April 1, 2023, together with the consequential tax effects.

***Acquisition-related costs***

Acquisition-related costs of RMB7,990,000 that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.



## **FINAL DIVIDEND**

The Board has resolved that no final dividend will be declared for the year ended March 31, 2024 (For the year ended March 31, 2023: 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 Corporate Governance Code (“CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (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 both 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 C3 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 ANNUAL RESULTS**

The consolidated annual results of the Group for the Reporting Period have been reviewed by the audit committee of the Company.

The financial figures in respect of the Group’s consolidated balance sheet as at March 31, 2024, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended March 31, 2024 as set out in this announcement have been compared by the Group’s external auditor, PricewaterhouseCoopers (“PwC”), to the amounts set out in the Group’s audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this announcement.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

The trustee of the Share Award Scheme purchased a total of 3,000,000 Shares from the market at a total consideration of HK\$1,855,900 to satisfy the awarded Shares granted to connected employees of the Company upon vesting pursuant to the terms of such scheme.

Save as disclosed above, 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 FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The final results announcement is published on the websites of the HKEXnews operated by the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.alibabapictures.com](http://www.alibabapictures.com)), respectively. The annual report of the Group for the Reporting Period will be sent to the Shareholders and published on the above websites in accordance with the Listing Rules in due course.

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

Hong Kong, May 29, 2024

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*