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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)

CONNECTED TRANSACTION
IN RELATION TO THE LEASE AGREEMENT

THE LEASE AGREEMENT

On April 16, 2025, Zhonglian Shengshi (as tenant), an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with, among others, Chuanfu Yunxi (as landlord), pursuant to which Chuanfu Yunxi agreed to lease to Zhonglian Shengshi and/or its affiliates the Office Premises for a lease term of two years commencing from March 31, 2025.

VALUE OF THE RIGHT-OF-USE ASSETS

In accordance with HKFRS 16 Leases, the Group will recognize the lease of the Office Premises under the Lease Agreement as right-of-use assets in its consolidated financial statements. The aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement amounts to approximately RMB212 million (unaudited), calculated with reference to the present value of the aggregated lease payments to be made under the Lease Agreement based on the maximum term of ten years (after renewals) in accordance with HKFRS 16 Leases.

LISTING RULES IMPLICATIONS

As at the date of this announcement,

- (1) Alibaba Holding is the ultimate shareholder of Alibaba Investment, which is a controlling shareholder and a connected person of the Company holding 16,001,087,693 Shares in aggregate, representing approximately 53.56% of the issued shares of the Company, among which 13,488,058,846 Shares are held by Ali CV, the wholly-owned subsidiary of Alibaba Investment;
- (2) Youku Technology is a consolidated entity of Alibaba Holding; and
- (3) Each of Chuanfu Yunxi and Hangzhou Chengyun is an indirect wholly-owned subsidiary of Alibaba Holding.

Therefore, each of them is an associate of Alibaba Investment and thus a connected person of the Company. Accordingly, the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the total value of the right-of-use asset to be recognized by the Group in connection with the Lease Agreement is more than 0.1% but less than 5%, the entering into of the Lease Agreement is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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THE LEASE AGREEMENT

The principal terms of the Lease Agreement are set out below:

- Date** : April 16, 2025
- Parties** : (1) Chuanfu Yunxi (as landlord);
- (2) Youku Technology (as tenant);
- (3) Zhonglian Shengshi (as tenant); and
- (4) Hangzhou Chengyun (as service provider)

For the avoidance of doubt, Zhonglian Shengshi and Youku Technology are not co-tenants under the Lease Agreement. Neither Zhonglian Shengshi nor Youku Technology owes any duty or obligation to each other pursuant to the Lease Agreement

- Office Premises** : Parts of Zone A and parts of Zone B, Alibaba Beijing Chaoyang Science & Technology Park, Guangshan Road, Chaoyang District, Beijing, the PRC
- Area of Office Premises** : 28,825 square meters
- Term** : The initial term commences from March 31, 2025 (the “Commencement Date”) for a term of two years. Unless notified by Zhonglian Shengshi by written notice 30 days prior to the expiry of the initial term or subsequent renewal term, the Lease Agreement is automatically renewable upon expiry for successive terms of two years each until the date falling on ten years after the Commencement Date, subject to compliance with applicable requirements of the Listing Rules.

- Rent** : Approximately RMB25.6 million per annum (exclusive of tax)
- The rent was determined after arm’s length negotiations between the parties, taking into account, among others, the current market rental rates for office premises comparable in size, location and amenities, the size of the premises, specifically the total floor area available for use, the location of the premises, including distance to public transportation and business districts.
- The rent payable under the Lease Agreement will be financed primarily by internal resources of the Group.
- Use** : For use as office premises
- Specific arrangement regarding provision of office space and support services and other shared services under the Framework Agreement** : The Lease Agreement sets out specific fee arrangement for the provision of office support services and other shared services by Hangzhou Chengyun to the Group in respect of the Office Premises in accordance with the shared services framework agreement dated April 1, 2024 (the “Framework Agreement”) entered into between the Company and Alibaba.com China Limited. The annual service fee for the aforesaid office support services and other shared services in respect of the Office Premises under the Lease Agreement is fixed at approximately RMB31,743,219 (exclusive of tax), the terms of which are in compliance with the Framework Agreement (including but not limited to the scope of services, the pricing basis and applicable annual caps thereof). Details of the Framework Agreement are set out in the Company’s announcement dated April 1, 2024.

VALUE OF THE RIGHT-OF-USE ASSETS

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REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Office Premises are located at Alibaba Beijing Chaoyang Science & Technology Park (the “Science Park”), a strategically located technology hub developed and operated by Alibaba Group. The Science Park is a modern, innovation-driven campus in Chaoyang District in Beijing, equipped with advanced technological infrastructure and designed to foster collaboration among high-growth enterprises in the digital economy.

By entering into the Lease Agreement, the Group will have access to a premium workspace with synergies derived from Alibaba Group’s ecosystem, including but not limited to high-quality and seamless office space and support services provided by Alibaba Group. The Directors believe that the Office Premises will contribute to the Group’s operational efficiency, cater to its future development and expansion and create a quality working environment for its employees.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Lease Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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- (2) Youku Technology is a consolidated entity of Alibaba Holding; and
- (3) Each of Chuanfu Yunxi and Hangzhou Chengyun is an indirect wholly-owned subsidiary of Alibaba Holding.

Therefore, each of them is an associate of Alibaba Investment and thus a connected person of the Company. Accordingly, the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the total value of the right-of-use asset to be recognized by the Group in connection with the Lease Agreement is more than 0.1% but less than 5%, the entering into of the Lease Agreement is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION OF THE PARTIES

The Company and Zhonglian Shengshi

The Company was incorporated in Bermuda and the Shares are listed and traded on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group focuses on developing the full business potential of integration and innovative applications of the internet and traditional film and television industries. The core business of the Company includes three major segments: content, ticketing and technology platform and IP merchandising and other businesses.

Zhonglian Shengshi, being a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. It serves mainly administrative management or support and investment holding purposes for the Group.

Alibaba Holding, Youku Technology, Chuanfu Yunxi and Hangzhou Chengyun

Alibaba Holding is a company incorporated in the Cayman Islands with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock codes: 9988 (HKD counter) and 89988 (RMB counter)). Alibaba Group's mission is to "make it easy to do business anywhere". Alibaba Group aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it will be a good company that lasts for 102 years.

Youku Technology is a limited liability company established under the laws of the PRC and a consolidated entity of Alibaba Holding. It is one of the leading online video platforms in Mainland China and serves as one of Alibaba Group's key businesses in the digital media and entertainment segment. Youku platform could be watched on computers, televisions and mobile phones and comprises various types of content, including licensed content, jointly-produced content, self-produced content, user-generated content, professional-generated content and live content.

Chuanfu Yunxi, being a limited liability company established under the laws of the PRC, is an indirect wholly-owned subsidiary of Alibaba Holding. Chuanfu Yunxi is the owner of the Science Park.

Hangzhou Chengyun, being a limited liability company established under the laws of the PRC, is an indirect wholly-owned subsidiary of Alibaba Holding. Hangzhou Chengyun is a property management company primarily engaged in provision of comprehensive property services for the Science Park and relevant office properties.

GENERAL

As each of Mr. Fan Luyuan and Mr. Meng Jun holds positions in Alibaba Holding or its subsidiaries, and Mr. Li Jie is currently taking up a management role in a subsidiary of Alibaba Holding, they are deemed or may be perceived to have a material interest in the transaction contemplated under the Lease Agreement. Accordingly, they have abstained from voting on the Board resolutions. Other than those Directors, no other Directors have a material interest in the Lease Agreement and the transaction contemplated thereunder, or are required to abstain from voting on the resolutions of the Board approving the same.

DEFINITIONS

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

“Ali CV”	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands and a controlling shareholder of the Company, an indirect wholly-owned subsidiary of Alibaba Holding and a direct wholly-owned subsidiary of Alibaba Investment
“Alibaba Group”	Alibaba Holding and its subsidiaries
“Alibaba Holding”	Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company incorporated in the Cayman Islands, with its American depositary shares (each representing eight ordinary shares) listed on the New York Stock Exchange (stock symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988 (HKD counter) and 89988 (RMB counter)) and the ultimate controlling shareholder of the Company
“Alibaba Investment”	Alibaba Investment Limited, a company incorporated in the British Virgin Islands and a controlling shareholder of the Company and a direct wholly-owned subsidiary of Alibaba Holding
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors

“Chuanfu Yunxi”	北京傳富雲溪科技有限公司 (Beijing Chuanfu Yunxi Technology Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Alibaba Holding
“Company”	Alibaba Pictures Group Limited (阿里巴巴影業集團有限公司), a company incorporated in Bermuda with limited liability and the Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1060)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hangzhou Chengyun”	杭州橙雲科技創新有限公司 (Hangzhou Chengyun Technology and Innovation Co., Ltd.*), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Alibaba Holding
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreement”	the lease agreement dated April 16, 2025 and entered into, among others, between Chuanfu Yunxi (as landlord) and Zhonglian Shengshi (as tenant) for the lease of the Office Premises
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Office Premises”	Parts of Zone A and parts of Zone B, Alibaba Beijing Chaoyang Science & Technology Park, Guangshan Road, Chaoyang District, Beijing, the PRC
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules

“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Youku Technology”	北京優酷科技有限公司 (Beijing Youku Technology Co., Ltd.*), a company established in the PRC with limited liability and indirect wholly-owned subsidiary of Alibaba Holding
“Zhonglian Shengshi”	中聯盛世文化(北京)有限公司 (Zhonglian Shengshi Culture (Beijing) Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, April 16, 2025

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

* *For identification purposes only*