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阿里巴巴影业集团 Alibaba Pictures

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

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

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2024 Announcement in relation to, among other things, the existing continuing connected transactions contemplated under the Cloud Services Framework Agreement.

Based on information currently available to the Directors, the Board anticipates that the Original Annual Caps will not be sufficient to meet the business needs of the Group for the current and future financial years. Accordingly, on March 25, 2025, the Board proposed to revise the Original Annual Caps for each of the financial years ending March 31, 2025, 2026 and 2027 (i) from RMB50 million to RMB56 million, (ii) from RMB55 million to RMB65 million, and (iii) from RMB60 million to RMB75 million, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Alibaba Cloud is an indirect wholly-owned subsidiary of Alibaba Holding, and 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 53.85% 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. Therefore, each of Alibaba Holding and Alibaba Cloud is an associate of Alibaba Investment and thus a connected person of the Company. The transactions contemplated under the Cloud Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, if the Company proposes to revise the Original Annual Caps, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As all applicable percentage ratios calculated with reference to the highest Revised Annual Cap, are more than 0.1% but less than 5%, the transactions contemplated under the Cloud Services Framework Agreement (including the Revised Annual Caps) are subject to reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

REVISION OF THE ORIGINAL ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2024 Announcement in relation to, among other things, the existing continuing connected transactions contemplated under the Cloud Services Framework Agreement.

Based on the Group's unaudited management accounts and operational data for the month ended February 28, 2025, it has come to the attention of the Board that the actual transaction amount under the Cloud Services Framework Agreement was approaching the existing annual cap in respect of the total fees payable by Group to the Cloud Services Providers in relation to the transactions contemplated thereunder (the "Original Annual Cap(s)") for the financial year ending March 31, 2025. The unaudited historical transaction amount in relation to the Cloud Services for the eleven months ended February 28, 2025 already represents approximately 92% of the Original Annual Cap for the financial year ending March 31, 2025. As such, it is expected that the Original Annual Cap for the financial year ending March 31, 2025 may be exceeded before March 31, 2025. Such increase in the actual transaction amount was mainly attributable to the stronger-than-expected performance of the Group's performance business, along with higher demand for the Cloud Resource Services and Cloud Communication Services, which, in turn, drove up demands for the Cloud Services.

In light of the above, the Board anticipates that the Original Annual Caps for the financial years ending March 31, 2025, 2026 and 2027 will not be sufficient to meet the business needs of the Group. Accordingly, on March 25, 2025, the Board proposed to revise the Original Annual Caps in the following manners in compliance with the requirements under Chapter 14A of the Listing Rules:

	For the financial year ending March 31,		
	2025	**2026**	**2027**
	RMB' million	*RMB' million*	*RMB' million*
The Original Annual Caps	50	55	60
The revised annual caps for the Cloud Services (the "Revised Annual Cap(s)")	56	65	75

The Revised Annual Caps are determined after taking into account:

(i) the unaudited historical transaction amount of approximately RMB46,200,000 for the eleven months ended February 28, 2025 (representing approximately 92%, 84% and 77% of the Original Annual Caps for the financial years ending March 31, 2025, 2026 and 2027, respectively); and

(ii) anticipated increase in the transaction amount for the financial years ending March 31, 2025, 2026 and 2027 of (a) approximately RMB6 million, (b) approximately RMB10 million, and (c) approximately RMB15 million, respectively, based on (1) an expected surge in demand for the Cloud Services, resulting from the stronger-than-expected performance of the Group's performance business, along with higher demand for the Cloud Resource Services and Cloud Communication Services; and (2) the projected growth trends indicating rising demand for the Cloud Resource Services and Cloud Communication Services from the Group's operations in the financial years ending March 31, 2026 and 2027, which will further drive up business needs for the Cloud Services.

As at the date of this announcement, the Original Annual Cap for the financial year ending March 31, 2025 has not been exceeded.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Cloud Services Framework Agreement (including the Revised Annual Caps) 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.

Save for the revision of the Original Annual Caps, the pricing policy and other terms of the Cloud Services Framework Agreement remain unchanged. Details of the terms of the Cloud Services Framework Agreement are set out in the 2024 Announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Alibaba Cloud is an indirect wholly-owned subsidiary of Alibaba Holding, and 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 53.85% 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. Therefore, each of Alibaba Holding and Alibaba Cloud is an associate of Alibaba Investment and thus a connected person of the Company. The transactions contemplated under the Cloud Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, if the Company proposes to revise the Original Annual Caps, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As all applicable percentage ratios calculated with reference to the highest Revised Annual Cap, are more than 0.1% but less than 5%, the transactions contemplated under the Cloud Services Framework Agreement (including the Revised Annual Caps) are subject to reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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 transactions contemplated under the Cloud Services Framework Agreement. Accordingly, they have abstained from voting on the related Board resolutions. Other than those Directors, no other Directors have a material interest in the Cloud Services Framework Agreement and the transactions contemplated thereunder (including the annual caps related thereto), or are required to abstain from voting on the resolutions of the Board approving the same.

INFORMATION ABOUT THE PARTIES

The Company

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.

Alibaba Holding and Alibaba Cloud

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.

Alibaba Cloud, being a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of Alibaba Holding, is principally engaged in provision of cloud computing services.

DEFINITIONS

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

"2024 Announcement"	the announcement of the Company dated April 1, 2024 in relation to, among other things, the existing continuing connected transactions contemplated under the Cloud Services Framework Agreement
"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 Cloud"	Alibaba Cloud (Singapore) Private Limited, a company incorporated in Singapore and an indirect wholly-owned subsidiary of Alibaba Holding
"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
"Cloud Communication Services"	cloud communication services whereby content-specific instant massages are delivered to designated user terminals at the direction of service users
"Cloud Resource Services"	cloud resource services including, among other services, elastic computing service, relational database service, open storage service, object storage service, load balance service, open cache service, open table service, open data processing service, elastic high performance computing service, content network delivery, email-related service and simple log service
"Cloud Services"	collectively, the Cloud Resource Services and Cloud Communication Services

"Cloud Services Framework Agreement"	the cloud services framework agreement entered into between the Company and Alibaba Cloud on April 1, 2024 with respect to the provision of the Cloud Services by the Cloud Services Providers to the Group
"Cloud Services Providers"	Alibaba Cloud and its subsidiaries and associates, and each a "Cloud Services Provider"
"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
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Original Annual Cap(s)"	has the meaning ascribed to it under the section headed "REVISION OF THE ORIGINAL ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS" in this announcement
"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

"Revised Annual Cap(s)"	has the meaning ascribed to it under the section headed "REVISION OF THE ORIGINAL ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS" in this announcement
"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)
"Singapore"	the Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

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

Hong Kong, March 25, 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.