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

(Incorporated in Bermuda with limited liability)

(Stock Code: 1060)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 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 unaudited interim results of the Group for the six months ended September 30, 2024 (the “Reporting Period”) together with the unaudited comparative figures for the six months ended September 30, 2023 (the “Corresponding Period”).

FINANCIAL HIGHLIGHTS	For the six months ended		Change
	2024	2023	
	<i>RMB'000</i>	<i>RMB'000</i>	%
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
Revenue	3,050,796	2,615,532	17
Profit attributable to owners of the Company	336,598	463,788	(27)
Adjusted EBITA	642,249	461,286	39

MANAGEMENT DISCUSSION AND ANALYSIS

OFFLINE ENTERTAINMENT (FILM AND PERFORMANCE) INDUSTRIES OVERVIEW

Film Market

Since 2024, the growth of the global film industry has slowed down, and the Chinese film market was less active than last year. During the Reporting Period, the Chinese film market recorded a total box office revenue of RMB18.3 billion, representing a decrease of RMB11.5 billion as compared with the Corresponding Period; the number of viewers was 450 million, representing a decrease of 290 million as compared with the Corresponding Period. The decline in both box office and the number of viewers has left movie studios facing a more complicated profitability dilemma. Creating sufficient and high-quality films to attract audiences back to the cinemas and increase cinema admissions, as well as leveraging AI technologies such as virtual filming to reduce costs and increase efficiency, so as to improve the profitability of the film industry, are the common opportunities and challenges faced by the whole film industry at this stage.

Live Entertainment Market

During the Reporting Period, the market was more active than last year as consumer demand for live entertainment experiences continued to increase, especially in the large-scale performance market, which showed an upward trend in box office revenue as compared to the Corresponding Period. According to the National Performance Market Development Briefing for the First Half of 2024 released by the China Association of Performing Arts, a total of 251,700 commercial performances (excluding entertainment venue performances) were held nationwide, representing an increase of 30.19% year-over-year; the box office revenue was RMB19,016 million, representing an increase of 13.24% year-over-year, including a year-on-year increase of 134.73% in the box office revenues from concerts and musical festivals driven by a year-on-year increase of 63.35% in the number of viewers. With its abundant product supply and great demand for performance, the performance industry demonstrated the market's vibrant development and huge growth potential.

During the Reporting Period, the Company has steadfastly remained committed to its dual-approach "Content + Technology" strategy. With its focus on content to explore multiple business models, the Group continued to maintain the strengths of its ticketing platform business, while increasing its long-term investments in technological innovation, enabling it to proactively optimize its business management strategy and to achieve business breakthrough and growth amidst a complex and ever-changing market environment. The following table sets forth key indicators of the Group's financial results for the periods indicated, as well as segment revenue and results. During the Reporting Period, the Group recorded revenue of approximately RMB3,050 million, representing an increase of RMB440 million as compared with the Corresponding Period. The adjusted EBITA reached approximately RMB640 million, an increase of RMB180 million as compared with the Corresponding Period.

The following table sets forth the adjustments from operating profit to adjusted EBITA for the Reporting Period and the Corresponding Period.

	For the six months ended	
	September 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating profit	527,447	402,670
Add:		
Share-based compensation	50,641	58,289
Amortization of intangible assets arising on business combinations	14,335	6,334
Allowance for impairment, and disposals, of long- term assets	—	14,644
Profit or loss on equity investment and change in fair value, net	49,826	<u>(20,651)</u>
Adjusted EBITA	<u>642,249</u>	<u>461,286</u>

Segment Information	For the six months ended September 30,			
	Segment revenue		Segment results	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Content	1,224,491	1,480,686	28,630	375,068
Ticketing and technology platform	1,226,869	514,191	790,629	205,457
IP merchandising and other initiatives	599,436	<u>620,655</u>	175,542	<u>165,867</u>
Total	<u>3,050,796</u>	<u>2,615,532</u>	<u>994,801</u>	<u>746,392</u>

Note: Segment results = Segment revenue — Cost of sales and services — Selling and marketing expenses allocated to relevant segments

I. Content

Content segment is one of the Group's core businesses, mainly comprising film investment, production, promotion and distribution, drama series production and live entertainment investment, production, promotion and distribution. These three content investment and production businesses share IP reserves, integrate the promotion and distribution strategies, and initiate collaborations with studios to continuously expand the presence in the field of the content industry and create synergies.

(i) *Film investment, production, promotion and distribution*

In the film sub-segment, the investment strategy of the Group is to build up its reserve by acquiring more top-tier projects and projects involving leading promoters and distributors every year, with an aim of covering important timeslots to secure 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.

Under the above strategy, the Group continued to step up its investment in self-production and coproduction projects, strengthen its role as the leading promoter and distributor, and reinforce its core competency in investment and distribution services. Based on this strategy, the Group presented and distributed 47 films accounting for nearly 60% of the total box office. In collaboration with China Film Group Corporation, the Group co-introduced and marketed "*The Boy and the Heron* (你想活出怎樣的人生)", a film produced by Japan-based Studio Ghibli ("Ghibli"), which topped China's box office chart during the Qingming Festival holiday. Meanwhile, the Group also reached a strategic partnership agreement with Ghibli, collaborating not only in the film sector, but also in the exhibition field. Co-produced by Damai and Ghibli, the Studio Ghibli Story Immersive Art Exhibition was launched in Shanghai in April, realizing the IP resonance between the films and the exhibition. Moreover, "*The Sinking of the Lisbon Maru* (里斯本丸沉沒)", a highly acclaimed documentary for which the Group served as the leading promoter and distributor, will compete for the Academy Award for Best Documentary Feature.

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>Successor</i> (抓娃娃)	3.33	producer
2	<i>A Place Called Silence</i> (默殺)	1.35	producer and joint distributor
3	<i>The Boy and the Heron</i> (你想活出怎樣的人生)	0.79	co-introducer and marketer
4	<i>Formed Police Unit</i> (維和防暴隊)	0.51	producer, leading promoter and distributor
5	<i>Moments We Shared</i> (雲邊有個小賣部)	0.50	producer, leading promoter and distributor
6	<i>How to Make Millions Before Grandma Dies</i> (姥姥的外孫)	0.13	co-introducer and marketer
7	<i>The Sinking of the Lisbon Maru</i> (里斯本丸沉沒)	0.05	leading promoter and distributor

As of the date of this announcement, the Group has approximately 70 films scheduled for release, of which, around 35 are investment projects pending release and around 35 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 scheduled for release as follows.

No.	Film's Name*	State	Mode
1	<i>Creation of the Gods</i> (封神第二部)	scheduled for release	producer, leading promoter and distributor
2	<i>Dongji Island</i> (東極島)	scheduled for release	producer, leading promoter and distributor
3	<i>Shooting Stars</i> (群星閃耀時)	scheduled for release	producer, leading promoter and distributor
4	<i>I Know Who You Are</i> (抓特務)	scheduled for release	producer, leading promoter and distributor
5	<i>Blades Of The Guardians</i> (鏢人：風起大漠)	scheduled for release	producer, leading promoter and distributor
6	<i>Welcome to the Chinese Restaurant</i> (歡迎來龍餐館)	scheduled for release	producer and joint distributor
7	<i>Sheep Without a Shepherd III</i> (誤殺3)	scheduled for release	producer
8	<i>The Blood of Youth</i> (少年歌行)	scheduled for release	producer, leading promoter and distributor
9	<i>Keep Real</i> (特立獨行)	scheduled for release	producer, leading promoter and distributor
10	<i>Her Story</i> (好東西)	scheduled for release	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 studios, aiming at increasing its production of high-quality film content for the industry. So far, several projects have either commenced shooting or already completed, and are in the process of being scheduled for release. 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, to nurture youth directors and promote collaboration on film and television projects. As of the date of this announcement, the Program has recruited a total of 38 outstanding directors and established the “Alibaba Pictures Scholarship” at Hong Kong Baptist University, with a view to promoting film and television project cooperation.

(ii) *Drama series production*

In the drama series production sub-segment, the Group continued to invest in high-quality content through the operation of studios and to create touching and popular works which are widely-recognized by audiences and the market. A number of projects were released during the Reporting Period, such as the heroine-focused “*The Story of Hua Zhi* (惜花芷)” and the medical-themed “*Surgery Live Room* (手術直播間)”. Currently, the studio is developing more than 60 projects, which will be successively introduced to the audience.

(iii) *Live entertainment investment, production, promotion and distribution*

Moreover, the Group’s Damai business has been making efforts to deepen its layout of performance content. As of the date of this announcement, Damai has accumulated five key brands for performance content, such as Xiami Music Entertainment, Mailive and “*Dang Ran You Xi* (當然有戲)”. The performance content business covers various categories, including concerts, musical festivals, dramas, exhibitions and talk shows. After years of efforts, Damai has built up its brand presence through projects including the 2024 Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節), Karen Mok’s concert “*The Big Big Show* (大秀一場)”, as well as the drama “*The Magic Hour* (魔幻時刻)”. These high-quality performances and exquisite stage productions have brought the audience an excellent viewing experience.

During the Reporting Period, the Group’s content segment recorded revenue and results of RMB1,220 million and RMB30 million, respectively. Segment revenue and results decreased by RMB260 million and RMB350 million, respectively, as compared with the Corresponding Period, partly due to the general trend of declining box office revenue, which had an adverse effect on the revenue and profit margin of content business.

II. Ticketing and Technology Platform

(i) Film ticketing platform business

The film ticketing and technology platforms, being Tao Piao Piao and Yunzhi, 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.

The “Taomai VIP” membership system, launched by Tao Piao Piao in collaboration with Damai business and the industry’s first tiered membership system that connects film viewing and live performance dual consumption scenarios, offered a wide range of member privileges during the Reporting Period, such as “buy 1 get 1 free”, priority ticket purchase for blockbusters, access to star-studded events, and e-ticket collection, all of which had been well received by users. After years of membership operations, Taomai members have demonstrated super high loyalty to, and represent the most valuable asset of, both Tao Piao Piao and Damai platforms. Although the number of viewers decreased year-on-year during the Reporting Period, the decline in Taomai members, especially those using paid services frequently, was significantly smaller in scale compared to the drop in viewers, reflecting the loyalty and resilience of its core high-value consumer groups.

During the Reporting Period, Yunzhi business continued to rank first in the country in terms of the number of ticket-issuing cinemas and tickets issued. Additionally, Yunzhi has also entered into cooperation agreements with cinemas in Hong Kong 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.

(ii) *Live events ticketing platform business*

On November 30, 2023, the Group completed the acquisition of Damai (“Damai”), upon which the operating entity of Damai became a wholly-owned subsidiary of the Group.

During the Reporting Period, Damai, as a preferred ticketing platform for performances, maintained its leading position in the live event ticketing market, and served a large number of top-tier concerts, such as those of Joker Xue, Jason Zhang, Jay Chou, JJ Lin, Jacky Cheung, Mayday and G.E.M. By providing support for nearly all major concerts in China, the gross merchandise value (GMV) of Damai grew rapidly by over 50% during the Reporting Period. In the segment of on-site event services, Damai served over 2,000 projects and more than 25 million attendees, ensuring secure and stable event operations without incidents, and garnering praise from partners.

In addition, with its ticketing platform as the entry point, Damai proactively expanded its overseas presence. In August 2024, the self-produced international version of the ticketing platform by Damai was officially implemented by the Galaxy Arena in Macau. The “Today…is the Day” Andy Lau Concert Tour 2024 in Macau was the first event following the platform upgrade at Galaxy Arena. Since ticket sales began, the system had been operating smoothly, handling the demand of nearly one million users vying for tickets in real-time, and receiving positive feedback from users.

(iii) *Technology business*

While continuing to increase its investments in innovative technologies, such as AI, digital human and virtual filming, the Group has pursued solutions for the standardization, streamlining and digitalization of film and television production processes. It has also promoted the application of new technologies in industrialized film and television production. In addition to having planned for the construction of virtual studios in different regions, the Group has begun applying virtual filming techniques in certain film and drama series projects. In addition, the Group has introduced five digital humans, including Leah (厘里) and Angel (安診兒). Leah, the first digital human from Alibaba Digital Media & Entertainment Group, will not only embark on its journey in the music industry as a virtual musician after signing a contract with Damai, it will also serve as the marketing ambassador for Tmall’s sports and outdoor brands during the “Double 11” shopping bonanza, and appear in “*I Am Nobody S2: Battle in Biyou Village* (異人之下之決戰！碧游村)”, an exclusive drama series on Youku. Leah is actively involved in various fields, including film and television, commercial endorsements, livestreaming, and digital collectibles.

Moreover, “Beacon AI (燈塔AI)”, a data product designed to provide intelligent promotion and distribution services for the entertainment industry, now leverages its access to the Tongyi Qianwen model to understand and accurately answer a wide range of general questions about film releases, scheduling analysis, and more. By providing industry participants with timely, comprehensive, detailed and condensed summaries of public opinion, more informative box office forecasts, as well as additional support in film promotion, distribution, scheduling decisions, and other tasks, Beacon AI has significantly improved the efficiency of industry participants’ work.

During the Reporting Period, the ticketing and technology platform segment recorded revenue of RMB1,230 million, representing an increase of RMB710 million as compared with the Corresponding Period; the segment results recorded was RMB790 million, representing an increase of RMB590 million as compared with the Corresponding Period.

III. IP merchandising and other initiatives

As one of the Group's core operations, IP merchandising and other initiatives help the Group to expand its presence in the entertainment industry, with the IP merchandising business primarily focusing on the Alifish business and creation of pop toys.

According to the *China Licensing Industry Report: White Paper 2024*, the licensing market in China has been growing year-on-year over the past six years, and evolving into an industry of hundred billion scale. In 2023, annual retail sales of licensed products in China surpassed RMB140 billion, with annual licensing fees exceeding RMB5.4 billion, demonstrating substantial market potential, while the value of IP is increasingly acknowledged by channel merchants. As the largest platform for IP-licensing agents in China, since its establishment in 2016, Alifish has cooperated with hundreds of domestic and international quality IPs, and thousands of brands and channel merchants. The Group has managed to build up an enormous and rich IP matrix, including Sanrio, Pokémon, Universal Studios, Chiikawa and Crayon Shinchan. During the Reporting Period, the retail sales of licensed IP merchandise from Alifish saw a substantial year-on-year increase, driving Alifish's revenue growth of over 40% compared to the Corresponding Period. Not only has Alifish provided high-quality IP-licensed products and enriched entertainment experience for consumers, it has also achieved a win-win situation with its business partners.

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 developed or signed contracts in respect of over 10 self-produced pop toys IPs with fair performance in "Kayla-X (凱拉十世)" and "PiPi". "KOITAKE" has also been integrated with the contents of more than 40 films and television programs, including "Lost You Forever (長相思)" (an exclusive drama series on Tencent Video), "Mysterious Lotus Casebook (蓮花樓)" (an exclusive drama series on iQIYI), and "Empresses in the Palace (甄嬪傳)" 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 other initiatives segment registered revenue of approximately RMB600 million, representing a decrease of RMB20 million as compared with the Corresponding Period; the segment results recorded was RMB180 million, representing an increase of RMB10 million as compared with the Corresponding Period.

PROSPECTS

As a player in the booming yet complex and volatile entertainment industry, the Group remains confident about the future, and 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 promote:

1. the content-first strategy: improving its capabilities to produce a broader set of content, including films, drama series and live entertainment performances, driving the diversified development of the Damai business, fostering IP integration across films, live entertainment performances and drama series, and delivering high-quality content to the market steadily;
2. the user growth strategy: persistently enhancing the membership benefits and brand presence of “Taomai VIP”, expanding the service scope of its technology business, and exploring multiple business models, including AI;
3. the exploration of opportunities overseas: actively engaging in the introduction and hosting of international projects, investing in overseas ticketing markets and top-tier venues based on the “Hong Kong Cultural and Art Industry Revitalization Programme”, enhancing the international influence of local content, and further strengthening the scale benefits and barriers to entry for the Group’s businesses; and
4. the access to top-tier resources and self-owned IP incubation: building merchandise channels, solidifying user base, and further expanding the scale and market share of the merchandising business.

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 RMB3,051 million, representing an increase of 17% year-over-year. This was attributable to our firm implementation of “Content + Technology” strategy and the diversified development of business structure. The adjusted EBITA for the Reporting Period reached approximately RMB642 million, representing an increase of 39% year-over-year. Net profit attributable to owners of the Company reached RMB337 million for the Reporting Period, representing a decrease of 27% year-over-year.

Earnings per share of the Group decreased from basic earnings per share of RMB1.74 cents and diluted earnings per share of RMB1.73 cents for the Corresponding Period to basic and diluted earnings per share of RMB1.14 cents for the Reporting Period.

Selling, Marketing and Administrative Expenses

During the Reporting Period, selling and marketing expenses of the Group amounted to approximately RMB329 million, representing a year-over-year decrease of approximately RMB48 million when compared with approximately RMB377 million for the Corresponding Period. The proportion of selling and marketing expenses in revenue decreased from 14% for the Corresponding Period to 11%, which was primarily due to more prudence in incurring marketing expenses.

During the Reporting Period, administrative expenses of the Group increased to approximately RMB599 million from approximately RMB391 million for the Corresponding Period, representing a year-over-year increase of approximately RMB208 million, which was primarily due to increase in operating expenses as a result of the acquisition of the Damai business.

Net Finance Income

During the Reporting Period, the Group recorded net finance income of approximately RMB81 million, which included interest income on bank deposits and losses on foreign exchange. As the Group’s cash reserves are held in multiple currencies, the exchange loss resulted mainly from the appreciation of RMB against U.S. dollar (“USD”) during the Reporting Period.

Material Investments

As of September 30, 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 RMB1,456 million; the Group also held 10 investments in unlisted companies and 1 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 RMB608 million.

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

As of September 30, 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. The Group did not have any plans for material investments and capital assets as of September 30, 2024.

Financial Resources and Liquidity

As of September 30, 2024, the Group held cash and cash equivalents and bank deposits with the maturity within one year of approximately RMB3,095 million (March 31, 2024: RMB6,715 million), which were denominated in RMB, USD and Hong Kong dollar. As of September 30, 2024, the Group had a net cash position with a gearing ratio (being net borrowings over total equity) of nil (March 31, 2024: nil). The Group actively and regularly reviews and manages its capital structure to maintain a balance between shareholder returns and a sound capital position. The Group may make adjustments, where necessary, to maintain an optimal capital structure and to reduce the cost of capital. Further, the Group may purchase wealth management products, where appropriate, in line with its treasury and investment policies, after taking into account, among other things, level of risk, return on investment, liquidity and term of maturity.

Foreign Exchange Risks

While the majority of the Group's production costs and administrative costs are denominated and settled in RMB, the Group requires foreign currencies for some of its offshore investments and collaborations with studios outside Mainland China. The Group will continue to closely monitor its capital needs and manage foreign exchange risks accordingly. As of September 30, 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 September 30, 2024, the Group did not have any outstanding indebtedness secured by assets (March 31, 2024: nil).

Contingent Liabilities

As of September 30, 2024, the Group did not have any material contingent liabilities (March 31, 2024: nil).

Material Acquisitions and Disposals

During the Reporting Period, Beijing Alibaba Pictures Culture Co., Ltd* (北京阿里巴巴影業文化有限公司), being an indirect wholly-owned subsidiary of the Company, agreed to purchase, and Huayi Brothers Media Corporation* (華誼兄弟傳媒股份有限公司) agreed to sell, 70% of the entire equity interest in Zhejiang Dongyang Meila Media Company Limited* (浙江東陽美拉傳媒有限公司) at a total consideration of RMB350,000,000 (the “Acquisition”). The Acquisition was completed in November 2024. Details of the Acquisition are set out in the Company’s announcement dated July 23, 2024.

During the Reporting Period, save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Employees and Remuneration Policies

As of September 30, 2024, the Group had 1,556 (September 30, 2023: 1,505) employees. The total employee benefit expenses of the Group were approximately RMB437 million for the Reporting Period (September 30, 2023: RMB398 million). The remuneration policies of the Group are determined based on prevailing market rates and the performance of the Group and individual employees. These policies are reviewed on a regular basis. The Group strongly believes that our staff is an invaluable asset to the Group and is significant to the Group’s business. Therefore, the Group recognizes the importance of maintaining a good relationship with employees. In addition to salary, the Group also provides our employees with fringe benefits, including year-end bonuses, discretionary bonuses, share options under the Company’s share option schemes, awarded shares under the Company’s share award scheme, contributory provident fund, social security fund, medical benefits and training.

Subsequent Events

Save as disclosed in Note 13 to the interim condensed consolidated financial information contained in this announcement, there are no important events of the Group since September 30, 2024 and up to the date of this announcement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended	
		September 30,	
		2024	2023
		(Unaudited)	(Unaudited)
<i>Note</i>		RMB'000	RMB'000
	Revenue	3,050,796	2,615,532
	Cost of sales and services	<u>(1,734,875)</u>	<u>(1,502,295)</u>
	Gross profit	1,315,921	1,113,237
	Selling and marketing expenses	(328,662)	(377,498)
	Administrative expenses	(598,884)	(390,597)
	Reversal of impairment losses/(impairment losses) on financial assets, net	146,678	(23,685)
	Other income	4 19,170	29,091
	Other (losses)/gains, net	5 <u>(26,776)</u>	<u>52,122</u>
	Operating profit	527,447	402,670
	Finance income	6 126,794	76,937
	Finance expenses	6 (45,901)	(2,537)
	Finance income, net	80,893	74,400
	Share of loss of investments accounted for using the equity method	9 (26,861)	(54,122)
	Impairment of investments accounted for using the equity method	9 <u>(146,456)</u>	<u>(96,911)</u>
	Profit before income tax	435,023	326,037
	Income tax (expense)/credit	7 <u>(62,324)</u>	<u>147,353</u>
	Profit for the period	<u>372,699</u>	<u>473,390</u>
	Attributable to:		
	Owners of the Company	336,598	463,788
	Non-controlling interests	<u>36,101</u>	<u>9,602</u>
	Earnings per share attributable to owners of the Company for the period <i>(expressed in RMB cents per share)</i>		
		8	
	– Basic	1.14	1.74
	– Diluted	<u>1.14</u>	<u>1.73</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended	
		September 30,	
		2024	2023
		(Unaudited)	(Unaudited)
<i>Note</i>		RMB'000	RMB'000
	Profit for the period	372,699	473,390
	Other comprehensive income:		
	<i>Items that may be reclassified to profit or loss</i>		
	Share of other comprehensive income/(loss) of associates	9 2,192	(2,569)
	Currency translation differences attributable to owners of the Company	(60,557)	130,828
	<i>Items that may not be reclassified to profit or loss</i>		
	Currency translation differences attributable to non-controlling interests	<u>(648)</u>	<u>1,642</u>
	Other comprehensive (loss)/income for the period, net of tax	<u>(59,013)</u>	<u>129,901</u>
	Total comprehensive income for the period	<u>313,686</u>	<u>603,291</u>
	Attributable to:		
	Owners of the Company	278,233	592,047
	Non-controlling interests	<u>35,453</u>	<u>11,244</u>
	Total comprehensive income for the period	<u>313,686</u>	<u>603,291</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at September 30, 2024 (Unaudited) <i>RMB'000</i>	As at March 31, 2024 (Audited) <i>RMB'000</i>
	<i>Note</i>		
Assets			
Non-current assets			
Property, plant and equipment		90,776	38,423
Investment properties		429,123	443,546
Goodwill		3,554,882	3,554,882
Intangible assets		218,600	234,004
Right-of-use assets		3,071	6,566
Deferred income tax assets		38,059	94,718
Investments accounted for using the equity method	9	1,456,432	1,672,220
Film and TV rights and investments		2,809	2,894
Bank deposits with the maturity over one year		4,487,150	1,217,522
Financial assets at fair value through profit or loss		607,609	700,629
Trade and other receivables, and prepayments	10	559,526	400,820
		11,448,037	8,366,224
Current assets			
Inventories		36,439	31,100
Film and TV rights and investments		3,293,026	2,228,853
Trade and other receivables, and prepayments	10	4,269,817	3,412,739
Structured deposits		892,024	706,196
Bank deposits with the maturity over three months		1,651,175	2,296,932
Cash and cash equivalents		1,443,905	4,413,697
Restricted cash		189	4,159
Current assets excluding assets classified as held for sale		11,586,575	13,093,676
Assets classified as held for sale		30,000	—
Total assets		23,064,612	21,459,900

		As at September 30, 2024 (Unaudited) <i>RMB'000</i>	As at March 31, 2024 (Audited) <i>RMB'000</i>
	<i>Note</i>		
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		6,078,702	6,026,151
Reserves		<u>9,940,866</u>	<u>9,696,245</u>
		16,019,568	15,722,396
Non-controlling interests		<u>133,937</u>	<u>98,484</u>
		16,153,505	<u>15,820,880</u>
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		53,921	56,925
Lease liabilities		<u>54,111</u>	<u>58,408</u>
		108,032	<u>115,333</u>
Current liabilities			
Borrowings		387,712	–
Trade and other payables, and accrued charges	11	5,772,046	5,094,022
Contract liabilities		579,810	415,029
Current tax liabilities		6,142	1,089
Lease liabilities		5,997	5,897
Financial liabilities at fair value through profit or loss		<u>51,368</u>	<u>7,650</u>
		6,803,075	<u>5,523,687</u>
Total liabilities		<u>6,911,107</u>	<u>5,639,020</u>
Total equity and liabilities		<u>23,064,612</u>	<u>21,459,900</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 September 30, 2024, the Company is approximately 53.85% 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.

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. These condensed interim financial statements were approved for issue on November 20, 2024.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended September 30, 2024 has been prepared in accordance with Hong Kong Accounting Standard 34, “Interim financial reporting”. This announcement does not include all of the notes normally included in annual consolidated financial statements. Accordingly, the condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended March 31, 2024.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Change in segment accounting policy

During the Reporting Period, the Group has changed its identification of reportable business segments. The Group has reclassified its previous five business segments, namely “Film investment, production, promotion and distribution”, “Film ticketing and technology platform”, “Damai”, “Drama Series Production” and “IP Merchandising and innovation initiatives” into three business segments, namely “Content”, “Ticketing and technology platform” and “IP merchandising and other initiatives”. Further information of the new business segments is detailed in note 3 below. In the opinion of the directors of the Company, the new basis of segmentation reflects a more accurate market positioning of the Group and provides a more appropriate presentation of the segment information.

(a) New and amended standards adopted by the group

The Group has applied the new and amended standards effective for the financial year beginning on April 1, 2024. The adoption of these new and revised standards does not have any significant impact on the interim condensed consolidated financial statements of the Group.

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Classification of liabilities as current or non-current	April 1, 2024
Amendments to HKAS 1 HK Int 5 (Revised)	Non-current liabilities with covenants Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	April 1, 2024 April 1, 2024
Amendments to HKFRS 16	Lease liability in sale and leaseback	April 1, 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	April 1, 2024

(b) New standards and amendments not yet adopted

The following new standards and amendments to standards have not come into effect for the financial year beginning on April 1, 2024 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	April 1, 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	April 1, 2026
Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards Volume 11	April 1, 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	April 1, 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	April 1, 2027

3 REVENUES AND SEGMENT INFORMATION

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

The board of directors of the Company considers the business from perspective of types of goods or services delivered or provided. During the six months ended September 30, 2024, the Group's operating and reportable segments are as follows:

- Content: mainly comprising film investment, production, promotion and distribution, drama series production and live entertainment investment, production, promotion and distribution.
- Ticketing and technology platform: mainly comprises Tao Piao Piao, Yunzhi, Damai and Beacon AI.
- IP merchandising and other initiatives: backed by the Group's licensing and marketing capabilities, the Group could integrate resources within or outside the Alibaba Ecosystem to provide comprehensive distribution channels connecting with both corporate customers and individual consumers ("IP2B2C").

For the six months ended September 30, 2024 (Unaudited)

	Content <i>RMB'000</i>	Ticketing and technology platform <i>RMB'000</i>	IP merchandising and other initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
- recognized at a point in time	865,762	1,216,231	568,022	2,650,015
- recognized over time	358,729	10,638	30,044	399,411
	1,224,491	1,226,869	598,066	3,049,426
Film and TV related investment income	-	-	1,370	1,370
Total segment revenue	1,224,491	1,226,869	599,436	3,050,796

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

	Content <i>RMB'000</i>	Ticketing and technology platform <i>RMB'000</i>	IP merchandising and other initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
– recognized at a point in time	914,676	502,867	417,741	1,835,284
– recognized over time	<u>566,010</u>	<u>11,324</u>	<u>201,259</u>	<u>778,593</u>
	1,480,686	514,191	619,000	2,613,877
Film and TV related investment income	<u>–</u>	<u>–</u>	<u>1,655</u>	<u>1,655</u>
Total segment revenue	<u><u>1,480,686</u></u>	<u><u>514,191</u></u>	<u><u>620,655</u></u>	<u><u>2,615,532</u></u>

Segment revenue and results

For the six months ended September 30, 2024 (Unaudited)

	Content <i>RMB'000</i>	Ticketing and technology platform <i>RMB'000</i>	IP merchandising and other initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>1,224,491</u>	<u>1,226,869</u>	<u>599,436</u>	<u>3,050,796</u>
Segment results	<u><u>28,630</u></u>	<u><u>790,629</u></u>	<u><u>175,542</u></u>	<u><u>994,801</u></u>
Unallocated selling and marketing expenses				(7,542)
Administrative expenses				(598,884)
Reversal of impairment losses on financial assets, net				146,678
Other income				19,170
Other losses, net				(26,776)
Finance income				126,794
Finance expenses				(45,901)
Share of loss of investments accounted for using the equity method				(26,861)
Impairment of investments accounted for using the equity method				<u>(146,456)</u>
Profit before income tax				<u><u>435,023</u></u>

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

	Content <i>RMB'000</i>	Ticketing and technology platform <i>RMB'000</i>	IP merchandising and other initiatives <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>1,480,686</u>	<u>514,191</u>	<u>620,655</u>	<u>2,615,532</u>
Segment results	<u><u>375,068</u></u>	<u><u>205,457</u></u>	<u><u>165,867</u></u>	<u><u>746,392</u></u>
Unallocated selling and marketing expenses				(10,653)
Administrative expenses				(390,597)
Impairment losses on financial assets, net				(23,685)
Other income				29,091
Other gains, net				52,122
Finance income				76,937
Finance expenses				(2,537)
Share of loss of investments accounted for using the equity method				(54,122)
Impairment of investments accounted for using the equity method				<u>(96,911)</u>
Profit before income tax				<u><u>326,037</u></u>

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

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

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

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

4 OTHER INCOME

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest income on loan receivables	15,375	16,829
Local government grants	1,086	7,323
Additional deduction of input VAT	–	3,342
Sundry income	2,709	1,597
	<hr/>	<hr/>
Total	19,170	29,091
	<hr/> <hr/>	<hr/> <hr/>

5 OTHER (LOSSES)/GAINS, NET

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Change in fair value of unlisted investments	(77,148)	(689)
Change in fair value of listed investment	27,322	21,340
Net gains on disposal of film and TV rights and investments	11,026	8,162
Change in fair value of structured deposits	10,580	–
Change in fair value of film and TV investments, at fair value	1,992	23,118
Net gains on disposal of property, plant and equipment	250	255
Others	(798)	(64)
	<hr/>	<hr/>
Total	(26,776)	52,122
	<hr/> <hr/>	<hr/> <hr/>

6 FINANCE INCOME, NET

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Finance income		
– Interest income on bank deposits	126,794	71,240
– Exchange gain, net	<u>–</u>	<u>5,697</u>
	126,794	76,937
Finance expenses		
– Exchange loss, net	(41,500)	–
– Interest expenses on lease liabilities	(2,595)	(2,537)
– Interest expenses on bank borrowings	<u>(1,806)</u>	<u>–</u>
	(45,901)	(2,537)
Finance income, net	<u>80,893</u>	<u>74,400</u>

7 INCOME TAX (EXPENSE)/CREDIT

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax expense	(8,668)	(447)
Deferred income tax (expense)/credit	<u>(53,656)</u>	<u>147,800</u>
	(62,324)	147,353

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

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

Provision for the PRC enterprise income tax is calculated based on the statutory tax rate of 25% (the six months ended September 30, 2023: 25%) on the assessable income of each of the group companies, except that: (1) two subsidiaries of the Company is taxed at preferential tax rate of 15% (the six months ended September 30, 2023: one under 15%) under the relevant PRC tax rules and regulations; (2) one subsidiary of the Company, incorporated in Horgos, Xinjiang Province, is exempted from income taxes from the first year of generating revenue before December 31, 2030 and the exemption period is five years according to the relevant PRC tax rules and regulations; and (3) certain subsidiaries of the Company are small low-profit enterprises, followed by a reduced tax rate of 20% (the six months ended September 30, 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 do not have any assessable profit for both periods.

8 EARNINGS PER SHARE

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB cents	RMB cents
Basic earnings per share	1.14	1.74
Diluted earnings per share	1.14	1.73

(a) Basic

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

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB'000)	336,598	463,788
Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)	29,454,802	26,718,257

(b) Diluted

Diluted earnings is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares for the six months ended September 30, 2024 and 2023, which are share options and unvested awarded shares.

For the six months ended September 30, 2024 and 2023, diluted earnings per share is calculated based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares outstanding after adjustment for unvested awarded shares and share options granted to employees.

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company <i>(RMB'000)</i>	336,598	463,788
Weighted average number of ordinary shares in issue less shares held for share award scheme <i>(thousands)</i>	29,454,802	26,718,257
Adjustments for share options and unvested awarded shares:		
– Unvested awarded shares assumed vested <i>(thousands)</i>	35,553	24,466
Weighted average number of ordinary shares for calculation of diluted earnings per share <i>(thousands)</i>	29,490,355	26,742,723
Diluted earnings per share <i>(RMB cents)</i>	1.14	1.73

9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	For the six months ended	
	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Beginning of the period	1,672,220	1,827,249
Transfer to assets held for sale	(30,000)	–
Share of loss of investments (<i>Note a</i>)	(26,861)	(54,122)
Share of other comprehensive income/(loss) of associates	2,192	(2,569)
Share of changes of other reserves of an associate	(2,225)	(471)
Reduction	(3,000)	–
Impairment (<i>Note b</i>)	(146,456)	(96,911)
Currency translation differences	(9,438)	37,480
	<u>1,456,432</u>	<u>1,710,656</u>
End of the period	<u>1,456,432</u>	<u>1,710,656</u>

Notes:

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

The financial year end date of the Group is March 31, which is different from those of certain of the associates and joint ventures of the Group. The financial information of certain of the Group's associates and joint ventures as at September 30, 2024 and 2023 are not available. As a result, the Group records its share of profit or loss of those investments accounted for using the equity method on one quarter in arrear basis for the six months ended September 30, 2024 and 2023. While Bona Film Group Co., Limited could provide its financial statements as at September 30, 2024 before the results announcement of the Group, the Group records its share of profit or loss based on its financial statements as at and for the six months ended September 30, 2024.

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

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

Based on the assessment results, the Group recognized an impairment loss of RMB146,456,000 (the six months ended September 30, 2023: RMB96,911,000) for the investments accounted for using the equity method of the Group for the six months ended September 30, 2024.

10 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	As at September 30, 2024			As at March 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>	(Audited) <i>RMB'000</i>	(Audited) <i>RMB'000</i>	(Audited) <i>RMB'000</i>
Trade receivables <i>(Note)</i>						
– Related parties	1,158,993	–	1,158,993	1,187,094	–	1,187,094
– Third parties	1,144,837	–	1,144,837	776,962	–	776,962
Less: allowance for impairment of trade receivables	<u>(132,539)</u>	<u>–</u>	<u>(132,539)</u>	<u>(124,254)</u>	<u>–</u>	<u>(124,254)</u>
Trade receivables – net	<u>2,171,291</u>	<u>–</u>	<u>2,171,291</u>	<u>1,839,802</u>	<u>–</u>	<u>1,839,802</u>
Prepaid film deposits	12,500	34,000	46,500	12,500	34,000	46,500
Prepayments for licensed assets	174,115	–	174,115	133,285	–	133,285
Prepayments for equity acquisition	–	160,000	160,000	–	–	–
Prepayments for entertainment events	67,322	–	67,322	96,321	–	96,321
Other prepayments	134,380	–	134,380	118,490	4,412	122,902
Other receivables arising from:						
– Receivables from related parties	36,120	–	36,120	55,372	–	55,372
– Loan receivables	492,331	342,266	834,597	413,354	338,707	752,061
– Receivables in respect of reimbursed film distribution expenses	599,537	–	599,537	294,890	–	294,890
– Receivables in relation to other film and TV investments	309,079	–	309,079	266,646	–	266,646
– Receivables in respect of reimbursed live performance expenses	264,348	–	264,348	334,198	–	334,198
– Deductible VAT input	198,426	–	198,426	180,366	–	180,366
– Interest income receivables	63,437	–	63,437	58,222	–	58,222
– Receivables in relation to tickets	11,939	–	11,939	13,475	–	13,475
– Deposits receivables	9,432	–	9,432	10,801	–	10,801
– Others	69,793	23,260	93,053	81,336	23,701	105,037
Less: allowance for impairment of other receivables and prepayments	<u>(344,233)</u>	<u>–</u>	<u>(344,233)</u>	<u>(496,319)</u>	<u>–</u>	<u>(496,319)</u>
Other receivables and prepayments – net	<u>2,098,526</u>	<u>559,526</u>	<u>2,658,052</u>	<u>1,572,937</u>	<u>400,820</u>	<u>1,973,757</u>
Total trade and other receivables, and prepayments	<u>4,269,817</u>	<u>559,526</u>	<u>4,829,343</u>	<u>3,412,739</u>	<u>400,820</u>	<u>3,813,559</u>

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

Note:

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

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

	As at September 30, 2024 (Unaudited) RMB'000	As at March 31, 2024 (Audited) RMB'000
0 – 90 days	469,843	467,787
91 – 180 days	313,591	686,900
181 – 365 days	886,248	129,529
Over 365 days	634,148	679,840
	<u>2,303,830</u>	<u>1,964,056</u>

11 TRADE AND OTHER PAYABLES, AND ACCRUED CHARGES

	As at September 30, 2024 (Unaudited) RMB'000	As at March 31, 2024 (Audited) RMB'000
Trade payables (Note)		
– Related parties	93,498	101,002
– Third parties	<u>627,506</u>	<u>363,742</u>
	<u>721,004</u>	<u>464,744</u>
Notes payables	<u>33,910</u>	<u>480,000</u>
Advance from investment transactions	<u>160,000</u>	<u>–</u>
Other payables and accrued charges:		
Amounts due to related parties	251,117	171,931
Payables in relation to distribution of entertainment events tickets	3,594,273	2,808,251
Payables in relation to distribution of films	487,054	533,535
Accrued marketing expense	124,428	134,008
Payroll and welfare payable	118,782	230,125
Other tax payable	67,631	78,456
Amounts received on behalf of cinema ticketing system providers	43,033	49,573
Accrued construction expense	31,680	–
Professional fees payable	31,427	45,997
Deposits from customers	12,227	12,278
Amounts received on behalf of cinemas	7,161	7,140
Others	<u>88,319</u>	<u>77,984</u>
	<u>4,857,132</u>	<u>4,149,278</u>
Total trade and other payables, and accrued charges	<u><u>5,772,046</u></u>	<u><u>5,094,022</u></u>

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

Note:

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

	As at September 30, 2024 (Unaudited) RMB'000	As at March 31, 2024 (Audited) RMB'000
0 – 90 days	566,997	361,612
91 – 180 days	75,012	49,195
181 – 365 days	43,091	26,579
Over 365 days	35,904	27,358
	<u>721,004</u>	<u>464,744</u>

12 DIVIDENDS

The board of directors of the Company has resolved not to declare an interim dividend for the six months ended September 30, 2024 (the six months ended September 30, 2023: nil).

13 EVENTS OCCURRING AFTER THE REPORTING PERIOD

During the Reporting Period, Beijing Alibaba Pictures Culture Co., Ltd* (北京阿里巴巴影業文化有限公司), being an indirect wholly-owned subsidiary of the Company, agreed to purchase, and Huayi Brothers Media Corporation* (華誼兄弟傳媒股份有限公司) agreed to sell, 70% of the entire equity interest in Zhejiang Dongyang Meila Media Company Limited* (浙江東陽美拉傳媒有限公司) at a total consideration of RMB350,000,000 (the “Acquisition”). The Acquisition was completed in November 2024.

INTERIM DIVIDEND

The Board has resolved that no interim dividend will be declared for the six months ended September 30, 2024 (For the six months ended September 30, 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 code provisions as stipulated in 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”) as the basis of the corporate governance practices of the Company.

Throughout the Reporting Period, the Company has complied with all applicable code provisions as set out in Part 2 of the CG Code, save as disclosed below:

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

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as 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 INTERIM RESULTS

The unaudited interim results of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the “Audit Committee”).

The interim results of the Group for the Reporting Period are unaudited, but have been reviewed by the Company’s independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares). As of September 30, 2024, the Company did not hold any treasury shares.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

Hong Kong, November 20, 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*