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CLARIFICATION ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

Reference is made to the annual report of Alibaba Pictures Group Limited (the “Company”) for the year ended December 31, 2015 (the “Annual Report”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Annual Report.

Further to the information disclosed in the Annual Report, the Company wishes to provide the shareholders of the Company (“Shareholders”) and the public with the following supplementary information:

Issue of Equity Securities under General Mandate

On June 3, 2015, the Company entered into a placing agreement (the “Placing Agreement”) with Credit Suisse (Hong Kong) Limited and Morgan Stanley & Co. International Plc. (the “Placing Agents”). Pursuant to the Placing Agreement, each of the Placing Agents agreed, severally, to act as agent for the Company, to procure professional, institutional or other investor(s) (the “Placees”) to purchase 4,199,570,000 new ordinary shares of the Company (the “Placing Share(s)”) at the price of HK\$2.90 per ordinary share (exclusive of brokerage) (the “Placing Price”) (the “Placing”). The Placing Price represented a discount of approximately 19.89% to the closing price of HK\$3.62 per ordinary share as quoted on The Stock Exchange of Hong Kong Limited on June 1, 2015, being the last trading date immediately preceding the date on which the terms of the Placing Agreement were agreed.

Upon completion of the Placing on June 11, 2015, the Company issued and allotted 4,199,570,000 new ordinary shares to not fewer than six Placees pursuant to the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on June 5, 2015. These shares ranked pari passu in all respects with the existing ordinary shares of the Company then in issue.

The Directors considered that the Placing represented an opportunity to raise capital for the Company for its business development and to broaden the Shareholder base of the Company.

The net Placing Price (after deduction of the commissions and expenses relating to the Placing) was approximately HK\$2.89 per Placing Share. The net proceeds from the Placing (after deduction of the commissions and expenses relating to the Placing) amounted to approximately HK\$12,115.8 million, equivalent to RMB9,556.4 million. The Company intends to use the net proceeds from the Placing for general working capital purposes and to finance potential acquisitions arising out of media related investment opportunities that may arise in the future. In the period between completion of the Placing and December 31, 2015, the Company acquired the online movie ticketing platform (which has been renamed “Tao Piao Piao” since May 16, 2016) and Yulebao (the “Acquisition”), as described in the Company’s announcements dated November 4, 2015 and December 31, 2015. As at December 31, 2015, approximately RMB3,044.2 million of the net proceeds from the Placing were used for the Acquisition, and approximately RMB6,512.2 million of the net proceeds from the Placing remained unused. Since December 31, 2015, the Company has continued to actively pursue a number of media related investment opportunities.

The additional information provided above does not affect other information contained in the Annual Report.

On behalf of the Board
Alibaba Pictures Group Limited
Shao Xiaofeng
Chairman

Hong Kong, August 10, 2016

As at the date of this announcement, the board of directors of the Company comprises Mr. Shao Xiaofeng, Mr. Zhang Qiang, Mr. Deng Kangming, Ms. Zhang Wei and Mr. Fan Luyuan, being the executive directors; Mr. Li Lian Jie, being the non-executive director; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being the independent non-executive directors.