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INSIDE INFORMATION AND RESUMPTION OF TRADING

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and Rule 13.09 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

On March 23, 2015 (after market close), the Board of Directors (the “Board”) of Alibaba Pictures Group Limited (the “Company”) was informed by Mr. Shao Xiaofeng, the Chairman of the Company, that the Company’s ultimate parent company, Alibaba Group Holdings Limited (“Alibaba Group”), indicated its interest in holding exploratory discussions with the Company in relation to a possible injection of certain specified media and entertainment businesses of Alibaba Group into the Company (the “Possible Business Injection”). The Company received a non-binding proposal in respect of the Possible Business Injection from Alibaba Group on March 25, 2015, followed by a further non-binding proposal containing additional clarifications and details on April 7, 2015, which superseded the prior proposal.

Alibaba Group has indicated that the Possible Business Injection would be comprised of Alibaba Group’s (i) online movie ticketing business and (ii) financing and investment platform for the production of movies and other media content, both of which commenced operations in 2014. Alibaba Group also has indicated in its proposal that, based on its preliminary analysis, it believes that the Possible Business Injection, which would be comprised of two businesses in early stages of development, would likely constitute a discloseable transaction but would be unlikely to constitute a major transaction for the Company for the purposes of the Listing Rules.

The Company will evaluate the Possible Business Injection and other possible transactions in light of its new business model. As discussed in the Company’s announcement of annual results for the year ended December 31, 2014, the Company plans to use innovative models to create a demand-driven entertainment experience. This new strategic direction calls for an integrated approach towards the funding, production, marketing and distribution of entertainment content and a further expansion of the Company’s business. In view of the Company’s strategic commitments, the Company’s results may be affected over a certain period due to additional investment in executing its new strategy. The Company will continue to invest in customer experience through an integrated entertainment model in pursuit of building long-term value.

The Board wishes to emphasize that at this stage no binding offer has been put to the Company by Alibaba Group, no agreements have been entered into and no terms or timetable have been agreed upon in relation to the Possible Business Injection. If the Possible Business Injection were to proceed, it would be a connected transaction and would be subject to, among other things, independent shareholders' approval and all other applicable requirements under the Listing Rules.

There is no certainty that the Possible Business Injection will proceed, and if it does proceed, there is no certainty on what terms the Possible Business Injection would be implemented or that the conditions to its implementation would be satisfied. Shareholders and potential investors in the Company are therefore urged to exercise caution in dealing in the securities of the Company.

The Board wishes to further emphasize that no person has been authorized by the Board to comment publicly on the Possible Business Injection. The Company will make a further announcement as and when necessary under the Listing Rules and /or Part XIVA of the SFO, and shareholders and potential investors in the Company are urged to have regard only to the formal announcements of the Company and to place no reliance on rumors and speculation which may appear in the media.

At the request of the Company, trading was halted in the shares of the Company with effect from 9:00 a.m. on March 24, 2015 pending release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on April 8, 2015.

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

Hong Kong, April 8, 2015

As at the date of this announcement, the Board comprises Mr. Shao Xiaofeng, Mr. Liu Chunning and Mr. Zhang Qiang, being the executive directors; Mr. Li Lian Jie, being the non-executive director; and Ms. Song Lixin, Mr. Tong Xiaomeng and Ms. Zhang Yu, being the independent non-executive directors.