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**VOLUNTARY ANNOUNCEMENT -
SERIES A FINANCING FOR ONLINE MOVIE TICKETING PLATFORM**

This is a business update announcement made by Alibaba Pictures Group Limited (the “Company”, together with its subsidiaries, the “Group”) on a voluntary basis.

The board of directors of the Company is pleased to announce that the Group’s subsidiary that operates the online movie ticketing platform (“O2O Platform”) has raised RMB1.7 billion Series A financing from a group of investors (“Series A Investors”) led by CDH Investments, Ant Financial Services Group and Sina.com.

Under the terms of the Series A financing, the O2O Platform will have a post-money valuation of RMB13.7 billion and the Series A Investors will collectively hold approximately 12.4% of its equity interest. The proceeds from this transaction will be used to sustain its operations and further strengthen its market position in a competitive and fast developing business segment.

The O2O Platform is an integral part of the Group’s promotion and distribution business. Other Series A Investors include Hehe Pictures, BONA Film, Huace Media and other market players engaged in the movie entertainment business in the People’s Republic of China.

Most Series A Investors possess not only investment capital but also industry and strategic resources which are highly valued by the Group. The Group’s O2O Platform is committed to developing closer working relationship with these investors on both the operational and commercial fronts.

Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

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

Hong Kong, May 15, 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.