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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)

(1) CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO THE CONDITIONAL ACQUISITION OF ONLINE MOVIE TICKETING BUSINESS AND YULEBAO

AND

(2) NON-EXEMPT CONTINUING CONNECTED TRANSACTION

THE PROPOSED ACQUISITION

We refer to the announcement of the Company dated April 8, 2015, in which the Company announced that the Company's substantial shareholder, AGH, had indicated its interest in holding exploratory discussions with the Company in relation to a possible injection of certain specified media and entertainment businesses of AGH into the Company.

The Board is pleased to announce that on November 4, 2015, the Company entered into the Framework Agreement with AGH in relation to the conditional acquisition by the Company of the Target Business. The total consideration payable under the Framework Agreement is estimated to be US\$519,858,562, subject to certain post-Completion adjustment as set out therein.

CONTINUING CONNECTED TRANSACTIONS

In connection with the Proposed Acquisition, the Company and AGH entered into the Shared Services Agreement on November 4, 2015 in relation to the Non-exempt Continuing Connected Transaction.

The Company and AGH expect to enter into certain other continuing connected transactions upon Completion pursuant to the Framework Agreement. Details of the continuing connected transactions under the Ancillary Documents will be announced as and when appropriate in accordance with the requirements of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Ali CV is a substantial shareholder and a connected person of the Company, holding approximately 49.49% of the Shares in issue as of the date of this announcement. AGH is the ultimate sole shareholder of Ali CV. Accordingly, AGH is also a connected person of the Group and the Proposed Acquisition will constitute a connected transaction for the Company which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps on amounts payable by the Group under the Shared Services Agreement exceeds 5%, the transactions contemplated under the Shared Services Agreement will also constitute a non-exempt continuing connected transaction which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to the Proposed Acquisition and the entry into of (and the proposed annual caps on amounts payable by the Group under) the Shared Services Agreement. The Company has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

DESPATCH OF CIRCULAR

A circular containing, among other things: (i) further details of the Proposed Acquisition, the Framework Agreement, the Non-exempt Continuing Connected Transaction and the Ancillary Documents; (ii) the recommendations of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) notice of the SGM, will be despatched to the Shareholders on or before November 25, 2015 in accordance with the requirements of the Listing Rules.

WARNING

COMPLETION IS SUBJECT TO THE FULFILMENT (OR WAIVER, AS MAY BE APPLICABLE) OF THE CONDITIONS UNDER THE FRAMEWORK AGREEMENT. ACCORDINGLY, THE PROPOSED ACQUISITION AND THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD THEREFORE EXERCISE CAUTION WHEN DEALING IN THE SHARES.

We refer to the announcement of the Company dated April 8, 2015, in which the Company announced that the Company's substantial shareholder, AGH, had indicated its interest in holding exploratory discussions with the Company in relation to a possible injection of certain specified media and entertainment businesses of AGH into the Company.

The Board is pleased to announce that on November 4, 2015, the Company entered into the Framework Agreement with AGH in relation to the conditional acquisition by the Company of the Target Business.

In connection with the Proposed Acquisition, the Company and AGH also entered into the Shared Services Agreement on November 4, 2015 in relation to the Non-exempt Continuing Connected Transaction. The Company and AGH expect to enter into certain other continuing connected transactions upon Completion pursuant to the Framework Agreement.

1. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

1.1 Framework Agreement

(i) *Date*

November 4, 2015

(ii) *Parties*

Purchaser: The Company

Vendor: AGH

(iii) *Businesses to be acquired*

Subject to the terms and conditions of the Framework Agreement, the Company has agreed to acquire the Target Business from AGH by (a) acquiring the entire issued share capital of the Target Company pursuant to the Share Purchase Agreement; (b) accepting the assignment of the IP Assets pursuant to the Assignment of IP Assets; (c) making arrangements with AGH in relation to certain of the Transferred Employees pursuant to the AGH SBC Reimbursement Agreement; and (d) accepting the Transferred Contracts (as defined in the Framework Agreement) from AGH.

The Target Business comprises the Online Movie Ticketing Business and Yulebao.

(a) *Online Movie Ticketing Business*

The Online Movie Ticketing Business involves the operation of an online platform which enables consumers to purchase movie tickets online from third party movie theatres. The business acts as an agent between the consumers and the theatres.

In addition, the Online Movie Ticketing Business provides (i) online promotion of movie releases for movie theatres and movie producers; (ii) movie-related entertainment information; and (iii) online sale of movie-related merchandise to consumers, and enables consumers to redeem or receive gifts provided by reward-points operators related to movie tickets.

(b) Yulebao

Yulebao is a financing and investment platform through which users can invest in the production of movies, television shows, variety shows or other entertainment content (including productions by independent artists and movie producers) selected by Yulebao through online purchase of investment products offered by financial institutions with which Yulebao collaborates. It also provides an interactive, fans-based platform which allows individual investors to participate in activities related to the projects in which they have invested, such as film set visits and opportunities to attend movie premieres.

(iv) Consideration

The consideration for the sale and purchase of the Target Business shall be an amount equal to the aggregate of:

- (a) the equity value of the entire issued share capital of the Target Company, being US\$349,969,160, subject to the following adjustments:
 - (i) adding an amount equal to the amount of cash in the WFOE as of the date of Completion, which shall not exceed US\$99,900,000; and
 - (ii) adding an amount equal to certain operating expenses as agreed between the Company and AGH incurred by AGH in relation to the Target Business for the period between July 1, 2015 and the date of Completion (the estimate of which is approximately RMB369,348,321 (being approximately US\$58,290,851) as of the date of this announcement, for the period between July 1, 2015 and December 31, 2015);
- (b) adding the value of the IP Assets, being US\$30,840;
- (c) adding the amount to be paid by the Company to AGH pursuant to the AGH SBC Reimbursement Agreement (the estimate of which is approximately US\$11,418,430 as of the date of this announcement); and
- (d) adding the amount of reimbursement to AGH for business taxes paid by AGH before July 1, 2015 in respect of the Yulebao Investment Contracts (as defined in the Framework Agreement), which shall not exceed RMB1,579,522 (being approximately US\$249,281).

The consideration will be subject to post-Completion adjustment to reflect the difference (if any) in the estimated and actual amount (made up to the date of Completion) of items (a)(i), (a)(ii), (c) and (d) above.

As Alibaba Group established and grew the Target Business, and did not acquire it from a third party, there is no original acquisition cost for the Target Business.

The consideration payable under the Framework Agreement is the agreed value of the Target Business, and was arrived at after arm's length negotiations between the Company and AGH, taking into account various factors, including:

- (a) the market position and significant growth potential of the Target Business;
- (b) the strategic value of the Target Business to the Company's existing business;
and
- (c) the industry and operational expertise of the Target Business.

The Company will settle the consideration using the Group's available internal resources including from the proceeds raised in the placing of new shares in the Company on June 3, 2015, further details of which can be found in the Company's announcement dated June 4, 2015.

(v) ***Conditions precedent***

Completion is conditional upon the satisfaction (or, if applicable, the waiver) of the following conditions precedent:

- (a) the passing by the Independent Shareholders of the Company at a duly convened Shareholders' meeting of the Company of resolutions approving:
 - (i) the Framework Agreement;
 - (ii) each of the Transaction Documents; and
 - (iii) the transactions contemplated under each of the Transaction Documents and Framework Agreement, including without limitation:
 - (1) the transfers of the Target Business under the restructuring of the Target Business as set out in the Framework Agreement to be completed after Completion; and
 - (2) the Non-exempt Continuing Connected Transaction;

- (b) the completion of the following Pre-Completion Restructuring steps:
 - (i) the delivery of all of the business equipment relating to the Target Business with the intent that legal title to, and beneficial interest in, such equipment shall pass by and upon delivery to the WFOE; and
 - (ii) the completion of the transfer of the following contracts to the WFOE (or an entity designated by the Company):
 - (1) all Transferred Contracts (as defined in the Framework Agreement) that are ticketing device procurement agreements;
 - (2) at least 80% of the Transferred Contracts (as defined in the Framework Agreement) that are marketing promotion agreements;
 - (3) at least 80% of the Cinema Operator Agreements (as defined in the Framework Agreement);
 - (4) all of the Bipartite Network Operator Agreements (as defined in the Framework Agreement); and
 - (5) at least 80% of the Tripartite Network Operator Agreements (as defined in the Framework Agreement);
- (c) the Company not having been notified by AGH of any circumstance which would cause any warranty given by AGH (if such warranties were repeated with reference to the facts and circumstances then existing) to become untrue or inaccurate or misleading in any material respect; and
- (d) no governmental authority in any relevant jurisdiction having enacted any laws, rules or regulations which might render Completion or the Pre-Completion Restructuring, or any part thereof unlawful, invalid or unenforceable under the applicable laws, rules and regulations.

The Company shall be entitled in its absolute discretion, by written notice to AGH, to waive the conditions precedent set out in paragraphs (b) to (d) (inclusive) either in whole or in part.

If any of the conditions precedent has not been fulfilled (or, other than the condition precedent set out in paragraph (a), waived) on or before March 31, 2016 or such other date as may be agreed in writing between the Company and AGH, the Framework Agreement shall automatically terminate with immediate effect.

(vi) Completion

Completion is scheduled to take place on the date that is three (3) Business Days after the date on which the last of the conditions precedent is satisfied or waived (or such other date as the Company and AGH may agree).

1.2 AGH SBC Reimbursement Agreement

Pursuant to the Framework Agreement, the Company and AGH will enter into the AGH SBC Reimbursement Agreement in relation to certain of the Transferred Employees at Completion.

Pursuant to the AGH SBC Reimbursement Agreement, the Company agrees to reimburse AGH at Completion for the unvested Share Awards granted by AGH to certain of the Transferred Employees. The estimated amount to be paid by the Company to AGH is US\$11,418,430 as of the date of this announcement. The actual amount payable at Completion will be determined with reference to (i) the latest available fair value of the underlying share in AGH; and (ii) the rate at which such Share Awards are expected to be forfeited prior to their vesting as estimated and reviewed at least annually by the management of AGH. Certain pro rata adjustments will be applied to the first tranche of the Share Awards to be vested after Completion.

The Company also expects to enter into a separate agreement with a third party company in relation to the reimbursement of employee compensation costs for certain of the Transferred Employees on terms similar to those provided under the AGH SBC Reimbursement Agreement.

2. CONTINUING CONNECTED TRANSACTIONS

In connection with the Proposed Acquisition, the Company and AGH entered into the Shared Services Agreement on November 4, 2015 in relation to the Non-exempt Continuing Connected Transaction. Details of the Shared Services Agreement are set out in the sub-section headed “2.1 Non-exempt Continuing Connected Transaction” below.

Pursuant to the Framework Agreement, the Company and AGH will enter into certain other continuing connected transactions at Completion under the Ancillary Documents, comprising:

- (i) the Cooperation Agreement;
- (ii) the Data Platform Participation Agreement;
- (iii) the IP Licence Agreement;
- (iv) the Technology Services Agreement; and
- (v) the Transitional Arrangement Agreement.

The Company and AGH will negotiate in good faith the Ancillary Documents and details of the continuing connected transactions under the Ancillary Documents will be announced as and when appropriate in accordance with the requirements of the Listing Rules.

2.1 Non-exempt Continuing Connected Transaction

A summary of the key terms of the Shared Services Agreement is set out below.

(i) Date

November 4, 2015

(ii) Parties

(1) AGH

(2) The Company

(iii) Term

The Shared Services Agreement is for an initial term of three years commencing from the date of Completion, unless otherwise terminated in accordance with the terms thereunder.

(iv) Services to be provided

Pursuant to the Shared Services Agreement, AGH agrees to procure the service providers (being AGH and affiliates set out under the Shared Services Agreement or otherwise designated by AGH) to provide the following services to support the Target Business:

- (a) office space and support services;
- (b) customer services support;
- (c) business intelligence services;
- (d) maintenance service for the Yulebao database;
- (e) office system and support services;
- (f) procurement function support services; and
- (g) SMS platform services.

(v) ***Service fee and annual caps***

The service fees shall be charged on a quarterly basis and settled within ten (10) Business Days upon receipt of the invoice(s).

The service fees for services (a) to (f) listed above will be calculated on the basis of the actual costs and expenses of AGH for providing the relevant services multiplied by a mark-up percentage. Such mark-up percentage will be based on recommendations of professional third party consultant to be appointed by AGH (being an accountant firm specified under the Shared Services Agreement with appropriate qualifications) in accordance with the principle of arm's length transaction and subject to adjustment annually. The service fees for service (g) listed above will be calculated on the basis of the fair market price per SMS message sent multiplied by the number of SMS messages sent.

The proposed annual cap in respect of the fees payable by the Group (inclusive of any applicable tax) for the first, second and third 12-month periods during the initial term of three years under the Shared Services Agreement is RMB32 million, RMB37 million and RMB46 million, respectively. In determining this cap, the Board has based its estimates on the historical usage pattern and volume as well as the estimated demand of the Target Business for the relevant services.

As the transactions contemplated under the Shared Services Agreement represent new transactions with AGH, no historical transaction amounts are available for disclosure purposes.

(vi) ***Condition Precedent***

The Shared Services Agreement is conditional upon the satisfaction (or, if applicable, the waiver) of all of the conditions precedent under the Framework Agreement (including the approval of the Independent Shareholders).

3. INFORMATION ABOUT THE TARGET GROUP

The Target Company is a holding company, incorporated in the British Virgin Islands. It is the sole shareholder of the HK Subsidiary which is in turn the sole shareholder of the WFOE. Following the completion of the Pre-Completion Restructuring and upon Completion, the WFOE and/or any other entity designated by the Company will operate the Target Business.

3.1 Financial Information

The unaudited combined net asset value of the Target Group as of September 30, 2015 was approximately RMB605.8 million (assuming the Pre-Completion Restructuring was completed as of September 30, 2015). The Target Business commenced operations from 2014 and therefore does not have financial information for the financial year ended December 31, 2013. For the financial year ended December 31, 2014, the unaudited consolidated net losses before and after taxation and extraordinary items of the Target Business were approximately RMB141.8 million and RMB141.8 million, respectively.

4. INFORMATION ABOUT THE COMPANY

The Company is listed on both The Stock Exchange of Hong Kong Limited (stock code: 1060) and the Singapore Exchange Securities Trading Limited (stock code: S91). The Company is the flagship unit of Alibaba Group's movie, television and other entertainment businesses and its core businesses includes four main segments: film and television production centered on IP (intellectual property); internet-based promotion and distribution combining internet technologies and traditional off-line distribution; the building and operation of e-commerce platforms for entertainment as an extension of the Alibaba Group ecosystem; and international operations that consolidate global resources, technologies and talents in order to compete in the global entertainment industry.

5. INFORMATION ABOUT AGH AND ALIBABA GROUP

Alibaba Group's mission is to make it easy to do business anywhere. It is the largest online and mobile commerce company in the world in terms of gross merchandise volume. Founded in 1999, Alibaba Group provides the fundamental technology infrastructure and marketing reach to help businesses leverage the power of the Internet to establish an online presence and conduct commerce with hundreds of millions of consumers and other businesses.

Alibaba Group's major businesses include:

- Taobao Marketplace (www.taobao.com), China's largest online shopping destination;
- Tmall.com (www.tmall.com), China's largest third-party platform for brands and retailers;
- Juhuasuan (www.juhuasuan.com), China's most popular online group buying marketplace;
- Alitrip (www.alitrip.com), a leading online travel booking platform;
- AliExpress (www.aliexpress.com), a global online marketplace for consumers to buy directly from China;
- Alibaba.com (www.alibaba.com), China's largest global online wholesale platform for small businesses;
- 1688.com (www.1688.com), a leading online wholesale marketplace in China; and
- AliCloud (www.alicloud.com), a provider of cloud computing services to businesses and entrepreneurs.

6. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Ali CV is a substantial shareholder and a connected person of the Company, holding approximately 49.49% of the Shares in issue as of the date of this announcement. AGH is the ultimate sole shareholder of Ali CV. Accordingly, AGH is also a connected person of the Group and the Proposed Acquisition will constitute a connected transaction for the Company which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps on amounts payable by the Group under the Shared Services Agreement exceeds 5%, the transactions contemplated under the Shared Services Agreement will also constitute a non-exempt continuing connected transaction which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A of the Listing Rules.

7. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to the Proposed Acquisition and the entry into of (and the proposed annual caps on amounts payable by the Group under) the Shared Services Agreement. The Company has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matters.

8. REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION AND THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION

The Company principally engages in the production and distribution of movies and TV dramas, as well as entertainment-related e-commerce. The Company's mission is to redefine the media and entertainment industry by creating an innovative and integrated online and offline platform that is capable of investing in, producing and distributing movies and TV dramas to consumers.

Although China's movie and TV drama industry has grown rapidly due to the increase in entertainment investment, improvement in content quality and greater consumer spending in recent years, the industry currently remains predominantly offline and inefficient, which the Company believes represents an enormous market opportunity for the Company.

The large online user base and extensive resources of the Online Movie Ticketing Business and the innovative business model of Yulebao are critical to complement and strengthen the Company's existing capabilities in offline production and distribution of movies and TV dramas. The Company believes that the Proposed Acquisition will create a unique platform that integrates both offline and online media and entertainment across the production and distribution value chain of movies and TV dramas. The Company believes that it will continue to play an important role in implementing Alibaba Group's entertainment strategy in movie, television and other entertainment businesses.

Online ticketing has quickly become one of the mainstream methods for discovering information and purchasing movie tickets in China. The Company believes the acquisition of the Online Movie Ticketing Business will complement the Company by adding comprehensive online promotion and distribution capabilities, providing access to a growing online user base, and enhancing the Company's understanding of audience behaviors and trends.

Yulebao operates an interactive financing and investment platform to offer the audience an opportunity to become an early investor in their favorite movies and TV dramas. By engaging producers, actors, users and fans at the onset of production and throughout the content creation and distribution process, the Company will be able to better understand and evaluate user preferences to create more customized content, marketing campaigns and distribution plans.

In view of the above strategies, the Board believes that the proposed integration of the Online Movie Ticketing Business and Yulebao will bring significant strategic benefits and create additional value for Shareholders of the Company.

The Non-exempt Continuing Connected Transaction will support the Target Business's provision of services to its customers on a transitional basis. Alibaba Group has been providing the Target Business with the services contemplated under the Shared Services Agreement. It is familiar with the Target Business's requirements and is able to provide reliable and timely services for the Target Business. Entering into the Shared Services Agreement will allow the Company to leverage on the mature infrastructure and coverage already built by Alibaba Group and promote better cooperation between Alibaba Group and the Company.

The terms of the Shared Services Agreement are a result of arm's length negotiations between the Company and AGH, and are no more favourable to AGH, nor are they any less favourable to the Group, than those available from independent third parties.

In view of the above, the Board (excluding (i) Mr. Liu Chunming who is not contactable; and (ii) members of the Independent Board Committee who will give their opinion after considering the advice and recommendations from the Independent Financial Adviser) is of the view that the Proposed Acquisition, the terms of the Framework Agreement, the Non-exempt Continuing Connected Transaction and the terms of the Shared Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

9. DESPATCH OF CIRCULAR

A circular containing, among other things: (i) further details of the Proposed Acquisition, the Framework Agreement, the Non-exempt Continuing Connected Transaction and the Ancillary Documents; (ii) the advice and recommendations of the Independent Board Committee; (iii) the advice and recommendations of the Independent Financial Adviser; and (iv) notice of the SGM, will be despatched to the Shareholders on or before November 25, 2015 in accordance with the requirements of the Listing Rules.

10. WARNING

COMPLETION IS SUBJECT TO THE FULFILMENT (OR WAIVER, AS MAY BE APPLICABLE) OF THE CONDITIONS UNDER THE FRAMEWORK AGREEMENT. ACCORDINGLY, THE PROPOSED ACQUISITION AND THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD THEREFORE EXERCISE CAUTION WHEN DEALING IN THE SHARES.

11. DEFINITIONS

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

“Affiliate”	with respect to any person that is not an individual, any other person that directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such person; provided, however, that for the purposes of the Framework Agreement, AGH and its Affiliates (other than the Target Group), on the one hand, and the Target Group, on the other hand, shall not be deemed to be Affiliates of each other
“Assignment of IP Assets”	the assignment of the IP Assets to be entered into at Completion between the Company as assignee and AGH as assignor

“Ali CV”	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands, a wholly-owned subsidiary of Alibaba Investment and an indirect wholly-owned subsidiary of AGH
“Alibaba Group”	AGH and its subsidiaries (other than the Target Group and the Group)
“AGH”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands and the American depositary shares of which are listed on the New York Stock Exchange
“AGH SBC Reimbursement Agreement”	the SBC Reimbursement Agreement to be entered into at Completion between the Company and AGH in relation to certain of the Transferred Employees
“Alibaba Investment”	Alibaba Investment Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of AGH
“Ancillary Documents”	the Cooperation Agreement, the Data Platform Participation Agreement, the IP License Agreement, the Technology Services Agreement and the Transitional Arrangement Agreement, each of which is ancillary to the Proposed Acquisition
“Board”	the board of the Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong and the PRC are open for the transaction of normal business
“Company”	Alibaba Pictures Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange with stock code 1060
“Completion”	completion of the acquisition of the Target Business on the terms and subject to the conditions of the Framework Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules

“Control”	the power or authority, whether exercised or not, to direct the business, management and policies of a person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of the board of directors (or similar governing body) of such person; the term “Controlled” has the meaning correlative to the foregoing
“Cooperation Agreement”	the agreement relating to the provision by AGH (or its Affiliates) to the Company (or its Affiliates) of (i) the use of certain user entry points; and (ii) advertising of services and products (if any), to be entered into at Completion between the Company and AGH
“Data Platform Participation Agreement”	the data usage and sharing agreement to be entered into at Completion between the Company and AGH
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the agreement entered into between the Company and AGH on November 4, 2015 pursuant to which AGH shall sell, and the Company shall purchase, the Target Business
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Group”	the Company and its subsidiaries, and where the context requires, shall include those entities, ownership or control of which will be transferred to the Company at Completion
“HK Subsidiary”	Aurora Media (HK) Limited (晨曦媒體(香港)有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Target Company

“Independent Board Committee”	the independent committee of the Board, comprising Ms. Song Lixin and Mr. Tong Xiaomeng, being the independent non-executive Directors, formed to advise the Independent Shareholders on the Proposed Acquisition and the Shared Services Agreement
“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed under the Securities and Futures Commission to provide Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and the independent financial adviser appointed to advise the Independent Board Committee and Independent Shareholders on the Proposed Acquisition and the Shared Services Agreement
“Independent Shareholders”	Shareholders, other than Ali CV and its respective associates
“IP Assets”	the intellectual property rights to be assigned by AGH to the Company pursuant to the Assignment of IP Assets
“IP Licence Agreement”	the agreement to be entered into at Completion between the Company and AGH whereby each will license certain intellectual property rights to the other
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-exempt Continuing Connected Transaction”	the continuing connected transaction contemplated under the Shared Services Agreement
“Online Movie Ticketing Business”	the Online Movie Ticketing Business as described in the section headed “1. Principal Terms of the Proposed Acquisition” in this announcement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“Pre-Completion Restructuring”	the restructuring of the Target Business as set out in the Framework Agreement
“Proposed Acquisition”	the transactions contemplated under the Framework Agreement

“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to consider, and vote on, the Proposed Acquisition and the Non-exempt Continuing Connected Transaction
“Share(s)”	ordinary share(s) of HK\$0.25 in the share capital of the Company
“Share Award(s)”	in respect of the AGH SBC Reimbursement Agreement, the share-based awards relating to ordinary shares in AGH
“Share Purchase Agreement”	the agreement to be entered into at Completion between the Company and AGH pursuant to which AGH shall sell, and the Company shall purchase, the entire issued share capital of the Target Company
“Shared Services Agreement”	the agreement in relation to office space and support services, customer service support, business intelligence services, maintenance service for the Yulebao database, office system and support services, procurement function support services and SMS platform services, entered into on November 4, 2015 between the Company and AGH
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“Target Business”	the Online Movie Ticketing Business and Yulebao as described in the sub-section headed “1.1 Framework Agreement – (iii) Businesses to be acquired” in this announcement
“Target Company”	Aurora Media (BVI) Limited, a company incorporated in the British Virgin Islands

“Target Group”	the Target Company, the HK Subsidiary and the WFOE
“Technology Services Agreement”	the agreement in relation to the provision by Alibaba Holding (or its Affiliates) to the Company (or its Affiliates) of technology services, including the provision of servers, co-location, bandwidth and cloud computing services (if applicable), and with respect to the Online Movie Ticketing Business, the provision by AGH (or its Affiliates) to the Company (or its Affiliates) of access to certain systems (including the transaction system, marketing system, pricing system, BD task flow management system, basic data management system and interface and client relationship management system), to be entered into at Completion between the Company and AGH
“Transaction Documents”	(i) the Share Purchase Agreement; (ii) the Assignment of IP Assets; and (iii) the AGH SBC Reimbursement Agreement
“Transferred Employees”	certain employees of AGH or its Affiliates whose primary responsibilities, as of the date of the Framework Agreement, are to support the Target Business
“Transitional Arrangement Agreement”	the agreement in relation to the post-Completion reimbursement to AGH by the Company of salaries and/or benefits (including without limitation social security payments) paid to all or some of the Transferred Employees, to be entered into at Completion between the Company and AGH
“US\$”	United States dollar, the lawful currency of the United States of America
“WFOE”	Hangzhou Chenxi Multimedia Technology Limited* (杭州晨熹多媒體科技有限公司), a wholly foreign-owned enterprise incorporated in the PRC, a wholly-owned subsidiary of HK Subsidiary and an indirect wholly-owned subsidiary of the Target Company
“Yulebao”	Yulebao as described in the section headed “1. Principal Terms of the Proposed Acquisition” in this announcement

“%”

per cent.

* *English name for identification purpose only.*

This announcement contains translations between RMB and US\$ amounts at US\$1 = RMB6.3363, being the exchange rate prevailing on November 3, 2015. The translations should not be taken as a representation that the RMB could actually be converted into US\$ at that rate or at all.

By Order of the Board
Alibaba Pictures Group Limited
Shao Xiaofeng
Chairman

Hong Kong, November 4, 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 and Mr. Tong Xiaomeng, being the independent non-executive Directors.