

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in Bermuda with limited liability)
(Stock Code: 1060)

**CONNECTED TRANSACTIONS
IN RELATION TO THE SALES OF
BROADCASTING RIGHTS OF DRAMA SERIES**

DRAMA A TRANSFER AGREEMENT

The Board announces that, on May 23, 2017, Zhejiang Dongyang, a consolidated subsidiary of the Company, entered into the Drama A Transfer Agreement with Tmall Technology pursuant to which Zhejiang Dongyang has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of the Drama Series A, a web drama series currently titled as “最強男神” being produced by the Group, and Zhejiang Dongyang holds the entire interests and rights in Drama Series A.

The maximum consideration for the sale of the Broadcasting Rights of the Drama Series A shall be RMB68,400,000, which shall be payable by Tmall Technology in cash in accordance with the terms of the Drama A Transfer Agreement.

In addition, pursuant to the Drama A Transfer Agreement, Zhejiang Dongyang shall apportion to and share with Tmall Technology 20% of the games income (after deducting costs and expenses) that Zhejiang Dongyang receives from the third party developer of the video games featured in the Drama Series A during the period of two years commencing from the date of the Drama A Transfer Agreement (the “Drama A Games Income Sharing Arrangement”). The amount of the income share payable by Zhejiang Dongyang to Tmall Technology pursuant to the Drama A Games Income Sharing Arrangement is expected to be less than HK\$3,000,000.

DRAMA B TRANSFER AGREEMENT

In addition, on May 23, 2017, Huameng (Tianjin), a consolidated subsidiary of the Company, entered into the Drama B Transfer Agreement with Tmall Technology pursuant to which Huameng (Tianjin) (for itself and on behalf of all other independent third party investors of Drama Series B) has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of the Drama Series B, a web drama series currently titled as “SCI 謎

案集” being jointly produced by the Group and certain independent third party investors, and Huameng (Tianjin) holds 40% of the total interests and rights in Drama Series B.

The maximum consideration for the sale of the Broadcasting Rights of the Drama Series B shall be RMB45,600,000, which shall be payable by Tmall Technology in cash in accordance with the terms of the Drama B Transfer Agreement. As Huameng (Tianjin) holds 40% interests in Drama Series B, RMB18,240,000, representing the amount of the aforementioned consideration payable by Tmall Technology that corresponds to the 40% interests in Drama Series B, is attributable to Huameng (Tianjin).

DRAMA C TRANSFER AGREEMENT

Apart from the Drama A Disposal and the Drama B Disposal, on May 12, 2017, Zhejiang Dongyang, a consolidated subsidiary of the Company, entered into the Drama C Transfer Agreement with Tmall Technology pursuant to which Zhejiang Dongyang (for itself and on behalf of all other independent third party investors of Drama Series C) has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of the Drama Series C, titled as “囧女翻身之嗨如花”. The Drama Series C is a drama series jointly produced by the Group and certain independent third party investors and Zhejiang Dongyang holds 30% of the total interests and rights in Drama Series C. The maximum consideration for the sale of the Broadcasting Rights of the Drama Series C payable by Tmall Technology and attributable to Zhejiang Dongyang by virtue of its 30% interests in Drama Series C is RMB9,570,000.

LISTING RULES IMPLICATIONS

Tmall Technology is an indirect wholly-owned subsidiary of AGH. AGH is the ultimate sole shareholder of Ali CV which is a substantial shareholder and a connected person of the Company holding approximately 49.49% of the issued share capital of the Company as at the date of this announcement. Accordingly, Tmall Technology is an associate of Ali CV and hence a connected person of the Company. The Disposals constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

On May 12, 2017, Zhejiang Dongyang (for itself and on behalf of all other independent third party investors of Drama Series C) entered into the Drama C Transfer Agreement with Tmall Technology. Since all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Drama C Disposal are below 0.1%, the transaction is, pursuant to Rule 14A.76(1) of the Listing Rules, fully exempt from shareholders’ approval, annual review and all disclosure requirements.

On May 23, 2017, Zhejiang Dongyang and Huameng (Tianjin) (for itself and on behalf of all other independent third party investors of Drama Series B) entered into the Drama A Transfer Agreement and Drama B Transfer Agreement with Tmall Technology, respectively. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under Drama A Transfer Agreement and the Drama B Transfer Agreement shall be aggregated and treated as if they were one transaction as they are of similar nature and are entered into on the same day with the same counterparty. Since one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Drama A Disposal and the Drama B Disposal, when aggregated, are above 0.1% but below 5%, the Drama A Disposal and the Drama B Disposal, when aggregated, is subject to the reporting and announcement

requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Moreover, all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposals, as aggregated, are below 5%.

In addition, the Drama A Games Income Sharing Arrangement contemplated under the Drama A Transfer Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. It is expected that the applicable percentage ratios for the income share payable by Zhejiang Dongyang to Tmall Technology pursuant to the Drama A Games Income Sharing Arrangement will be less than 5% and the expected total amount of which will be less than HK\$3,000,000. Accordingly, the Drama A Games Income Sharing Arrangement is fully exempt under Rule 14A.76(1)(c) of the Listing Rules.

INTRODUCTION

The Board announces that, on May 23, 2017, Zhejiang Dongyang entered into the Drama A Transfer Agreement with Tmall Technology pursuant to which Zhejiang Dongyang has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of the Drama Series A. Drama Series A is a web drama series being produced by the Group. In addition, on May 23, 2017, Huameng (Tianjin) entered into the Drama B Transfer Agreement with Tmall Technology pursuant to which Huameng (Tianjin) (for itself and on behalf of all other independent third party investors of Drama Series B) has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of the Drama Series B. Drama Series B is a web drama series being jointly produced by the Group and certain independent third party investors, and Huameng (Tianjin) holds 40% of the total interests and rights in Drama Series B.

DRAMA A TRANSFER AGREEMENT

Date

May 23, 2017

Parties

- (1) Vendor : Zhejiang Dongyang
- (2) Purchaser : Tmall Technology

Subject Matters

Broadcasting Rights

Pursuant to the Drama A Transfer Agreement, Zhejiang Dongyang has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of Drama Series A, currently titled as “最強男神”. The Drama Series A has a total of not more than 36 episodes.

Pursuant to the Drama A Transfer Agreement, Tmall Technology has agreed to grant to Zhejiang Dongyang a right to repurchase the Broadcasting Rights of the Drama Series A in the PRC at a nominal consideration of RMB1.00 after the tenth anniversary of the Drama Series A

being first broadcasted on the platforms of Tmall Technology. It is expected that the fair value of the Broadcasting Rights of Drama Series A will significantly decrease after the ten-year period.

Video games income sharing arrangement

Pursuant to the Drama A Games Income Sharing Arrangement under the Drama A Transfer Agreement, Zhejiang Dongyang shall apportion to and share with Tmall Technology 20% of the games income (after deducting costs and expenses) that Zhejiang Dongyang receives from the third party developer of the video games featured in the Drama Series A for a period of two years commencing from the date of the Drama A Transfer Agreement. If the arrangement between Zhejiang Dongyang and the developer of the video games is terminated prior to the end of such two-year period, the Drama A Games Income Sharing Arrangement shall be terminated with immediate effect.

Potential income sharing arrangements

Pursuant to the Drama A Transfer Agreement, the parties shall have the right to jointly develop products (including but not limited to toys, clothing, footwear, electronics, printed materials, packaging, and promotional materials) derived from the Drama Series A. In the event that they decide to develop such products, they will negotiate the terms of such arrangement and enter into a separate agreement. As at the date of this announcement, Zhejiang Dongyang and Tmall Technology do not have any definitive plan to develop any such products.

The parties also agreed that if Zhejiang Dongyang produces any motion picture based on the Drama Series A, Tmall Technology shall have the right (but not the obligation) to participate in 20% of the investment budget, and Zhejiang Dongyang shall have a preemptive right in respect of the transfer of such right to participate. As at the date of this announcement, Zhejiang Dongyang does not have any definitive investment plan in relation to the production of any such motion picture, nor has entered into any agreement with Tmall Technology relating to the investment in any such motion picture.

If and when the parties decide to develop products or produce any motion picture as mentioned above, the Company will comply with applicable requirements under the Listing Rules.

Consideration

Broadcasting Rights

The consideration for the sale of the Broadcasting Rights of Drama Series A is RMB1,900,000 for each episode (up to a maximum of RMB68,400,000 for 36 episodes), which shall be payable by Tmall Technology to Zhejiang Dongyang in cash as follows:

- (i) the first instalment of 20% of the consideration (being RMB13,680,000) shall be payable within 20 business days after the date of the Drama A Transfer Agreement;
- (ii) the second instalment of 50% of the consideration (being RMB34,200,000) shall be payable within 20 business days after the delivery by Zhejiang Dongyang to Tmall Technology of all records of the Drama Series A and all title documents relating thereto; and

- (iii) the last instalment of 30% of the consideration (being RMB20,520,000) shall be payable within 20 business days after the first complete broadcast of the Drama Series A, provided that if the total number of episodes is less than 26, Tmall Technology shall not pay this last instalment and Zhejiang Dongyang shall refund an amount to Tmall Technology based on the actual number of episodes.

The consideration for the sale of the Broadcasting Rights of the Drama Series A pursuant to the Drama A Transfer Agreement was determined after arm's length negotiations between Zhejiang Dongyang and Tmall Technology after taking into account the estimated market price and the anticipated cost of production per episode of similar drama series.

Video games income sharing arrangement

The amount of the income share payable by Zhejiang Dongyang to Tmall Technology pursuant to the Drama A Games Income Sharing Arrangement is expected to be less than HK\$3,000,000.

Completion

Completion of the Drama A Transfer Agreement is not subject to any conditions precedent. Zhejiang Dongyang shall deliver all records of the Drama Series A to Tmall Technology by no later than July 31, 2017.

DRAMA B TRANSFER AGREEMENT

Date

May 23, 2017

Parties

- (1) Vendor : Huameng (Tianjin) (for itself and on behalf of all other independent third party investors of Drama Series B) ("Drama B Vendor"). Huameng (Tianjin) holds 40% of the total interests and rights in Drama Series B
- (2) Purchaser : Tmall Technology

Subject Matters

Broadcasting Rights

Pursuant to the Drama B Transfer Agreement, Drama B Vendor has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of the Drama Series B, currently titled as "SCI 謎案集". The Drama Series B has a total of not more than 24 episodes.

Pursuant to the Drama B Transfer Agreement, Tmall Technology has agreed to grant to Drama B Vendor a right to repurchase the Broadcasting Rights of the Drama Series B in the PRC at a nominal consideration of RMB1.00 after the tenth anniversary of the Drama Series B being first broadcasted on the platforms of Tmall Technology. It is expected that the fair value of the Broadcasting Rights of Drama Series B will significantly decrease after the ten-year period.

Potential income sharing arrangements

Pursuant to the Drama B Transfer Agreement, the parties shall have the right to jointly develop products (including but not limited to toys, clothing, footwear, electronics, printed materials, packaging, and promotional materials) derived from the Drama Series B. In the event that they decide to develop such products, they will negotiate the terms of such arrangement and enter into a separate agreement. As at the date of this announcement, Drama B Vendor and Tmall Technology do not have any definitive plan to develop any such products.

The parties also agreed that if Drama B Vendor produces any motion picture based on the Drama Series B, Tmall Technology shall have the right (but not the obligation) to participate in 20% of the investment budget, and Drama B Vendor shall have a preemptive right in respect of the transfer of such right to participate. As at the date of this announcement, Huameng (Tianjin) and all other independent third party investors of Drama Series B do not have any definitive investment plan in relation to the production of any such motion picture, nor have entered into any agreement with Tmall Technology relating to the investment in any such motion picture.

If and when the parties decide to develop products or produce any motion picture as mentioned above, the Company will comply with applicable requirements under the Listing Rules.

Consideration

The consideration for the sale of the Broadcasting Rights of Drama Series B is RMB1,900,000 for each episode (up to a maximum of RMB45,600,000 for 24 episodes), which shall be payable by Tmall Technology to Drama B Vendor in cash as follows:

- (i) the first instalment of 20% of the consideration (being RMB9,120,000) shall be payable within 20 business days after the date of the Drama B Transfer Agreement;
- (ii) the second instalment of 50% of the consideration (being RMB22,800,000) shall be payable within 20 business days after the delivery by Drama B Vendor to Tmall Technology of all records of the Drama Series B and all title documents relating thereto; and
- (iii) the last instalment of 30% of the consideration (being RMB13,680,000) shall be payable within 20 business days after the first complete broadcast of the Drama Series B, provided that if the total number of episodes is less than 17, Tmall Technology shall not pay this last instalment and Drama B Vendor shall refund an amount to Tmall Technology based on the actual number of episodes.

As Huameng (Tianjin) holds 40% interests in Drama Series B, RMB18,240,000, representing the amount of the aforementioned consideration payable by Tmall Technology that corresponds to the 40% interests in Drama Series B, is attributable to Huameng (Tianjin).

The consideration for the sale of the Broadcasting Rights of the Drama Series B pursuant to the Drama B Transfer Agreement was determined after arm's length negotiations between Drama B Vendor and Tmall Technology after taking into account the estimated market price and the anticipated cost of production per episode of similar drama series.

Completion

Completion of the Drama B Transfer Agreement is not subject to any conditions precedent. Drama B Vendor shall deliver all records of the Drama Series B to Tmall Technology by no later than June 30, 2017.

INFORMATION ON THE COMPANY, ZHEJIANG DONGYANG AND HUAMENG (TIANJIN)

The Company is listed on both the Stock Exchange (stock code: 1060) and the Singapore Exchange Securities Trading Limited (stock code: S91). As the flagship unit of Alibaba Group's entertainment arm, the Company focuses on developing the full business potential of integration and innovative applications of the Internet and traditional film and television industries. The core business of the Company includes the three major segments of internet-based promotion and distribution, content production, and integrated development. The Company's operations also include the operation of an integrated O2O platform for the promotion and distribution of entertainment content, and the provision of online movie ticketing service to consumers and ticket issuance system to cinemas; the investment and production of entertainment content such as film and drama series both domestically and internationally; and, centered around copyrights the development of professional services ranging from financing, business placement, promotion and distribution to merchandising.

Zhejiang Dongyang, being a company established under the laws of the PRC, is a consolidated subsidiary of the Company which is principally engaged in investment in and production and distribution of film and TV copyrights.

Huameng (Tianjin), being a company established under the laws of the PRC, is a consolidated subsidiary of the Company which is principally engaged in production of broadcasting & television programs.

INFORMATION ON AGH, ALIBABA GROUP AND TMALL TECHNOLOGY

AGH is a company incorporated in the Cayman Islands and its American depositary shares are listed on the New York Stock Exchange.

Alibaba Group's mission is to make it easy to do business anywhere. It is the largest retail 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 merchants, brands and other businesses that provide products, services and digital content to leverage the power of the Internet to engage with their users and customers.

Tmall Technology is a company established under the laws of the PRC and is an indirect wholly-owned subsidiary of AGH. Tmall Technology is principally engaged in the provision of software and technology services for the Tmall platform.

FINANCIAL EFFECT OF THE DRAMA A DISPOSAL AND THE DRAMA B DISPOSAL AND INTENDED USE OF PROCEEDS

The Drama Series A and the Drama Series B are at production stage as at the date of this announcement.

Based on the unaudited management accounts of each of Zhejiang Dongyang and Huameng (Tianjin) as of April 30, 2017, the carrying value of the Broadcasting Rights of the Drama Series A and the Drama Series B are RMB54.0 million and RMB13.4 million, respectively.

The Company expects the Group will realize an estimated gain (after taking into account the anticipated expenses directly related to each of the Drama A Disposal and the Drama B Disposal) of approximately RMB3.4 million and approximately RMB870,000 from the Drama A Disposal and the Drama B Disposal, respectively. The estimated gain on the Drama A Disposal and the Drama B Disposal are calculated based on the consideration of each of the Drama A Disposal and the Drama B Disposal, taking into account the interests held by and rights of the Group and with reference to the respective anticipated production, promotion and distribution costs of the Drama Series A and the Drama Series B.

After deducting the expenses directly related to the Drama A Disposal and the Drama B Disposal, there will be net proceeds of approximately RMB81.7 million and the Group intends to utilize the net proceeds towards general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

As disclosed in the announcement of the Company dated March 14, 2017, the Company has entered into a strategic cooperation agreement with AGH, pursuant to which AGH and the Company agreed to integrate their respective resources to jointly develop their culture and entertainment businesses.

Tmall Technology operates one of the leading online video streaming websites in China, Youku Tudou. Given its large user base, Youku Tudou can be a powerful distribution channel of the Group's entertainment content, in particular its drama series. Online video streaming offers convenience and on-demand variety in respect of entertainment content viewing. Its popularity has grown over the past few years and such trend is expected to continue. Domestically, the market for online video streaming is dominated by a few major players. Tmall Technology has been selected as the purchaser of the Broadcasting Rights due to the overall economics offered to the Group in the execution of the transfer agreements. The Group continues to produce quality content and views Youku Tudou as an important business partner that enables its content to reach a mass audience.

Based on the aforesaid, the Directors (including the independent non-executive Directors) are of the view that each of the Drama A Transfer Agreement and the Drama B Transfer Agreement was entered into after arm's length negotiation between the parties, reflects normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

As Mr. Yu Yongfu and Mr. Shao Xiaofeng are employees of AGH or its subsidiaries, each of them is deemed or may be perceived to have a material interest in the Drama A Transfer Agreement and the Drama B Transfer Agreement. As such, Mr. Yu Yongfu and Mr. Shao Xiaofeng have abstained from voting on the relevant resolutions of the Board. None of the other Directors have a material interest in the transactions contemplated under the Drama A Transfer Agreement or the Drama B Transfer Agreement or were required to abstain from voting on the relevant resolutions of the Board.

DRAMA C TRANSFER AGREEMENT

Apart from the Drama A Disposal and the Drama B Disposal, on May 12, 2017, Zhejiang Dongyang (for itself and on behalf of all other independent third party investors of Drama Series C) (“Drama C Vendor”) entered into the Drama C Transfer Agreement with Tmall Technology pursuant to which Zhejiang Dongyang (for itself and on behalf of all other independent third party investors of Drama Series C) has agreed to sell, and Tmall Technology has agreed to acquire, the Broadcasting Rights of the Drama Series C, titled as “囧女翻身之嗨如花”. Drama Series C is a drama series with a total of 35 episodes jointly produced by the Group and certain independent third party investors. Zhejiang Dongyang holds 30% of the total interests and rights in Drama Series C.

The maximum consideration for the sale of the Broadcasting Rights of Drama Series C payable by Tmall Technology and attributable to Zhejiang Dongyang by virtue of its 30% interests in Drama Series C is RMB9,570,000. Such consideration shall be payable by Tmall Technology to Drama C Vendor in cash as follows:

- (i) the first instalment of 20% of the consideration shall be payable within 20 business days after the date of the Drama C Transfer Agreement;
- (ii) the second instalment of 40% of the consideration shall be payable within 20 business days after the delivery by Drama C Vendor to Tmall Technology of all records of the Drama Series C and all title documents relating thereto; and
- (iii) the last instalment of 40% of the consideration shall be payable within 20 business days after the first complete broadcast of the Drama Series C, provided that if the total number of episodes is less than 35, Tmall Technology shall not pay this last instalment and Drama C Vendor shall refund an amount to Tmall Technology based on the actual number of episodes.

Since all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Drama C Transfer Agreement are below 0.1%, the transaction is, pursuant to Rule 14A.76(1) of the Listing Rules, fully exempt from shareholders’ approval, annual review and all disclosure requirements.

LISTING RULES IMPLICATIONS

Tmall Technology is an indirect wholly-owned subsidiary of AGH. AGH is the ultimate sole shareholder of Ali CV which is a substantial shareholder and a connected person of the Company holding approximately 49.49% of the issued share capital of the Company as at the date of this announcement. Accordingly, Tmall Technology is an associate of Ali CV and hence a connected person of the Company.

The Disposals

The Disposals constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

On May 12, 2017, Zhejiang Dongyang (for itself and on behalf of all other independent third party investors of Drama Series C) entered into the Drama C Transfer Agreement with Tmall Technology. Since all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules

in respect of the Drama C Disposal are below 0.1%, the transaction is, pursuant to Rule 14A.76(1) of the Listing Rules, fully exempt from shareholders' approval, annual review and all disclosure requirements.

On May 23, 2017, Zhejiang Dongyang and Huameng (Tianjin) (for itself and on behalf of all other independent third party investors of Drama Series B) entered into the Drama A Transfer Agreement and Drama B Transfer Agreement with Tmall Technology, respectively. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under Drama A Transfer Agreement and the Drama B Transfer Agreement shall be aggregated and treated as if they were one transaction as they are of similar nature and are entered into on the same day with the same counterparty. Since one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Drama A Disposal and the Drama B Disposal, when aggregated, are above 0.1% but below 5%, the Drama A Disposal and the Drama B Disposal, when aggregated, is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Moreover, all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposals, as aggregated, are below 5%.

Drama A Games Income Sharing Arrangement

The Drama A Games Income Sharing Arrangement contemplated under the Drama A Transfer Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

It is expected that the applicable percentage ratios for the income share payable by Zhejiang Dongyang to Tmall Technology pursuant to the Drama A Games Income Sharing Arrangement will be less than 5% and the expected total amount of which will be less than HK\$3,000,000. Accordingly, the Drama A Games Income Sharing Arrangement is fully exempt under Rule 14A.76(1)(c) of the Listing Rules.

DEFINITIONS

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

“Alibaba Group”	AGH and its subsidiaries
“Ali CV”	Ali CV Investment Holding Limited, a company incorporated in the Cayman Islands, a wholly-owned subsidiary of Alibaba Investment Limited and an indirect wholly-owned subsidiary of AGH
“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

“associate(s)”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Board”	the board of Directors
“Broadcasting Rights”	the worldwide online dissemination and broadcasting rights, including but not limited to the right to disseminate and broadcast through the Internet, Internet cafes, mobile value-added services and/or other public networks
“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, which also has a secondary listing on the Singapore Exchange Securities Trading Limited (stock code: S91)
“connected person(s)”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Directors”	the directors of the Company
“Disposals”	collectively, the Drama A Disposal, the Drama B Disposal and the Drama C Disposal
“Drama Series A”	a web drama series currently titled as “最強男神”
“Drama A Disposal”	the sale of the Broadcasting Rights of the Drama Series A pursuant to the Drama A Transfer Agreement
“Drama A Transfer Agreement”	the transfer agreement dated May 23, 2017 and entered into between Tmall Technology and Zhejiang Dongyang in relation to the sale of the Broadcasting Rights of the Drama Series A
“Drama Series B”	a web drama series currently titled as “SCI 謎案集”, and Huameng (Tianjin) holds 40% of the total interests and rights in Drama Series B
“Drama B Disposal”	the sale of the Broadcasting Rights attributable to Huameng (Tianjin)’s interest in Drama Series B pursuant to the Drama B Transfer Agreement
“Drama B Vendor”	the vendor under the Drama B Transfer Agreement, being Huameng (Tainjin) (for itself and on behalf of all other independent third party investors of Drama Series B)

“Drama B Transfer Agreement”	the transfer agreement dated May 23, 2017 and entered into between Tmall Technology and Drama B Vendor in relation to the sale of the Broadcasting Rights of the Drama Series B
“Drama Series C”	a drama series titled as “囧女翻身之嗨如花”, and Zhejiang Dongyang holds 30% of the total interests and rights in Drama Series C
“Drama C Disposal”	the sale of the Broadcasting Rights attributable to Zhejiang Dongyang’s interest in Drama Series C pursuant to the Drama C Transfer Agreement
“Drama C Vendor”	the vendor under the Drama C Transfer Agreement, being Zhejiang Dongyang (for itself and on behalf of all other independent third party investors of Drama Series C)
“Drama C Transfer Agreement”	the transfer agreement dated May 12, 2017 and entered into between Tmall Technology and Drama C Vendor in relation to the sale of the Broadcasting Rights of the Drama Series C
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huameng (Tianjin)”	Huameng (Tianjin) Culture Investment Co., Ltd.* (華盟（天津）文化投資有限公司), a consolidated subsidiary of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to this term under the Listing Rules

“ substantial shareholder ”	has the meaning ascribed to this term under the Listing Rules
“ Tmall Technology ”	Zhejiang Tmall Technology Co., Ltd* (浙江天貓技術有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of AGH, being the purchaser under the Disposals
“ Zhejiang Dongyang ”	Zhejiang Dongyang Xiaoyuzhou Movie & Media Co., Ltd.* (浙江東陽小宇宙影視傳媒有限公司), a consolidated subsidiary of the Company

** English name for identification purpose only.*

On behalf of the Board
Alibaba Pictures Group Limited
Yu Yongfu
Chairman

Hong Kong, May 23, 2017

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