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**FURTHER ANNOUNCEMENT ON THE MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF 100% EQUITY INTEREST IN
GUANGDONG YUEKE SOFTWARE ENGINEERING COMPANY LIMITED**

Reference is made to the announcement of Alibaba Pictures Group Limited (the “**Company**”) dated April 21, 2015 (the “**Announcement**”) in relation to the acquisition of the entire equity interests (the “**Acquisition**”) in 廣東粵科軟件工程有限公司(Guangdong Yueke Software Engineering Company Limited) (the “**Target Company**”) by its indirect wholly-owned subsidiary 中聯盛世文化（北京）有限公司 (Zhong Lian Sheng Shi Culture (Beijing) Company Limited) (the “**Purchaser**”) from the vendors (the “**Vendors**”) 廣東省計算技術應用研究所 (Guangdong Computation Technology Application Research Institute), a collective enterprise (全民所有制) formed in the PRC in 1992 and 廣東省科技創業投資有限公司 (Guangdong Technology Venture Investment Corporation Limited), a state-owned enterprise incorporated in the PRC in 1992 through the PRC open bidding process conducted by 南方聯合產權交易中心 (Southern United Assets & Equity Exchange), and the announcements of the Company dated May 11, 2015 and May 29, 2015, respectively in relation to the delay in despatch of the circular relating to the Acquisition (the “**Circular**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Company is pleased to announce that the Purchaser and the Vendors have finalized and executed the sale and purchase agreement (the “**SPA**”) on June 1, 2015 in relation to the Acquisition. With respect to the Repurchase Right, as referred to in the Announcement, GTVICL may exercise such right within nine months commencing from the date of completion of the updated AIC registration, and the consideration payable for the percentage of the equity interest to be repurchased is to be based on the aggregate cash consideration of RMB830 million payable by the Purchaser for the Acquisition.

In connection with the Acquisition, the Target Company, the Purchaser and the Vendors have also entered into a supplementary agreement to the SPA (the “**Supplementary Agreement**”) on June 1, 2015. The principal terms of the Supplementary Agreement are:

- (1) the Vendors have agreed that, during the period commencing upon the execution of the Supplementary Agreement and ending upon the completion of the updated AIC registration (the “**Transitional Period**”), the Target Company will (i) continue to operate according to its customary and normal business practice, and (ii) make reasonable efforts to avoid any impairment to its business operations in any material aspect; and

- (2) the Vendors have agreed that, without the prior written consent by the Purchaser, the Target Company will not, and the Vendors will induce the Target Company not to, during the Transitional Period: (i) engage in any matter that requires an approval by the shareholders or board of directors of the Target Company; (ii) enter into any single transaction or a series of transactions in an aggregate amount of more than RMB500,000; (iii) engage in any event that will be deemed by the management of the Target Company to have a material impact on the Target Company, including but not limited to voluntarily entering into any litigation, arbitration or administrative proceeding; or (iv) commit to take, or procure the management of the Target Company to commit to take any actions as mentioned above in (i) to (iii) of this paragraph, except for any transactions entered into pursuant to the SPA and the Supplementary Agreement.

As disclosed in the announcement published on May 29, 2015, the Company and the Purchaser currently expect the Circular will be despatched to the shareholders of the Company on a date falling on or around July 7, 2015.

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

Hong Kong, June 2, 2015

As at the date of this announcement, the Board comprises Mr. Shao Xiaofeng, Mr. Liu Chunling 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.