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COMPLETION OF THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

PLACING AGENTS



Morgan Stanley

Completion of the Placing

The Board is pleased to announce that all the conditions as set out in the Placing Agreement have been fulfilled and the Placing was completed on June 11, 2015 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 4,199,570,000 new Shares, representing approximately 16.64% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, have been successfully allotted and issued by the Company on June 11, 2015 at the Placing Price of HK\$2.90 per Placing Share to not fewer than six Placees. The aggregate gross and net proceeds (after deduction of the commissions and expenses relating to the Placing) from the Placing amounted to approximately HK\$12,178.8 million and HK\$12,115.8 million, respectively.

Reference is made to the announcement issued by the Company on June 4, 2015 regarding the signing of the Placing Agreement between the Company and the Placing Agents (the “**Placing Announcement**”) and the Placing under the General Mandate contemplated under the Placing Agreement. Capitalized terms used herein shall have the same meanings as those defined in the Placing Announcement. The Board is pleased to announce that all the conditions as set out in the Placing Agreement have been fulfilled and the Placing was completed on June 11, 2015 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 4,199,570,000 new Shares, representing approximately 16.64% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, have been successfully allotted and issued by the Company on June 11, 2015 at the Placing Price of HK\$2.90 per Placing Share to not fewer than six Placees. The aggregate gross and net proceeds (after deduction of the commissions and expenses relating to the Placing) from the Placing amounted to approximately HK\$12,178.8 million and HK\$12,115.8 million, respectively.

To the best of the Company’s knowledge, information and belief, and having made all reasonable enquiries, upon the completion of the Placing, the Placees (and their ultimate beneficial owners) are independent of the Company and its subsidiaries and are not connected persons of the Company. None of the individual Placees will become a Substantial Shareholder immediately after the completion of the Placing.

As a result of the Placing, the total number of issued Shares has been increased from 21,034,991,410 Shares to 25,234,561,410 Shares. All of the 4,199,570,000 new Shares have been fully placed pursuant to the terms and conditions set out in the Placing Agreement. To the best of the Company’s knowledge, information and belief, and having made all reasonable enquiries, upon the completion of the Placing, the shareholding structure of the Company is as follows:

Substantial Shareholder	No. of Shares	Percentage of issued share capital (%)
Ali CV (<i>Note 1</i>)	12,828,256,866	50.84
AIL (<i>Note 2</i>)	12,828,256,866	50.84
AGHL (<i>Note 2</i>)	12,828,256,866	50.84
Zhao Chao (<i>Note 3</i>)	12,828,256,866	50.84
Other Public Shareholders	12,406,304,544	49.16
Total	25,234,561,410	100.00

Note 1: This represents (i) the interests in 331,288,020 Shares held by Mr. Zhao Chao through his controlled corporation, Basic Charm Investment Limited which is wholly owned by Rainstone International Limited in which Mr. Zhao Chao maintains 100% beneficial interest; (ii) the interests in 8,910,000 Shares held by Mr. Zhao Chao as beneficial owner; and (iii) the interests in 12,488,058,846 Shares held by Ali CV as beneficial owner. As of the date of this announcement, Mr. Zhao Chao is a party acting in concert with Ali CV and thus, Ali CV is deemed to be interested in 340,198,020 Shares held by Mr. Zhao Chao. Upon the completion of the Placing, the 12,488,058,846 Shares held by Ali CV as beneficial owner represent approximately 49.49% of the issued share capital of the Company.

Note 2: This represents (i) the interests in 331,288,020 Shares held by Mr. Zhao Chao through his controlled corporation, Basic Charm Investment Limited which is wholly owned by Rainstone International Limited in which Mr. Zhao Chao maintains 100% beneficial interest; (ii) the interests in 8,910,000 Shares held by Mr. Zhao Chao as beneficial owner; and (iii) the interests in 12,488,058,846 Shares held by Ali CV as beneficial owner. As of the date of this announcement, Ali CV is wholly owned by AGHL, through its controlled corporation, AIL. Accordingly, AGHL and AIL are deemed to have the same interest held by Ali CV.

Note 3: This represents (i) the interests in 331,288,020 Shares held by Mr. Zhao Chao through his controlled corporation, Basic Charm Investment Limited which is wholly owned by Rainstone International Limited in which Mr. Zhao Chao maintains 100% beneficial interest; (ii) the interests in 8,910,000 Shares held by Mr. Zhao Chao as beneficial owner; and (iii) the interests in 12,488,058,846 Shares held by Ali CV as beneficial owner. As of the date of this announcement, Mr. Zhao Chao is a party acting in concert with Ali CV and thus, Mr. Zhao Chao is deemed to be interested in 12,488,058,846 Shares held by Ali CV.

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

Hong Kong, June 11, 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.