

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)

**POSSIBLE NON-COMPLIANT ACCOUNTING TREATMENTS
FOR PRIOR ACCOUNTING PERIODS AND POSSIBLE
INSUFFICIENT PROVISION FOR IMPAIRMENTS**

UPDATE ANNOUNCEMENT

Reference is made to the announcement of Alibaba Pictures Group Limited (the “Company” and, together with its subsidiaries and variable interest entities, the “Group”) dated August 14, 2014 concerning, among other things, certain possibly non-compliant treatment of financial information in the Company’s financial statements covering periods prior to completion of the share subscription by Ali CV Investment Holding Limited (an indirectly wholly-owned subsidiary of Alibaba Group Holding Limited) of a majority stake in the Company (the “August 14 Announcement”).

Following the publication of the August 14 Announcement, the Company has continued its enquiry into the matters disclosed in the August 14 Announcement and its audit committee (the “Audit Committee”) appointed PwC on September 4, 2014 to conduct an independent inspection and analysis of the Company’s historical financial statements as at and for the financial years ended December 31, 2012 and December 31, 2013 and the six months ended June 30, 2014, and to report on its findings and make recommendations (if any) to the Audit Committee.

The Company currently expects that an initial report on PwC’s findings and recommendations (if any) will be made available to the board of directors of the Company (the “Board”) and the Audit Committee by early November 2014.

The Company intends to make an appropriate announcement when the results of the independent inspection and analysis are available and the Board and the Audit Committee have an opportunity to consider the same. The Company will continue to monitor the situation and will update the market as and when appropriate to do so.

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

Hong Kong, September 22, 2014

As at the date of this announcement, the Board comprises Mr. Shao Xiaofeng, Mr. Liu Chunning and Mr. Zhang Qiang, being the executive directors; and Mr. Li Lianjie, Mr. Tong Xiaomeng and Ms. Zhang Yu, being the independent non-executive directors.