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

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO ENTERING INTO INSERTION ORDERS

INSERTION ORDERS

The Board announces that Orbgen Technologies, an indirect non-wholly-owned subsidiary of the Company, entered into the Original Insertion Order with UCWeb Mobile, an indirect wholly-owned subsidiary of AGH, on March 6, 2017 for a trial run term commencing from March 1, 2017 and ending on April 30, 2017.

The Board further announced that on April 28, 2017, Orbgen Technologies entered into the Renewed Insertion Order with UCWeb Mobile for a term commencing from May 1, 2017 to April 30, 2018.

Pursuant to the Insertion Orders, Orbgen Technologies has agreed to use, and UCWeb Mobile has agreed to provide, UC Service Platforms for the promotion of Orbgen Technologies' products (including but not limited to mobile APP and website) in India.

LISTING RULES IMPLICATIONS

UCWeb Mobile 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, UCWeb Mobile is an associate of Ali CV and hence a connected person of the Company. The entering into of the Insertion Orders constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since all the applicable percentage ratios in respect of the annual cap for the services under the Original Insertion Order, were less than 0.1% and the transactions contemplated under the Original Insertion Order were conducted on normal commercial terms, the entering into of the Original Insertion Order and the transactions contemplated thereunder were fully exempt from

independent Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules at the time of signing.

Pursuant to Rule 14A.81 of the Listing Rules, the Company has aggregated the transactions under the Original Insertion Order and the Renewed Insertion Order upon the entering into of the Renewed Insertion Order as they were entered into within a 12-month period with the same counterparty and are of similar nature.

As the applicable percentage ratios in respect of the of the aggregated annual caps for the services under the Insertion Orders are more than 0.1% but less than 5%, the entering into of the Insertion Orders and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements and are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

The Board announces that Orbgen Technologies, an indirect non-wholly-owned subsidiary of the Company, entered into the Original Insertion Order with UCWeb Mobile, an indirect wholly-owned subsidiary of AGH, on March 6, 2017 for a trial run term commencing from March 1, 2017 and ending on April 30, 2017.

The Board further announced that on April 28, 2017, Orbgen Technologies entered into the Renewed Insertion Order with UCWeb Mobile for a term commencing from May 1, 2017 to April 30, 2018.

Pursuant to the Insertion Orders, Orbgen Technologies has agreed to use, and UCWeb Mobile has agreed to provide, UC Service Platforms for the promotion of Orbgen Technologies' products (including but not limited to mobile APP and website) in India.

2. PRINCIPAL TERMS OF INSERTION ORDERS

Except for the contractual period, the Renewed Insertion Order was entered into between the same parties upon substantially the same contractual terms as those of the Original Insertion Order. The principal terms of the Insertion Orders are set out below.

2.1 Signing Date, Parties and Term

2.1.1 Original Insertion Order

Date: March 6, 2017

Parties: (1) Orbgen Technologies as service user
(2) UCWeb Mobile as service provider

Term: March 1, 2017 to April 30, 2017

2.1.2 Renewed Insertion Order

Date: April 28, 2017

Parties: (1) Orbgen Technologies as service user
(2) UCWeb Mobile as service provider

Term: May 1, 2017 to April 30, 2018

2.2 Other Principal Terms of Insertion Orders

2.2.1 Subject Matter

In consideration of the fees payable by Orbgen Technologies to UCWeb Mobile, Orbgen Technologies agreed to use, and UCWeb Mobile agreed to provide, the UC Service Platforms to promote Orbgen Technologies' products in India.

2.2.2 Annual Caps and Pricing Basis

The annual caps of the services under the Insertion Orders for the years ending December 31, 2017 and 2018 are set out below:

	Annual Caps (RMB'000)	
	For the year ending December 31, 2017	For the year ending December 31, 2018
Original Insertion Order	20	-
Renewed Insertion Order	30,000	20,000
Aggregated Annual Caps	30,020	20,000

The annual caps are determined based on (i) the promotion fee for CPS on UC Browser Platform, (ii) the promotion fee for CPA on 9APPS Platform, and (iii) the service fee for CPA on UCUnion Platform, which are estimated with reference to the projected transaction volumes in respect of the promotion of Orbgen Technologies' products through the UC Service Platforms in India during the term of the Insertion Orders and based on the agreed methods for calculation of fees as set out below.

The promotion fee for CPS on UC Browser Platform is calculated based on certain fixed percentage of the Net Merchandise Value; the promotion fee for CPA on 9APPS Platform is calculated based on a fixed price per activation; and the service fee for CPA on UCUnion Platform is calculated based on certain fixed percentage of the monthly promotion fee for activations on other platforms that work with UCUnion Platform.

To confirm the statistics of CPA/CPS, Orbgen Technologies shall provide weekly data report to UCWeb Mobile for the previous week within 2 days of the current week. UCWeb Mobile could provide statistics as reference. Both parties shall reach a mutual confirmation on the data report within 10 days after provision of the data report by Orbgen Technologies. If the statistics from Orbgen Technologies has a more than 10% difference with the statistics that is concluded by UCWeb Mobile, UCWeb Mobile has the right to suspend the campaigns and both parties look into the matter and resolve the issue. The amendment of the agreed fixed price per activation for the CPA type under the Insertion Orders must be in writing.

During the period from March 1, 2017 to the date immediately preceding the date of this announcement, the actual total fees payable by Orbgen Technologies under the Original Insertion Order amounted to approximately RMB9,110. As Orbgen Technologies is expanding its product coverage in India, its transaction volumes, contributed by those promoted through the UC Service Platforms, are expected to grow in an accelerating fashion in the next 12 months.

2.2.3 Payment Terms

After monthly data is confirmed by both parties, UCWeb Mobile will invoice Orbgen Technologies based on the confirmed amount. Orbgen Technologies shall make the entire payment within 30 days from the date of receipt of invoice.

3. REASONS FOR AND BENEFITS OF ENTERING INTO INSERTION ORDERS

Following the completion of the Company' acquisition of Alibaba Group's online movie ticketing business ("Tao Piao Piao") on December 31, 2015, the Company further completed its acquisition of Orbgen Technologies in January 2017. Orbgen Technologies currently operates an online movie ticketing platform - TicketNew, which is the third largest in India. Given India's large population and their movie habit, it is expected that online ticketing service will continue its rapid development. After years of operational efforts, UCWeb Mobile now has a significant market share in the mobile browser market in India. By leveraging UCWeb Mobile's existing user base, TicketNew can extend its ticketing service to more potential users through effective promotion. The Company therefore believes that the entering into Insertion Orders will enable TicketNew to achieve rapid growth through user traffic supports from UCWeb Mobile, and hence to create more value for its shareholders.

Having reviewed the terms of the Insertion Orders, the Directors (including the independent non-executive Directors) are of the view that the terms of the Insertion Orders are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms or better to the Company and that the entering into of the Insertion Orders are in the ordinary and usual course of business of the Group and in the interest of the Company and its shareholders as a whole.

4. LISTING RULES IMPLICATIONS

UCWeb Mobile is an indirect wholly-owned subsidiary of AGH. AGH is the ultimate sole shareholder of Ali CV, 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, UCWeb Mobile is an associate of Ali CV and hence a connected person of the Company. The

entering into of the Insertion Orders constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since all the applicable percentage ratios in respect of the annual cap for the services under the Original Insertion Order, were less than 0.1% and the transactions contemplated under the Original Insertion Order were conducted on normal commercial terms, the entering into of the Original Insertion Order and the transactions contemplated thereunder were fully exempt from independent Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules at the time of signing.

Pursuant to Rule 14A.81 of the Listing Rules, the Company has aggregated the transactions under the Original Insertion Order and the Renewed Insertion Order upon the entering into of the Renewed Insertion Order as they were entered into within a 12-month period with the same counterparty and are of similar nature.

As the applicable percentage ratios in respect of the of the aggregated annual caps for the services under the Insertion Orders are more than 0.1% but less than 5%, the entering into of the Insertion Orders and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements and are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 Insertion Orders, the relevant annual caps and the transactions contemplated under the Insertion Orders. Accordingly, they have abstained from voting on the resolutions passed by the Board in relation to the Insertion Orders, the relevant annual caps and the transactions contemplated under the Insertion Orders. Save as the aforesaid Directors, none of the other Directors has a material interest in the Insertion Orders, the relevant annual caps and the transactions contemplated under the Insertion Orders, and therefore none of them has abstained from voting on the said resolutions passed by the Board.

5. INFORMATION ON THE COMPANY AND ORBGEN TECHNOLOGIES

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.

Orbgen Technologies owns and operates an online movie tickets booking platform TicketNew that allows customers to check for movies, theatres, events, stores, sports, parties, and other entertainment activities, and also allows its customers to book movies tickets. Orbgen Technologies was founded in 2007 and is based in Chennai, India.

6. INFORMATION ON AGH, ALIBABA GROUP AND UCWEB MOBILE

AGH is a company incorporated in the Cayman Islands and its American depository 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.

UCWeb Mobile was registered at Registrar of Companies of Delhi on November 20, 2012 and is categorized as Company Limited by Shares and an Indian Non-Government Company. It is an indirect wholly-owned subsidiary of UCWeb Inc. which develops and provides mobile Internet software technology and services, and offers UC Browser, a mobile browsing service. UCWeb Inc. also provides 9APPS and 9Game application and game distribution platforms; and UC Union, a mobile traffic platform. It serves users internationally. UCWeb Inc. operates as a subsidiary of AGH.

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 depository 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

“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
“CPA”	cost per activation, means the pricing method based on which payment shall be made for an effective activation (download, install and activate) of Orbgen Technologies’ products on a device
“CPS”	cost per sale, means Orbgen Technologies pays revenue share to UCWeb Mobile, which shall be decided according to Net Merchandise Value from Orbgen Technologies’ links/apps promoted by UCWeb Mobile
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“India”	Republic of India
“INR”	Indian Rupee, the lawful currency of India
“Insertion Orders”	the Original Insertion Order and the Renewed Insertion Order
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Net Merchandise Value”	the service fee received by Orbgen Technologies for providing online movie ticketing services, net of the portion that is due to cinema operator
“Orbgen Technologies”	Orbgen Technologies Private Limited, a company founded in 2007 and based in Chennai, India and an indirect non-wholly-owned subsidiary of the Company

“Original Insertion Order”	the insertion order entered into between Orbgen Technologies and UCWeb Mobile on March 6, 2017 for a term commencing from March 1, 2017 and April 30, 2017
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“Renewed Insertion Order”	the insertion order entered into between Orbgen Technologies and UCWeb Mobile on April 28, 2017 for a term commencing from May 1, 2017 and April 30, 2018
“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
“substantial shareholder”	has the meaning ascribed to this term under the Listing Rules
“UC Service Platforms”	UC Browser or other promotion platforms which UCWeb Mobile uses, including but not limited to UC Browser Platform, 9APPS Platform and UCUnion Platform
“UCWeb Mobile”	UCWeb Mobile Private Limited, a company registered at Registrar of Companies of Delhi on November 20, 2012 and an indirect wholly-owned subsidiary of AGH

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

Hong Kong, April 28, 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.