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阿里巴巴·影业集团™
Alibaba·Pictures

Alibaba Pictures Group Limited
阿里巴巴影業集團有限公司

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

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment by the Board of the latest unaudited consolidated management accounts of the Group, it is expected that the Group will record a net loss attributable to the owners of the Company for the 15 months ended March 31, 2018 to be between RMB1.6 billion and RMB1.7 billion, as the Group accelerated its promotional effort to increase the market share of Tao Piao Piao (the Group's online ticketing platform) during the Chinese New Year holiday period in February 2018 in order to strengthen its market-leading position.

Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

This announcement is made by Alibaba Pictures Group Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group, it is expected that the Group will record a net loss attributable to the owners of the Company for the 15 months ended March 31, 2018 to be between RMB1.6 billion and RMB1.7 billion, compared with RMB950.26 million for the 12 months ended December 31, 2017 and RMB958.58 million for the year ended December 31, 2016.

The Chinese New Year holiday period ("CNY Period") is usually a peak season for box office in the PRC. February 2018 saw the highest box office number ever recorded for the CNY period, which the Group viewed as a strategic time window to exert its promotional effort to strengthen Tao Piao Piao's market-leading position. Significant resources were spent in the CNY Period of 2018 to provide pricing incentives to consumers to further promote Tao Piao Piao's brand. Due to increased marketing expenses, the Group expects to record a net loss attributable to the owners of the Company for the 15 months ended March 31, 2018 to be between RMB1.6 billion and RMB1.7 billion. Given the current competitive landscape, the Group does not expect such pricing promotion to be a consistent trend, but may change from time to time depending on industry dynamics.

The expected loss attributable to the owners of the Company described in this announcement is only based on a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the 15 months ended March 31, 2018 and other information currently available to the Company. This information has not been audited or reviewed by the Company's auditors and, as the Company is still in the process of finalizing its annual results for the 15 months ended March 31, 2018 ("2017/2018 Annual Results"), the actual results may differ from what is disclosed in this announcement. Further details of the Company's 2017/2018 Annual Results will be provided in the Company's 2017/2018 Annual Results announcement, which is expected to be released in early May 2018.

Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

On behalf of the Board
Alibaba Pictures Group Limited
Fan Luyuan
Chairman & Chief Executive Officer

Hong Kong, April 13, 2018

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