



Alibaba Group Increases Stake in Alibaba Pictures

Beijing, December 10, 2018 – Alibaba Group Holding Limited (NYSE: BABA; “Alibaba Group” or “the Group”) and Alibaba Pictures Group Limited (SEHK: 1060; “Alibaba Pictures” or “the Company”) today jointly announced that Alibaba Group will increase its stake in Alibaba Pictures to approximately 50.92% from 49%.

Under the agreement, Alibaba Pictures will issue one billion new shares to Alibaba Group at HK\$1.25 per share, raising a total of HK\$1.25 billion from the share issue. Following completion of the transaction, Alibaba Group will have majority control over Alibaba Pictures and obtain majority board representation in the Company.

“The Alibaba Digital Media and Entertainment business group has made great strides in implementing the ‘happiness’ aspect of our ‘Double H’ strategy,” said Alibaba Group Chief Executive Officer Daniel Zhang. “We look forward to greater integration and synergies between Alibaba Pictures and related business in Alibaba Group on both content production and distribution to deliver high-quality experiences for consumers in China. The proposed share purchases is a vote of confidence in Alibaba Pictures, and we will continue to invest resources and take full advantage of our ecosystem to help Alibaba Pictures tap into the promising growth prospects of China’s film industry.”

“Alibaba Pictures is excited to become a subsidiary of Alibaba Group. As an internet film and TV company, we can leverage the Group’s edge in big-data technology and e-commerce and enhance cooperation with other Alibaba’s digital media and entertainment businesses such as Youku, Damai and Alibaba Literature,” said Fan Luyuan, Chairman and Chief Executive Officer of Alibaba Pictures. “We will adhere to our mission of ‘creating happiness and fulfilling dreams’ to advance the digital transformation of China’s film industry and to provide higher-quality service to consumers.”

Alibaba Pictures harnesses the power of “data + ecosystem” and focuses on building an end-to-end value chain that covers internet-based promotion and distribution, merchandising and financial services. It recently announced the Jin Cheng Co-production Project (锦橙合制计划), to co-produce and launch 20 high-quality movies over the next five years, with the aim of empowering industry partners, creating more revenue opportunities and meeting the growing demand for entertainment services.

Alibaba Pictures has made steady progress with three of its core businesses recording strong revenue growth. For the six months ending September 30, 2018, the Company’s revenue was RMB1.532 billion, up 29.4% year-on-year, and its net loss for the period narrowed by 64.1% to RMB154 million, reflecting positive momentum.

Completion of the transaction is subject to customary closing conditions, including, among others, approval of the transaction by independent shareholders of Alibaba Pictures and the Hong Kong Stock Exchange.

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About Alibaba Group

Alibaba Group’s mission is to make it easy to do business anywhere and the company aims to achieve sustainable growth for 102 years. For the fiscal year ended March 31, 2018, the company reported revenues of US\$39.9 billion.

About Alibaba Pictures Group Limited

Alibaba Pictures Group Limited is listed on both The Stock Exchange of Hong Kong Limited (stock code: 1060) and the Singapore Exchange Securities Trading Limited (stock code: S91). Alibaba Pictures is an internet-driven integrated platform that covers content production, promotion and distribution, IP licensing, cinema ticketing management and data services for the entertainment industry.

Alibaba Pictures' company website: <http://www.alibabapictures.com>

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