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

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by the Company to provide the Shareholders and potential investors with a business update.

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

This is a voluntary announcement made by Alibaba Pictures Group Limited (the “Company”, together with its subsidiaries, the “Group”) to provide the shareholders of the Company (“Shareholder(s)”) and potential investors with a business update.

Over the last several years, the Group has invested significant resources in building its entertainment business ecosystem. Among its three business segments, the internet-based promotion and distribution business has progressed the fastest, spearheaded by the online movie ticketing platform Tao Piao Piao. Having been the fastest growing online movie ticketing platform since 2015, Tao Piao Piao is now among the two largest online movie ticketing platforms in the PRC.

Given the existing market dynamics, the Group plans to further expand and fortify Tao Piao Piao’s market-leading position by accelerating investment of resources to achieve this objective. This decision takes into full consideration (i) the current competitive landscape of the industry, (ii) the strategic value of Tao Piao Piao in the Company’s business ecosystem, and (iii) the business potential of Tao Piao Piao in the future.

In line with this business plan, the Group plans to invest further in programs to provide pricing incentives to consumers and also to improve the features and functionalities of Tao Piao Piao in order to enhance user experience. The Group will continue to monitor its budget closely and maximize the efficiency of its resource allocation. From a high level perspective, management believes that the media and entertainment sector, which is still in its early stages of development in the PRC, possesses strong growth prospects for the future. The Group remains committed to

implementing business strategies that create long term value for its shareholders.

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

Hong Kong, February 1, 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.