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Alibaba Pictures Group Limited **阿里巴巴影业集团有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1060)

PROFIT ALERT

This announcement is made by Alibaba Pictures Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “Board”) of directors of the Company (the “Directors”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, it is expected that the net profit attributable to owners of the Company for the financial year ended March 31, 2024 (“FY2023/2024”) will be no less than RMB260 million, as compared with the net loss attributable to owners of the Company of approximately RMB291.1 million for the financial year ended March 31, 2023 (“FY2022/2023”). It is expected that the overall revenue of the Group for FY2023/2024 will increase by over 40% as compared with FY2022/2023. If Damai Acquisition ^(Note) had taken place on April 1, 2022 or 2023, the adjusted EBITA of the Group for FY2023/2024 would be no less than RMB1,000 million, representing a year-on-year increase of over 700%.

The Board is of the view that the Group’s turnaround from net loss to net profit as compared with FY2022/2023 is primarily attributable to, among other things, (i) substantial year-over-year growth of total box office in Mainland China, as a result of robust recovery of offline entertainment business for FY2023/2024; and (ii) outperformance of the Group’s business with a significant year-over-year increase in the quantity of high-quality films jointly produced and distributed by the Group.

Note: Please refer to the Company’s circular dated October 16, 2023 for details.

The Board believes that the contraction in net profit for the twelve months ended March 31, 2024 as compared with the net profit for the six months ended September 30, 2023 is primarily attributable to, among other things, (i) the continuing absorption of relevant investment costs for the second half of FY2023/2024 given the Group's ongoing commitment to investing in the Group's content business; and (ii) the provision of impairment for certain trade receivables of the Group out of prudence.

The Group has sufficient cash reserves and adequate inventory of films and TV dramas. Looking forward, the Group will continue to make significant investments in a full range of entertainment content and improve its capabilities to produce a broader set of content, including films, drama series and live performances, with a view to delivering high-quality content to the market steadily; expand the scope of its technology platform services and explore multiple business models like AIGC; as well as strengthen benefits of scale and barriers to entry by expanding the presence of Damai along the value chain of the live entertainment industry.

The information contained in this announcement is provided only based on a preliminary assessment by the Board with reference to the unaudited management accounts of the Group and other information currently available to the Board. Such information has not been audited or reviewed by the auditors or the audit committee of the Company. As the Company is still in the process of finalizing its final results for FY2023/2024 (the "FY 2023/2024 Final Results"), the actual results of the Group may differ from the information disclosed in this announcement.

Further details of the FY 2023/2024 Final Results will be provided in the Company's final results announcement for FY2023/2024, which is expected to be published on or around May 29, 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares or other securities of the Company.

By order of the Board
Alibaba Pictures Group Limited
Fan Luyuan
Chairman & Chief Executive Officer

Hong Kong, April 30, 2024

As of the date of this announcement, the Board comprises Mr. Fan Luyuan, Mr. Li Jie and Mr. Meng Jun, being the executive Directors; Mr. Tung Pen Hung, being the non-executive Director; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being the independent non-executive Directors.