



Management indicated that PC-based GMV could possibly shrink to as little as 30% of total China retail marketplace GMV as we exit the year.

Entertainment a vertical focus

One of the company's main vertical focuses this year will be entertainment. Management specifically referenced initiatives around:

- content, e.g. Huashu, Huayu, Enlight etc set up a "content pool" for Ali Pictures (the company is a 60% shareholder)
- distribution through over-the-top apps, and
- derivative offerings (crowd funding etc)

Management appointment

The company also announced that Daniel Zhang, currently COO of Alibaba Group with 8 years of experience at the company, would replace Jonathan Lu as company CEO. Given Alibaba's reputation for mgmt rotation, and with Mr. Zhang's broad experience at the co, we view the transition as positive.