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**(1) RE-DESIGNATION OF DIRECTOR
(2) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR
AND
(3) CHANGE OF COMPOSITION OF BOARD COMMITTEES**

The board of directors (the “Board”) of Alibaba Pictures Group Limited (the “Company”) announces the following changes with effect from December 22, 2014:

RE-DESIGNATION OF DIRECTOR

Mr. Li Lian Jie (“Mr. Li”) has been re-designated from an independent non-executive director of the Company to a non-executive director of the Company. Biographical details of Mr. Li are as follows:

Mr. Li, aged 51, was appointed as Independent Non-Executive Director of the Company on June 24, 2014 and a member of each of the audit committee, remuneration committee and nomination committee of the Company on June 27, 2014. He is a world-renowned martial artist, movie star and social entrepreneur. Mr. Li was a five-time consecutive All-Around National Martial Arts Champion of China from 1975 to 1979. He has more than 30 years experience in the film industry and has starred in countless classic Chinese martial arts movies and international hits, including Shaolin Temple, Once Upon a Time in China, Fist of Legend, Hero and Fearless, Lethal Weapon 4, Romeo Must Die, The Mummy 3 and Expendables. In 2007, Mr. Li founded One Foundation, which advocates broad-based participation in philanthropy and volunteerism and established in 2010 China’s first philanthropy research institute in partnership with Beijing Normal University to cultivate the next generation of social sector leaders in China through degree granting programmes and corporate training programmes.

As at the date of this announcement, Mr. Li has no interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), has not held any other directorships in any public listed companies in the past three years and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)). Save as disclosed above, there is no other information in relation to Mr. Li which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to Mr. Li that need to be brought to the attention of the shareholders of the Company.

Mr. Li has entered into an appointment letter with the Company for a term of one year and the term of his service shall be renewed automatically for successive one-year term or until terminated in accordance with the said appointment letter. His appointment is also subject to the relevant provisions of retirement by rotation and re-election in accordance with the bye-laws of the Company (the “Bye-laws”) or any other applicable laws whereby he shall vacate his office. Mr. Li is entitled to receive a director’s fee of HK\$200,000 per annum. His remuneration was determined with reference to his experience and the prevailing market rate of director’s fees for non-executive directors.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Song Lixin (“Ms. Song”) has been appointed as an independent non-executive director of the Company. Biographical details of Ms. Song are as follows:

Ms. Song, aged 47, is the president of Talents Magazine and served as its editor-in-chief since 1997. Ms. Song has more than 20 years of experience in the cultural and business sector. Despite facing fierce competition in the print media industry, Ms. Song has built Talents Magazine into a well-known brand in China. Talents Magazine focuses on business leaders and major companies. With its unique reporting perspective, Talents Magazine has become a leading magazine in advanced management ideas. Talents Magazine is also recognized as one of the most influential business magazines in the finance and economics fields. Ms. Song also founded the China Annual Management Summit in 2001 which has continued to run for a consecutive 13 years to date. Ms. Song holds a Bachelor’s degree in Law of Renmin University and received an MBA degree from Tsinghua University.

As at the date of this announcement, Ms. Song has no interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), has not held any other directorships in any public listed companies in the past three years and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). Save as disclosed above, there is no other information in relation to Ms. Song which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to Ms. Song that need to be brought to the attention of the shareholders of the Company.

Ms. Song has entered into an appointment letter with the Company for a term of one year and the term of her service shall be renewed automatically for successive one-year term or until terminated in accordance with the said appointment letter. Her appointment is also subject to the relevant provisions of retirement by rotation and re-election in accordance with the Bye-laws or any other applicable laws whereby she shall vacate his office. Ms. Song is entitled to receive a total fee of HK\$280,000 per annum, comprising HK\$200,000 for her directorship and HK\$80,000 for acting as member of the various board committees of the Company. Her remuneration was determined with reference to her experience and the prevailing market rate of director’s fees for independent non-executive directors.

The Board would like to take this opportunity to welcome Ms. Song to the Board.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The composition of the Board committees has been changed as follows:

1. Mr. Liu Chunning (being an executive director of the Company) has ceased to be a member of the nomination committee of the Company;
2. Mr. Li has ceased to be a member of each of the audit committee, remuneration committee and nomination committee of the Company;
3. Ms. Zhang Yu (being an independent non-executive director of the Company) has ceased to be a member of the remuneration committee of the Company; and
4. Ms. Song has been appointed as a member of each of the audit committee and remuneration committee of the Company.

On behalf of the Board
Alibaba Pictures Group Limited
Shao Xiaofeng
Chairman

Hong Kong, December 22, 2014

As at the date of this announcement, the Board comprises Mr. Shao Xiaofeng, Mr. Liu Chunning and Mr. Zhang Qiang, being the executive directors; Mr. Li Lian Jie, being the non-executive director; and Ms. Song Lixin, Mr. Tong Xiaomeng and Ms. Zhang Yu, being the independent non-executive directors.