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**(1) APPOINTMENT OF EXECUTIVE DIRECTORS
(2) REMOVAL OF 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 January 1, 2016:

APPOINTMENT OF EXECUTIVE DIRECTORS

Mr. Deng Kangming (“Mr. Deng”), Ms. Zhang Wei (“Ms. Zhang”) and Mr. Fan Luyuan (“Mr. Fan”) have been appointed as executive directors and a member of the executive committee of the Company (together, the “Newly Appointed Directors”). The biographical details of the Newly Appointed Directors are as follows:

Mr. Deng Kangming

Mr. Deng, aged 49, is the Chief Operating Officer of the Company. Mr. Deng joined Alibaba Group in July 2004. He served as Chief People Officer, Senior Vice President of Alibaba Group and Executive Director of Alibaba.com Limited. He held various senior management positions within Alibaba Group. Prior to joining Alibaba Group, Mr. Deng served as human resources director for several multinational companies including Microsoft China, Oracle China, Danone China and Janssen Pharmaceutical, a subsidiary of Johnson & Johnson. He has extensive expertise in the field of business operations and executive experience working at multinational and local companies in China. Mr. Deng holds a bachelor’s degree in law from Fudan University in Shanghai and an executive master’s degree in business administration from Rutgers University, New Jersey, USA.

Mr. Deng 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 or other applicable laws whereby he/she shall vacate his/her office. The remuneration of Mr. Deng will be determined by the Board with reference to his experience and the prevailing market for director’s fees for executive directors.

As at the date of this announcement, Mr. Deng has a personal interest in 30,000,000 underlying shares of the Company in respect of the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

Saved as disclosed above, as at the date of this announcement, (i) Mr. Deng does not have any relationship with any 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”)); (ii) he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO; and (iii) he does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Zhang Wei

Ms. Zhang, aged 45, is the President of the Company. Ms. Zhang served as a senior vice president of Alibaba Group, where she leads the Alibaba Group Investment team. Prior to joining Alibaba Group in July 2008, Ms. Zhang served as the chief operating officer of STAR (China) Ltd., where she was in charge of STAR Group Ltd.’s operation in the People’s Republic of China. Previously, Ms. Zhang served as a managing director of CNBC China and prior to that, she worked as a consultant at Bain & Company and also served as a finance specialist of General Electric Company and GE Capital. Ms. Zhang holds a MBA degree from Harvard Business School and a bachelor’s degree in international organizational management from Seton Hill College, Pennsylvania.

Ms. Zhang 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. Her appointment is also subject to the relevant provisions of retirement by rotation and re-election in accordance with the bye-laws of the Company or other applicable laws whereby he/she shall vacate his/her office. The remuneration of Ms. Zhang will be determined by the Board with reference to her experience and the prevailing market for director’s fees for executive directors.

Saved as disclosed above, as at the date of this announcement, (i) Ms. Zhang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules); (ii) she does not have any interest in the shares of the Company within the meaning of Part XV of the SFO; and (iii) she does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Fan Luyuan

Mr. Fan, aged 42, is the President of Alipay Business Group at Ant Financial Services Group. Mr. Fan joined Alipay in 2007, and since then had served as Senior Director of Development Department, Assistant President, Vice President and Senior Vice President. In 2010, he and his team pioneered the first ever Quick Payment, which largely improved the success rate of online transactions as well as user experience. In 2013, Mr. Fan created Yu’e Bao with his team, which is now one of the world’s sizeable internet financial product with over 200 million users, and encourages inclusive financial system for individual consumers. He holds an executive master’s degree in business administration from Cheung Kong Graduate School of Business.

Mr. Fan 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 or other applicable laws whereby he/she shall vacate his/her office. The remuneration of Mr. Fan will be determined by the Board with reference to his experience and the prevailing market for director's fees for executive directors.

Saved as disclosed above, as at the date of this announcement, (i) Mr. Fan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules); (ii) he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO; and (iii) he does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Saved as disclosed above, the Newly Appointed Directors have confirmed that there is no other information in relation to their appointment 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 them that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to welcome the Newly Appointed Directors for joining to the Board.

REMOVAL OF EXECUTIVE DIRECTOR

The Board of the Company has resolved to remove Mr. Liu Chunming (“Mr. Liu”) as an executive Director and a member of the executive committee of the Company pursuant to Article 89(3) of the articles of association of the Company.

Reference is made to the announcement of the Company dated July 9, 2015, Mr. Liu has been detained by the Public Security Bureau in Mainland China in connection with an investigation into alleged receipt of bribes during his employment with Tencent Technology Co., Ltd. The Company is unable to contact Mr. Liu until the date of this announcement, as Mr. Liu has failed to report his duties as Director to the Company and failed to attend any Board meetings and general meetings of the Company for a consecutive period of more than six months since June 11, 2015 without special leave of absence from the Board.

Save as disclosed above, the Board is not aware of any disagreement between Mr. Liu and the Board or any matters that need to be brought to the attention of holders of securities of the Company. The Board also considers that the removal of Mr. Liu from his directorship with the Company will not have any adverse effect on the operations of the Company.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

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

1. Mr. Liu Chunning has removed to be a member of the executive committee of the Company.
2. Mr. Deng Kangming, Ms. Zhang Wei and Mr. Fan Luyuan have been appointed as members of the executive committee of the Company.

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

Hong Kong, December 31, 2015

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 and Mr. Tong Xiaomeng, being the independent non-executive directors.