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**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR,
CHANGE OF COMPOSITION OF BOARD COMMITTEES
AND
REMUNERATION OF EXECUTIVE DIRECTORS**

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE
OF COMPOSITION OF BOARD COMMITTEES**

The Board is pleased to announce that with effect from January 29, 2016, Mr. Johnny Chen has been appointed as an independent non-executive director of the Company, the chairman of the audit committee of the Company and a member of the nomination committee of the Company.

REMUNERATION OF EXECUTIVE DIRECTORS

The Board announces that Mr. Deng Kangming, Ms. Zhang Wei and Mr. Fan Luyuan would not receive remuneration for their position as executive Director.

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE
OF COMPOSITION OF BOARD COMMITTEES**

Reference is made to the announcement of Alibaba Pictures Group Limited (the “**Company**”) dated November 3, 2015 in relation to, among other things, the resignation of Ms. Zhang Yu (“**Ms. Zhang**”) as an independent non-executive director of the Company (“**INED**”) and her resulting retirement from her position as the chairman of the audit committee of the Company (the “**Audit Committee**”) and member of the nomination committee of the Company (the “**Nomination Committee**”) following her resignation.

The board of directors of the Company (the “**Board**”) is pleased to announce that with effect from January 29, 2016, Mr. Johnny Chen (“**Mr. Chen**”) has been appointed as an INED, the chairman of the Audit Committee and a member of the Nomination Committee to fill the casual vacancy arising from the resignation of Ms. Zhang. The biographical details of Mr. Chen are as follows:

Mr. Chen, aged 56, is currently Senior Advisor of each of LionRock Capital Limited and Reignwood Group and an Adjunct Associate Professor of Department of Finance and Department of Management, Hong Kong University of Science and Technology. Mr. Chen joined the management of Zurich Insurance Group (“**Zurich**”) in 2005. He worked in Zurich

from March 2005 to February 2015 in multiple senior managerial roles in Asia-Pacific region. His last position in Zurich was the chairman of China. Prior to joining Zurich, Mr. Chen was an executive member of the Greater-China Management Board and the Operating Committee of PricewaterhouseCoopers (“PwC”), as well as a managing partner of PwC’s Beijing office.

Mr. Chen holds a Master of Science Degree in Accounting from the University of Rhode Island and a Bachelor Degree of Accounting from the Johnson & Wales University. He is a U.S. certified public accountant.

Mr. Chen is currently an independent non-executive director of each of Uni-President China Holdings Ltd. (HKSE Stock Code: 220); Stella International Holdings Limited (HKSE Stock Code: 1836), where Mr. Chen also serves as the chairman of the nomination committee and a member of each of the audit committee and the remuneration committee; China Minsheng Financial Holding Corporation Limited (formerly known as “China Seven Star Holdings Limited”) (HKSE Stock Code: 245), where Mr. Chen also serves as the chairman of each of the audit committee and the remuneration committee; and Viva China Holdings Limited (HKSE Stock Code: 8032), where Mr. Chen also serves as the chairman of the audit committee and a member of each of the nomination committee and the remuneration committee. From 2005 to January 2014, Mr. Chen was a non-executive director of New China Life Insurance Company Ltd. (HKSE Stock Code: 1336).

Save as disclosed above, Mr. Chen has not held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor has he held any other major appointments and professional qualifications.

Mr. Chen will enter into an appointment letter with the Company for a term of one year and the term of his service shall be automatically renewed for successive one-year term or until terminated in accordance with the appointment letter. Mr. Chen will hold office until the first general meeting of the Company after his appointment and be subject to re-election at this meeting in accordance with the Bye-laws of the Company. Mr. Chen is entitled to receive a total fee of HK\$300,000 per annum, comprising HK\$200,000 for his directorship, HK\$60,000 for acting as the chairman of the Audit Committee and HK\$40,000 for acting as a member of the Nomination Committee. Mr. Chen’s remuneration package was determined with reference to his experience and the prevailing market rate of director’s fees for independent non-executive directors.

As at the date of this announcement, Mr. Chen 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**”)), and he does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Saved as disclosed above, there is no other information relating to Mr. Chen’s appointment that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to welcome Mr. Chen to the Board.

Other Information

Following the appointment of Mr. Chen, (i) the Board comprises nine members including three INEDs representing one third of the Board, and there is at least one INED with appropriate professional qualifications or accounting or related financial management expertise, which fulfills the requirements under Rules 3.10 and 3.10A of the Listing Rules; (ii) the Audit Committee comprises three INEDs, which fulfills the requirements under Rule 3.21 of the Listing Rules and the Audit Committee's terms of reference; and (iii) the Nomination Committee comprises three members with majority of INEDs, which complies with code provision A.5.1 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules and the Nomination Committee's terms of reference.

REMUNERATION OF EXECUTIVE DIRECTORS

Reference is made to the announcement of the Company dated December 31, 2015 (the “**Announcement**”) in relation to, among other things, the appointment of Mr. Deng Kangming, Ms. Zhang Wei and Mr. Fan Luyuan as executive Directors (collectively, “**Newly Appointed Executive Directors**”), with effect from January 1, 2016.

As disclosed in the Announcement, the remuneration of the Newly Appointed Executive Directors will be determined by the Board with reference to their respective experience and the prevailing market for director's fees for executive directors.

The Board announces that at a meeting of the Board held on January 29, 2016 and as recommended by the remuneration committee of the Company, the Board resolved that except their respective emoluments as an employee of the Company (as the case may be), the Newly Appointed Executive Directors would not receive remuneration for their position as executive Director, which conforms to the compensation packages of all other existing executive Directors.

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

Hong Kong, January 29, 2016

As at the date of this announcement, the Board comprises Mr. Shao Xiaofeng, Mr. Zhang Qiang, Mr. Deng Kangming, Ms. Zhang Wei and Mr. Fan Luyuan, being the executive directors; Mr. Li Lian Jie, being the non-executive director; and Ms. Song Lixin, Mr. Tong Xiaomeng and Mr. Johnny Chen, being the independent non-executive directors.