

Alibaba Group to make majority stake in Alibaba pictures

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Alibaba Group plans to take a majority stake in Alibaba Pictures, the Hong Kong- and Singapore-listed production house that helped bring movies such as “Mission Impossible: Fallout” and “Star Trek: Beyond” to Ch

Alibaba Pictures will issue 1 billion new shares to Alibaba Group at HK\$1.25 per share (about \$0.16), raising a total of HK\$1.25 billion (\$159.9 million) and taking Group’s stake to 50.29% from 49%. In addition to gaining majority control over Alibaba Pictures, Group will also have majority representation on the board of directors.

In a release on Monday, Group CEO Daniel Zhang said the company was looking to create “greater integration and synergies” between its related businesses and Alibaba Pictures on content production and distribution to deliver high-quality entertainment experiences to Chinese consumers.

“The proposed share purchases is a vote of confidence in Alibaba Pictures, and we will continue to invest resources and take full advantage of our ecosystem to help Alibaba Pictures tap into the promising growth prospects of China’s film industry,” Zhang said.

Alibaba Pictures Chairman and CEO Fan Luyuan pointed to opportunities to leverage Group’s data technology and strength in e-commerce, as well as synch with other Alibaba digital media and entertainment businesses, such as Youku, Damai and

Alibaba Literature.

“We will adhere to our mission of ‘creating happiness and fulfilling dreams’ to advance the digital transformation of China’s film industry and to provide higher quality service to consumers,” he said.

Alibaba Pictures uses what it calls “data + ecosystem” to build an end-to-end value chain that covers internet-based promotion and distribution, merchandising and financial services. The company recently announced a new initiative – the Jin Cheng Co-production Project – to co-produce and launch 20 high-quality movies over the next five years with the aim of “empowering industry partners, creating more revenue opportunities and meeting the growing demand for entertainment services,” according to the release.

Proceeds from the sale will go toward content investment, customer acquisition, sales and marketing activities, mergers and acquisitions and general corporate purposes. Completion of the transaction is subject to customary closing conditions, including, among others, approval of the transaction by independent shareholders of Alibaba Pictures and the Hong Kong Stock Exchange.

Source: [Alizila](#)