

Alibaba buys stake in Wanda Film for \$750 million

February 5 2018



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Troubled Chinese conglomerate Wanda announced Monday that e-commerce giant Alibaba has agreed to buy a stake in its cinema division

for around \$750 million, the latest sell-off by the heavily-indebted group.

Wanda Film said in a regulatory filing that Alibaba will buy a 7.66 percent stake for 4.68 billion yuan, and a holding company controlled by the Beijing government will take 5.11 percent for 3.12 billion yuan (around \$500 million), generating over \$1.2 billion for the conglomerate.

Following rapid diversification, Wanda ended up mired in debt and under the scrutiny of Chinese regulators, forcing its head Wang Jianlin—once China's richest man—to sell off parts of his empire.

Last month, it raised \$5.4 billion through a stake sale and retail link-up with several investors, including Chinese internet giant Tencent.

Wanda Film owns 1,352 cinemas around the world with more than 14,000 screens—around 12 percent of the global box office, according to the Wanda Group website.

Alibaba will now become the second-largest shareholder in the division, strengthening its position in China's massive entertainment market.

The e-commerce behemoth already has a foothold in Hollywood, with its 2016 purchase of a [minority stake](#) in Steven Spielberg's Amblin Partners, which owns DreamWorks Pictures.

Wanda originally specialised in real estate, but later diversified into cinema, amusement parks and sports—including the 2015 acquisition of a 20-percent [stake](#) in Spanish top-flight football club Atletico Madrid.

But Beijing, which has been trying to control the surge in Chinese corporate debt, was alarmed by Wanda's "irrational" purchases, which were largely financed through borrowing.

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