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**(1) SUBSCRIPTION OF NEW SHARES BY
ALIBABA INVESTMENT LIMITED;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Company



REORIENT Financial Markets Limited

THE SUBSCRIPTION

On 8 March 2014, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 12,488,058,846 new Shares at an issue price of HK\$0.50 per Subscription Share. The Subscription Shares represent approximately 150.0% of the issued share capital of the Company as at the date of this announcement and approximately 60.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate Subscription Price amounts to approximately HK\$6,244 million, the net proceeds from which are for the Group's general working capital and/or investments when opportunities arise.

The Subscription Shares will be issued pursuant to the Specific Mandate to be obtained at the SGM.

* For identification purpose only

WHITEWASH WAIVER

As at the date of this announcement, Mr Dong Ping and Mr Zhao Chao (both are executive Directors) hold 1,916,182,500 Shares and 331,288,020 Shares, representing approximately 23.02% and approximately 3.98% of the issued share capital of the Company, respectively. Mr Dong Ping and Mr Zhao Chao, who in aggregate are holding approximately 27.0% in the voting rights of the Company, are considered as parties acting in concert with the Subscriber. Upon Completion, 12,488,058,846 new Shares will be issued to the Subscriber, and the interests of the Subscriber, Alibaba Holding and parties acting in concert with any of them in the voting rights of the Company will be increased from approximately 27.0% to approximately 70.8% (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares). Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it, Alibaba Holding or parties acting in concert with any of them unless the Whitewash Waiver is obtained from the Executive. In this regard, the Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the SGM by way of a poll. Completion of the Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders.

GENERAL

A circular containing, among other things, (i) details of the Subscription and the Whitewash Waiver; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from independent financial adviser to the Independent Board Committee in relation to the Subscription and the Whitewash Waiver; and (iv) a notice convening the SGM will be despatched to the Shareholders in compliance with the requirements of the Listing Rules and the Takeovers Code, and is expected to be despatched on or before 1 April 2014.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended from 9:30 a.m. on 25 February 2014 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 12 March 2014.

Warning: The Subscription is subject to the fulfillment or waiver (as the case may be) of a number of conditions precedent set out under the section headed “Conditions of the Subscription” in this announcement, including approval by the Independent Shareholders at the SGM for the Subscription and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

INTRODUCTION

Reference is made to the announcement of the Company dated 24 February 2014 in respect of its preliminary discussions with independent third parties on certain possible transactions.

On 8 March 2014, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for 12,488,058,846 new Shares at the Subscription Price.

THE SUBSCRIPTION AGREEMENT

Date : 8 March 2014

Issuer : The Company

Subscriber : Alibaba Investment Limited

The Subscriber and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The Subscriber may assign its rights and obligations under the Subscription Agreement to its Affiliates on the terms thereof.

The Subscription Shares

The total number of the Subscription Shares is 12,488,058,846 new Shares, representing (i) approximately 150.0% of the existing issued share capital of the Company; and (ii) approximately 60.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$3,122,014,711.5.

The Subscription Price

The Subscription Price of HK\$0.50 per Subscription Share represents (i) a discount of approximately 20.63% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on 24 February 2014, being the full trading day immediately prior to the Last Trading Day; (ii) a discount of approximately 21.88% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 25 February 2014, the Last Trading Day; (iii) a premium of approximately 16.55% over the average closing price of approximately HK\$0.429 per Share for the last ten consecutive trading days up to and including 24 February 2014, being the full trading day immediately prior to the Last Trading Day; and (iv) a premium of approximately 9.41% over the average closing price of approximately HK\$0.457 per Share for the last ten consecutive trading days up to and including the Last Trading Day.

The aggregate Subscription Price amounts to approximately HK\$6,244 million.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber after taking into account the prevailing market price of the Shares and with reference to the strategic value of the Subscriber and its Affiliates.

Mandate for the issue of the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

Ranking

The Subscription Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Subscription Shares.

Listing application

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Conditions of the Subscription

The Subscription is conditional upon satisfaction (or waiver by the Subscriber in the case of (f) to (l) below) of the following conditions:

- (a) the Company having obtained the approval of the Shareholders in general meeting:
 - (i) to increase the authorised share capital of the Company by such amount as would be sufficient for the Company to issue the Subscription Shares;
 - (ii) for the Specific Mandate; and
 - (iii) authorising the Board to appoint four additional Directors who have been nominated by the Subscriber, conditional upon and with effect from Completion;

- (b) the Company having obtained the approval of the Independent Shareholders in general meeting for the Whitewash Waiver by way of poll;
- (c) the Executive having granted to the Subscriber and parties acting in concert with it the Whitewash Waiver (and such grant not having been revoked or withdrawn) and any necessary conditions prior to Completion, if any, attached to it having been fulfilled;
- (d) the listing committee of the Stock Exchange having granted listing of and permission to deal in the Subscription Shares and such approval and granting of permission not having been withdrawn;
- (e) if necessary, the Bermuda Monetary Authority having granted consent to the increase in the authorised share capital of the Company and the issue of the Subscription Shares;
- (f) subject to any appointments under paragraph (a)(iii) above, there having been no additional or replacement Directors appointed to the Board between the date of the Subscription Agreement and Completion;
- (g) four existing Directors having tendered their resignations from the Board, conditional upon and with effect from Completion, on the basis that such Directors each agree to waive all existing and future claims against the Company in respect of their directorships;
- (h) certain key warranties given by the Company under the Subscription Agreement remaining true, complete, accurate and not misleading in all respects, and all other warranties under the Subscription Agreement remaining true, complete, accurate and not misleading in all material respects, in each case at Completion and as if repeated at Completion on the basis of the facts and circumstances then existing;
- (i) no event having a material adverse effect on (i) the assets, liabilities, condition (financial or other), business, prospects, general affairs, results of operations or properties of the Group; (ii) the ability of the Company to perform its obligations under the Subscription Agreement; or (iii) the validity or enforceability of the Subscription Agreement having occurred since the date of the Subscription Agreement;
- (j) the Company having not breached any of the terms of the Subscription Agreement in any material respect;
- (k) neither Mr Dong Ping nor Mr Zhao Chao having breached any of the terms of the Irrevocable Undertakings or the Deed of Shareholders' Undertakings in any material respect; and

- (1) no statute, rule or regulation having been enacted or promulgated by any national, provincial, municipal or local government, administrative or regulatory body or department, court, tribunal, arbitrator or any body that exercises the function of a regulator which prohibits Completion and there being no order or injunction of a court of competent jurisdiction in effect precluding or prohibiting Completion or prohibiting the Company, Mr Dong Ping and Mr Zhao Chao from performing their respective obligations under the Subscription Agreement, the Deed of Shareholders' Undertakings and the Irrevocable Undertakings (as the case may be).

If the above conditions are not fulfilled or waived (as applicable) on or before the Longstop Date, the rights and obligations of the Company and the Subscriber under the Subscription Agreement shall lapse and be of no further effect and, in such an event, the Company and the Subscriber shall be released from such obligations without any liability save as to any antecedent breach of the Subscription Agreement occurring before such date. Hence, among other things, if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders at the SGM, the Subscription will not proceed.

For the period between the date of the Subscription Agreement and the Longstop Date, the Subscription Agreement may be terminated and the Subscription may be abandoned or terminated with the written consent of both the Company and the Subscriber.

Completion

Completion shall take place at 10 a.m. on the fifth Business Day after the date upon which all of the conditions precedent of the Subscription Agreement have been fulfilled or waived (the "Completion Date"). On the Completion Date, among other things, (i) the Subscriber shall pay, or procure the payment of, the aggregate Subscription Price by electronic funds transfer to the Company's bank account; and (ii) the Company shall allot and issue the Subscription Shares to the Subscriber.

Lock-up period

The Subscriber undertakes and covenants with the Company that, without the prior written consent of the Company, it shall not, during the period commencing on the Completion Date and ending two years after the Completion Date, directly or indirectly, conditionally or unconditionally, sell, transfer, dispose of or otherwise deal with any right or interest in any of the Subscription Shares together with any Shares derived from such Shares upon any consolidation or subdivision of share capital by the Company or any issue of bonus shares by the Company from time to time (including the grant of any option over or in respect of any Subscription Shares or the creation of any pledge, mortgage, lien, fixed or floating charge or other encumbrance over any of them or any interest in any of them), except for disposals or transfers of any such Shares:

- (a) to any subsidiary of the Subscriber or of Alibaba Holding or any company which is a fellow subsidiary of the Subscriber; or

- (b) representing in aggregate not more than 20% of the issued share capital of the Company from time to time to potential strategic and/or financial investors.

The above restrictions shall cease to apply in the event the restrictions set out in “Lock-up” in the section headed “Deed of Shareholders’ Undertakings” below cease to apply on Mr Dong Ping.

Deed of Shareholders’ Undertakings

On 8 March 2014, the date of the Subscription Agreement, Mr Dong Ping and Mr Zhao Chao entered into the Deed of Shareholders’ Undertakings with the Subscriber. Both Mr Dong Ping and Mr Zhao Chao are executive Directors. As at the date of this announcement, (i) Mr Dong Ping is interested in approximately 23.02% and Mr Zhao Chao is interested in approximately 3.98% in the issued share capital of the Company; and (ii) Mr Dong Ping is interested in 14,100,000 underlying Shares and Mr Zhao Chao is interested in 8,910,000 underlying Shares by virtue of options granted to them by the Company under the Share Option Scheme. Save as disclosed above, as at the date of this announcement, Mr Dong Ping and Mr Zhao Chao do not hold any other Shares, warrants, options, derivatives or convertible securities of the Company.

Undertakings

Each of Mr Dong Ping and Mr Zhao Chao (as a Shareholder) undertakes to the Subscriber that he shall exercise the voting rights attached to all the Shares from time to time owned by him, directly or indirectly, at any general meeting of the Company held prior to Completion:

- (a) to cause a meeting of the Board (or a committee thereof, as may be necessary) to be convened to consider the appointment, from and subject only to Completion, of any person nominated by the Subscriber to be a Director (each, a “Nominee Director”); and
- (b) to vote in favour of any Nominee Director to be appointed, from and subject only to Completion, as a Director.

Each of Mr Dong Ping and Mr Zhao Chao (to the extent he is a Director) undertakes to the Subscriber that he shall, subject to the fiduciary duties of a Director, exercise any voting rights he may have at any meeting of the Board to support the appointment, from and subject to Completion, of any Nominee Director to the Board.

Each of Mr Dong Ping and Mr Zhao Chao undertakes to the Subscriber that he shall refrain (to the extent he is legally able and to the extent he is a Director, subject to the fiduciary duties of a Director) from any action which (a) deprives the Subscriber of the full benefit of the Deed of Shareholders’ Undertakings; or (b) causes the Company to be in breach of the Subscription Agreement.

Lock-up

Mr Dong Ping shall not, without first obtaining the prior written consent of the Subscriber:

- (a) directly or indirectly, conditionally or unconditionally, sell, transfer, dispose of or otherwise deal with any right or interest in any Shares held by him as at the date of the Deed of Shareholders' Undertakings, together with any Shares derived from such Shares upon any consolidation or subdivision of share capital by the Company or any issue of bonus shares by the Company from time to time (including the grant of any option over or in respect of any such Shares or the creation of any pledge, mortgage, lien, fixed or floating charge or other encumbrance over any of them or any interest in any of them) (other than pursuant to any transfer to an Affiliate), for a period of two years commencing on the date of the issuance of the Subscription Shares, save that the undertaking under this paragraph shall lapse upon either (i) the Subscriber selling such number of Shares, in one transaction or in a series of transactions, as results in the Subscriber (together with its Affiliates) holding in aggregate less than 40% of the issued share capital of the Company from time to time; or (ii) to the extent the Subscriber consents to an early release of the undertaking; or

- (b) acquire any voting rights in the Company in circumstances where Mr Dong Ping is (or is presumed to be) acting in concert with the Subscriber and the Subscriber could be required to make a mandatory general offer under Rule 26 of the Takeovers Code.

Right of first refusal

No transfer of Shares to any third party by either Mr Dong Ping or Mr Zhao Chao shall be permitted unless he has first made an offer to the Subscriber with respect to the relevant Shares under the terms of the Deed of Shareholders' Undertakings.

Irrevocable Undertakings

On 8 March 2014, Mr Dong Ping and Mr Zhao Chao entered into the Irrevocable Undertakings with the Subscriber. Each of Mr Dong Ping and Mr Zhao Chao has irrevocably undertaken to the Subscriber to vote all their Shares in favour of all the resolutions to be proposed at the SGM in relation to the Subscription. However, as Mr Dong Ping and Mr Zhao Chao are parties acting in concert with the Subscriber, for the purposes of the Takeovers Code, neither of them will be entitled to vote in relation to the resolutions concerning the Whitewash Waiver to be proposed at the SGM.

INFORMATION ON THE GROUP

The Group is primarily engaged in media related businesses, mainly including planning, production, publication, investment, distribution of television drama series and films and organising cultural and artistic exchange activities, mobile value-added services, sales and distribution of magazines, satellite television advertising, magazine advertising and TV programme packaging services. A majority of these businesses are conducted in the PRC.

INFORMATION ON THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in the British Virgin Islands and a directly wholly-owned subsidiary of Alibaba Holding, which is the sole shareholder of the Subscriber. Substantial shareholders (as defined in the Takeovers Code) of Alibaba Holding are SoftBank Corp., a company listed on the Tokyo Stock Exchange, and Yahoo! Inc. which (directly or indirectly) hold approximately 36% and 23%, respectively, of the shares in Alibaba Holding. Alibaba Group is a family of Internet-based businesses with a mission to make it easy for anyone to buy or sell goods and services anywhere in the world. Since its inception, it has developed leading businesses in consumer e-commerce, online payment, business-to-business marketplaces, cloud computing, mobile apps, mobile operating system and Internet TV. Alibaba Group currently employs more than 20,000 people around the world and has more than 70 offices in Greater China, Singapore, India, the United Kingdom and the United States.

DEALING AND INTEREST OF THE SUBSCRIBER, ALIBABA HOLDING AND PARTIES ACTING IN CONCERT WITH ANY OF THEM IN THE SECURITIES OF THE COMPANY

Pursuant to paragraph 3 of Schedule VI to the Takeovers Code, the Executive will not normally waive an obligation to make a mandatory general offer with respect to a company under Rule 26 of the Takeovers Code if there occurs any disqualifying transaction prior to the grant of such waiver. Disqualifying transactions include transactions where the person seeking a waiver or any person acting in concert with it has acquired voting rights in such company in the six months prior to the announcement of the proposals but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of such company in relation to the relevant proposal. Further, a waiver will not be granted or if granted will be invalidated if, without the prior consent of the Executive, any non-exempt acquisitions or disposals of voting rights are made by such persons between the time of announcement of the proposals and the completion of the subscription.

During the period beginning on the date which is six months prior to the date of this announcement, Mr Dong Ping, an executive Director and a party acting in concert with the Subscriber, has had the following dealings in Shares:

Date	Transaction nature	Number of Shares	Aggregate gross consideration <i>HK\$</i>
27 September 2013	On market purchase	2,000,000	996,750
30 September 2013	On market purchase	200,000	98,000

Other than as set out above, Mr Dong Ping has not dealt with any Shares during the six months period prior to the date of this announcement.

The negotiations between the Subscriber and the Directors in relation to the Subscription commenced on 13 February 2014. As the negotiations with the Directors in relation to the Subscription are subsequent to the above dealings in the Shares by Mr Dong Ping, the above dealings in the Shares by Mr Dong Ping do not constitute “disqualifying transactions” under the Takeovers Code.

During the period beginning on the date which is six months prior to the date of this announcement, Goldman Sachs International, which has an exempt principal trader status under the Takeovers Code and is an Affiliate of the Subscriber’s Financial Adviser, has had the following dealings in Shares:

Date	Transaction nature	Number of Shares	Aggregate gross consideration <i>HK\$</i>
16 September 2013	On market purchase	1,690,000	821,450
16 October 2013	On market sale	70,000	33,250
28 October 2013	On market purchase	1,320,000	618,100
31 October 2013	On market purchase	980,000	462,250
25 November 2013	On market sale	3,180,000	1,447,200
9 December 2013	On market sale	740,000	331,400

On the dates of the above dealings, neither Goldman Sachs International nor the Subscriber’s Financial Adviser were aware that the Subscriber’s Financial Adviser may be mandated to act as financial adviser to the Subscriber in connection with the Subscription. Accordingly, the above dealings in the Shares by Goldman Sachs International occurred prior to the Subscriber’s Financial Adviser and its Affiliates being deemed to be acting in concert with the Subscriber and do not constitute “disqualifying transactions” under the Takeovers Code.

Other than non-discretionary agency trades, and those trades set out above, neither the Subscriber's Financial Adviser nor any of its Affiliates (which are persons deemed to be acting in concert with the Subscriber) has dealt with any Shares during the six months period prior to the date of this announcement.

As at the date of this announcement, save for the Subscription, dealings by and holdings of parties with exempt status under the Takeovers Code, and as disclosed above, the Subscriber has confirmed that, neither the Subscriber nor, to the best knowledge of the Subscriber having made all reasonable inquiries, any parties acting in concert with it:

- (a) holds, controls or has direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (c) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber, which might be material to the Subscription and the Whitewash Waiver, with any other persons;
- (d) has any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription and the Whitewash Waiver; or
- (e) has dealt in Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares, during the six months prior to the date of this announcement.

FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

The Company and the Subscriber will establish a strategic committee to explore future business opportunities in online entertainment and media-related areas. As at the date of this announcement, no definitive proposals, terms or timetable have been determined for any such possible future transaction or arrangement and, at this stage, the Company and the Subscriber have only held exploratory discussions. No agreements for any such possible future transactions or arrangements have been entered into.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Board considers the Subscription to be a substantial opportunity for the Company to significantly bolster its funding capacity, better position itself strategically and financially to capitalise on new content creation opportunities and potential monetisation platforms in online entertainment and media-related areas, and expedite the development of the Group's businesses. As at the date of this announcement, no agreement in respect of any business co-operation has been signed between the Company and Alibaba Group. The Company will comply with all applicable requirements of the Listing Rules and/or the Takeovers Code as and when appropriate.

The gross proceeds from the Subscription are approximately HK\$6,244 million. The net proceeds from the Subscription are expected to be approximately HK\$6,236 million and are to be used as the Group's general working capital and/or investments when opportunities arise. The net proceeds raised per Share upon completion of the Subscription will be approximately HK\$0.499 per Subscription Share.

The Directors (excluding the members of the Independent Board Committee, who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) consider that the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below is the equity fund-raising activity of the Company in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Description	Net amount raised	Intended use of proceeds as announced	Actual use of proceeds
16 July 2013	Subscription of new Shares under a general mandate	HK\$260 million	General working capital	Approximately HK\$235 million has been used as the Group's general working capital and the remaining approximately HK\$25 million has been used for investments
22 May 2013	Placing of the Warrants under general mandate	HK\$0.5 million (the subscription rights attached to the Warrants were not exercised as at the date of this announcement)	General working capital	General working capital

EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement:

- (a) there were outstanding share options granted pursuant to the Share Option Scheme conferring rights to subscribe for an aggregate of 147,910,000 new Shares at exercise prices ranging from HK\$0.475 to HK\$0.56 per Share upon exercise of the subscription rights attaching thereto;
- (b) there was outstanding Convertible Note conferring rights to subscribe for a maximum of 30,000,000 new Shares at a conversion price of HK\$1.00 per Share upon exercise of the conversion rights attaching thereto;
- (c) there were outstanding Warrants conferring rights to subscribe for an aggregate of 60,000,000 new Shares at an exercise price of HK\$0.50 per Share upon exercise of the subscription rights attaching thereto; and
- (d) apart from the outstanding share options, the Convertible Note and the Warrants, the Company has no other outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into Shares.

The table below sets out the effect of the Subscription on the shareholding structure of the Company immediately upon (i) the completion of the Subscription; and (ii) full exercise of the subscription/conversion rights attaching to the outstanding share options, the Convertible Note and the Warrants, assuming no other Shares are issued between the date of this announcement and Completion:

	As at the date of this announcement		Immediate after completion of the Subscription		Immediate after completion of the Subscription and the exercise or conversion in full of the outstanding share options, the Convertible Note and the Warrants	
	Number of Shares	Approximately %	Number of Shares	Approximately %	Number of Shares	Approximately %
Directors						
Mr Dong Ping (Note 1)	1,916,182,500	23.02%	1,916,182,500	9.21%	1,930,282,500	9.17%
Mr Zhao Chao (Note 1)	331,288,020	3.98%	331,288,020	1.59%	340,198,020	1.62%
Mr Kong Muk Yin (Note 1)	500,000	0.01%	500,000	0.00%	3,500,000	0.02%
Mr Chen Ching (Note 1)	–	–	–	–	1,050,000	0.00%
Mr Jin Hui Zhi (Note 1)	–	–	–	–	1,050,000	0.00%
Mr Li Chak Hung (Note 1)	–	–	–	–	1,050,000	0.00%
<i>Subtotal</i>	<u>2,247,970,520</u>	<u>27.01%</u>	<u>2,247,970,520</u>	<u>10.80%</u>	<u>2,277,130,520</u>	<u>10.81%</u>
Substantial Shareholder						
Sequoia Capital 2010 CGF Holdco, Ltd. ("Sequoia") (Note 2)	<u>1,008,150,000</u>	<u>12.11%</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Public Shareholders						
Sequoia (Note 2)	–	–	1,008,150,000	4.84%	1,008,150,000	4.79%
Tencent Holdings Limited ("Tencent") (Note 3)	666,010,000	8.00%	666,010,000	3.20%	666,010,000	3.16%
Relevant members of the Subscriber's Financial Adviser's group (Note 4)	34,000	0.00%	34,000	0.00%	34,000	0.00%
Other public Shareholders	<u>4,403,208,044</u>	<u>52.88%</u>	<u>4,403,208,044</u>	<u>21.16%</u>	<u>4,611,958,044</u>	<u>21.92%</u>
<i>Subtotal</i>	<u>5,069,252,044</u>	<u>60.88%</u>	<u>6,077,402,044</u>	<u>29.20%</u>	<u>6,286,152,044</u>	<u>29.87%</u>
The Subscriber	–	–	<u>12,488,058,846</u>	<u>60.00%</u>	<u>12,488,058,846</u>	<u>59.32%</u>
Total	<u>8,325,372,564</u>	<u>100.00%</u>	<u>20,813,431,410</u>	<u>100.00%</u>	<u>21,051,341,410</u>	<u>100.00%</u>

Notes:

1. Mr Dong Ping and Mr Zhao Chao are executive Directors, Mr Kong Muk Yin is a non-executive Director, and Mr Chen Ching, Mr Jin Hui Zhi and Mr Li Chak Hung are independent non-executive Directors.
2. This represents the interest in 1,008,150,000 Shares held by Sequoia as beneficial owner. Sequoia is a non-wholly owned subsidiary of Sequoia Capital China Growth 2010, L.P. (“SCCG”), whose general partner is SC China Growth 2010 Management, L.P. (“SC China Growth”). SC China Holding Limited (“SC China Holding”) is the general partner of SC China Growth and Sequoia Capital China Advisors Limited (“SCCAL”) is the investment manager of SC China Growth. Both SC China Holding and SCCAL are wholly-owned by SNP China Enterprises Limited (“SNP China”) in which Mr Shen Nanpeng maintains 100% beneficial interest. Accordingly, Mr Shen Nanpeng, SNP China, SC China Holding, SC China Growth, SCCAL and SCCG are deemed to have the same interest held by Sequoia.
3. This represents the interest in 666,010,000 Shares held by THL F Limited (“THL”) as beneficial owner. THL is a wholly-owned subsidiary of Tencent which is 34.02% owned by MIH TC Holdings Limited (“MIH TC”). MIH TC is controlled by Naspers Limited (“Naspers”) through its wholly-owned controlled companies, MIH Holdings (Proprietary) Limited (“MIHHP”), MIH Ming He Holdings Limited (“MIHMHH”) and MIH (Mauritius) Limited (“MIHM”). As such, Naspers, MIHHP, MIHMHH, MIHM, MIH TC and Tencent are deemed to have the same interest held by THL.
4. These Shares are held by Goldman Sachs & Co. (as to 4,000 Shares) and Goldman Sachs International (as to 30,000 Shares). Both of these entities have an exempt principal trader status under the Takeovers Code.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As at the date of this announcement, Mr Dong Ping and Mr Zhao Chao hold 1,916,182,500 Shares and 331,288,020 Shares, representing approximately 23.02% and approximately 3.98% of the issued share capital of the Company, respectively. Mr Dong Ping and Mr Zhao Chao, who in aggregate are holding approximately 27.0% in the voting rights of the Company, are considered as parties acting in concert with the Subscriber. Upon Completion, the Subscriber, Alibaba Holding and parties acting in concert with any of them in the voting rights of the Company will be increased from approximately 27.0% to approximately 70.8% (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares). Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it, Alibaba Holding or parties acting in concert with any of them unless the Whitewash Waiver is obtained from the Executive. In this regard, the Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the SGM by way of poll.

If the Whitewash Waiver is approved by the Independent Shareholders, the aggregate shareholding of the Subscriber, Alibaba Holding and parties acting in concert with any of them in the Company will exceed 50%. The Subscriber, Alibaba Holding and parties acting in concert with any of them may further increase their shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

GENERAL

The Independent Board Committee will be formed to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard and an announcement will be made upon its appointment. The appointment of the independent financial adviser will be subject to the approval by the Independent Board Committee.

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Subscription and the Whitewash Waiver, among other things. The voting in relation to the Subscription Agreement and the Whitewash Waiver at the SGM will be conducted by way of a poll whereby (i) any Shareholders who have material interest in the Subscription shall abstain from voting on the resolutions to be proposed at the SGM to approve the Subscription; and (ii) the Subscriber, Alibaba Holding and parties acting in concert with any of them and other Shareholders who are interested or involved in the Subscription shall abstain from voting on the resolutions to be proposed at the SGM to approve the Whitewash Waiver. Mr Dong Ping and Mr Zhao Chao do not have any material interest in the Subscription and therefore will be entitled to vote for the Subscription at the SGM. As Mr Dong Ping and Mr Zhao Chao are parties acting in concert with the Subscriber for the purposes of the Takeovers Code, they will abstain from voting in relation to the resolutions concerning the Whitewash Waiver to be proposed at the SGM.

A circular containing, among other things, (i) details of the Subscription and the Whitewash Waiver; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from independent financial adviser to the Independent Board Committee in relation to the Subscription and the Whitewash Waiver; and (iv) a notice convening the SGM will be despatched to the Shareholders in compliance with the requirements of the Listing Rules and the Takeovers Code, and is expected to be despatched on or before 1 April 2014.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 25 February 2014. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 12 March 2014.

Warning: The Subscription is subject to the fulfillment or waiver (as the case may be) of a number of conditions precedent set out under the section headed “Conditions of the Subscription” in this announcement, including approval by the Independent Shareholders at the SGM for the Subscription and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code
“Affiliate(s)”	(a) in the case of a person which is a body corporate, any subsidiary or holding company of that person or any subsidiary or any such holding company, in each case from time to time; (b) in the case of a person which is an individual, any spouse, co-habitee and/or lineal descendants by blood or adoption, or any person or persons acting in its or their capacity as trustee or trustees of a trust of which such individual is the settler, which, directly or indirectly, is owned or controlled by such a person; and (c) in the case of a person which is a limited partnership, the partners of the person or their nominees or a nominee or trustee for the person
“Alibaba Group”	a group of companies comprising Alibaba Holding and its subsidiaries
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands
“associate”	has the same meaning as ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which banks are open for general business in Hong Kong and the PRC

“Company”	ChinaVision Media Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange, which also has a secondary listing on the Singapore Exchange Securities Trading Limited
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Convertible Note”	the convertible note issued by the Company on 30 March 2011 to Time Zone Investments Limited for HK\$30,000,000, convertible into 30,000,000 Shares (subject to adjustment in accordance with its terms)
“Deed of Shareholders’ Undertakings”	the deed entered into on 8 March 2014 between Mr Dong Ping, Mr Zhao Chao and the Subscriber, under which Mr Dong Ping and Mr Zhao Chao provide certain undertakings to the Subscriber in relation to Share transfer restrictions and matters of Company corporate governance
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“exempt principal trader”	has the same meaning as ascribed to it under the Takeovers Code
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent board committee, expected to comprise all the non-executive Directors, namely Mr Kong Muk Yin, Mr Chen Ching, Mr Jin Hui Zhi and Mr Li Chak Hung, to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription Agreement and the Whitewash Waiver and as to voting
“Independent Shareholders”	for the purpose of the Takeovers Code, Shareholders other than the Subscriber, Alibaba Holding and parties acting in concert with any of them (including Mr Dong Ping and Mr Zhao Chao) and any other Shareholders who are interested or involved in the Subscription
“Irrevocable Undertakings”	the undertakings entered into on 8 March 2014 by Mr Dong Ping, Mr Zhao Chao and the Subscriber, under which Mr Dong Ping and Mr Zhao Chao undertake to vote in favour of any Shareholder resolutions proposed by the Company in pursuance of the transactions contemplated under the Subscription Agreement
“Last Trading Day”	25 February 2014, on which trading in the Shares was suspended at 9:30 a.m., being the last trading day of the Shares immediately prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 July 2014 or such other time or date as the Company and the Subscriber shall agree in writing
“PRC”	the People’s Republic of China (which for the purpose of the Subscription Agreement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan)
“SGM”	a special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Subscription and the Whitewash Waiver
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company

“Share Option Scheme”	the share option scheme of the Company for eligible participants of the Group, adopted by the Shareholders pursuant to a resolution passed on 23 May 2002, or any successor scheme thereof
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board at the SGM for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Alibaba Investment Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Alibaba Holding
“Subscriber’s Financial Adviser”	Goldman Sachs (Asia) L.L.C., the financial adviser to the Subscriber in connection with the Subscription
“Subscription”	the subscription of the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 8 March 2014
“Subscription Price”	HK\$0.50 per Subscription Share
“Subscription Shares”	12,488,058,846 new Shares to be subscribed for by the Subscriber under the Subscription Agreement
“Takeovers Code”	the Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong as amended from time to time
“Warrants”	the 60,000,000 unlisted warrants to subscribe for Shares (subject to adjustment in accordance with its terms), issued by the Company on 7 June 2013

“Whitewash Waiver”

a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Subscriber, Alibaba Holding or parties acting in concert with any of them which would, if the Subscription proceeds, otherwise arise as a result of the Subscription

“%”

percentage

By order of the Board
ChinaVision Media Group Limited
Dong Ping
Chairman

Hong Kong, 11 March 2014

As at the date of this announcement, the Board comprises Mr Dong Ping (Chairman), Mr Ng Qing Hai and Mr Zhao Chao, being executive Directors, Mr Kong Muk Yin, being non-executive Director, and Mr Chen Ching, Mr Jin Hui Zhi and Mr Li Chak Hung, being independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Subscriber and/or the Alibaba Group) contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber and/or the Alibaba Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of the Subscriber, namely, Ms Wei Wu, Mr Timothy Alexander Steinert and Mr Yen Ping Ching, Samuel, jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of Alibaba Group Holding Limited, namely, Mr Yun Ma, Mr Joseph Chung Tsai, Mr Masayoshi Son and Ms Jacqueline D. Reses, jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.