

# Letter to Readers of the South China Morning Post

## *Marrying Heritage and New Technology: a Vision for the Digital Age*

Dear Readers,

By the time you read this, you will have heard the news that Alibaba Group is acquiring the South China Morning Post.

With an age difference between the two companies of nearly one hundred years, this is truly a mix of the old and the new. The SCMP is resonant with the history, heritage and culture of the region, just as Alibaba has its place in the new age of digital technology.

We at Alibaba are both humbled and excited to be the new owner.

### **Our Business Case**

So, you're probably wondering why. Why is Alibaba buying into traditional media, considered by some a sunset industry? The simple answer is that we don't see it that way.

The SCMP has iconic status in the region, with a strong reputation internationally for the quality and credibility of its journalism over the years, thanks to its reporters and editors who have worked hard to build this heritage. Like many print media, however, the SCMP faces challenges amid the dramatic changes in the way news is reported and distributed. But these changes play to Alibaba's strengths, which is why we believe the two companies complement each other well.

We see a compelling business case for the acquisition because we believe that Alibaba is best positioned to take the SCMP to the next level. The foundation for this work must be the quality of the content. And what underpins this will be editorial excellence: a clear pre-requisite to maintaining readers' trust and, ultimately, achieving commercial success. Be assured, we get that.

Yet, the news business is in a state of flux. It has already gone digital and is now moving from online destination to other forms of distribution, in particular social media and mobile. Media now has a global audience and the challenge is to reach it in the most efficient and reader-friendly way. With proven expertise in digital distribution, especially on mobile devices, Alibaba is in an excellent position to leverage technology to create content more efficiently and expand distribution without borders.

In other words, we see the perfect opportunity to marry our technology with the deep heritage of the SCMP to create a vision of news for the digital age.

### **Our Vision**

Our vision is to grow the readership globally. We believe we can do this because the SCMP, from its base in Hong Kong, is uniquely positioned to report on China with objectivity, depth and insight, a proposition that is in high demand by readers around the English-speaking world – from New York to London to its home in Hong Kong – who care to better understand the world's second largest economy.

To help achieve our vision, we plan to make the SCMP more readily available. In this spirit, with enough preparation time after we take over operations, the pay wall on SCMP.com will come down, and you will be able to access its content for free on the Internet and on your mobile device.

We will also invest to strengthen the foundation of editorial excellence. Only through additional resources will the SCMP be able to stay true to its core values of quality, integrity and trust. Further, the SCMP will stay close to its roots, with a strong China focus offering distinctive and informed analysis on trade, business, economy and society while maintaining its status as the paper of record for Hong Kong.

### **Editorial Independence**

Some have suggested that ownership by Alibaba will compromise the SCMP's editorial independence. This criticism reflects a bias of its own, as if to say newspaper owners must espouse certain views, while those that hold opposing views are "unfit."

In fact, that is exactly why we think the world needs a plurality of views when it comes to China coverage. China's rise as an economic power and its importance to world stability is too important for there to be a singular thesis.

In reporting the news, the SCMP will be objective, accurate and fair. This means having the courage to go against conventional wisdom, and taking care to verify stories, check sources and seek all viewpoints. These day-to-day editorial decisions will be driven by editors in the newsroom, not in the corporate boardroom.

It's humbling to assume the responsibility of ownership of such a storied newspaper. We thank the Kuok family who have been tremendous stewards of your trust; we hope Alibaba will have an opportunity to earn your trust.

Sincerely,



Joseph C. Tsai  
Executive Vice Chairman  
Alibaba Group Holding Limited

December 11, 2015.