

China's Alibaba pays \$266M for influential HK newspaper

December 14 2015, by Kelvin Chan

E-commerce company Alibaba is buying Hong Kong's South China Morning Post for 2.06 billion Hong Kong dollars (\$266 million), it said Monday, in a deal that's stirred concern the English-language paper's reporting may be softened under new Chinese owners.

The Chinese e-commerce giant is paying cash for the newspaper and the SCMP Group's other [media](#) assets, including magazines, outdoor advertising and digital media, the [company](#) said in a filing to the Hong Kong stock exchange. The deal was announced on Friday but no amount was given for the transaction.

The sale of the 112-year paper, which has a wide international following for its China coverage, has raised fears that its reporting would be watered down under the ownership of a mainland Chinese company. The Post, whose current owner is Malaysian sugar tycoon Robert Kuok and his family, has won awards for coverage of political scandals and human rights in China, topics that are off-limits to mainland media.

The deal is the latest media-related acquisition for Alibaba as it diversifies beyond its core business of online shopping.

The SCMP said in its filing that traditional publishing has an "uncertain" future and Alibaba "will be able to unlock greater value from the content and brand than a traditional media business."

Alibaba Executive Vice Chairman Joe Tsai said in a letter to readers last

week that the company wants to build a China-focused media brand with an expanded international audience. He dismissed concerns that editorial independence would be compromised, promising that coverage would "objective, accurate and fair."

Hong Kong news outlets have wider freedom to report than those in mainland China because the former British colony is guaranteed civil liberties such as freedom of the press thanks to a mini-constitution. However, there's rising concern press freedom is shrinking as Beijing, which took control of Hong Kong in 1997, tightens its grip on the city.

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