

# Former CEO of China's Alibaba quits cloud business in surprise move during its leadership reshuffle

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Daniel Zhang, CEO of Alibaba Group, speaks to journalists during Alibaba's 11.11 Global Shopping Festival, also known as Singles Day, in Shanghai, China, Nov. 11, 2018. The former CEO of Alibaba, Daniel Zhang, resigned as head of its cloud computing unit Monday, Sept. 11, 2023, in a surprise move as the Chinese e-commerce empire wraps up a leadership reshuffle. Credit: AP Photo/Ng Han Guan, File

The former CEO of Alibaba, Daniel Zhang, resigned as head of its cloud computing unit Monday in a surprise move as the Chinese e-commerce empire wraps up a leadership reshuffle.

Alibaba said it will invest \$1 billion in a technology fund Zhang will establish to support the firm's strategies for future growth.

Zhang stepped down on the same day he gave up his roles as Alibaba's CEO and chairman.

In a filing to the Hong Kong stock exchange, Alibaba said that Eddie Wu, its new CEO, will also head its cloud unit. Wu and Alibaba's new chairman Joseph Tsai assumed their new roles by Monday, with Alibaba saying it has "completed its leadership transition."

Alibaba expressed its "deepest appreciation" to Zhang for his contributions to the company over the past 16 years.

Alibaba's Hong Kong stock price was down 3.6% Monday following the announcement.

In an internal letter dated Sunday and viewed by the AP, Tsai wrote that Zhang had "expressed his wish to transition away from his role" as chief of the cloud business, and the Alibaba board had "respected and accepted Daniel's decision."

"Daniel will continue to contribute to Alibaba by channeling his expertise differently," Tsai wrote.

Alibaba has been restructuring itself into six business units with the aim of eventually spinning most of them off and listing them to maximize

shareholder returns.

In May, the company said it aimed for its cloud unit to be listed within the next 12 months. It reaffirmed that plan on Monday.

Zhang joined Alibaba in 2007 and is known for creating the company's annual Singles Day online shopping extravaganza. In 2015, he took over from co-founder Jack Ma as Alibaba's CEO. In 2019 he succeeded Ma as chairman.

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