

China's Tencent Raises \$6 Billion In Bond Sale

Chinese tech giant, Tencent, has announced that it has raised \$6 billion in a bond sale, under its \$20 billion Global Medium-Term Note Programme. The offering is reportedly considered Asia's largest this year.

The company said that it aimed to use the net proceeds from the notes offering for refinancing and general corporate purposes.

Internet giant Tencent struggled last year after a nine-month suspension in new game approvals from the Chinese authorities. However, after the regulator re-started issuing game monetization license approvals in December 2018, Tencent has received eight game approvals so far. The company's most popular game (PUBG) is still banned in China.

The bonds are expected to be issued on 11 April, through five tranches including \$750 million in floated five-year notes, \$1.25 billion in fixed five-year notes, \$500 million in seven-year notes, \$3 billion in 10-year notes, and \$500 million in 30-year notes with coupons of 0.910% over three-month USD LIBOR, 3.280%, 3.575%, 3.975% and 4.525%, respectively.

The company's revenues increased by 32% in 2018 to reach \$45.5 billion, primarily driven by fintech services, social and video advertising, and digital content subscriptions and sales.

Tencent's social communications platforms, Weixin, and QQ, are the largest social communities in China in terms of Monthly active users (MAU), which increased to 1.1 billion by the end of 2018.

The company's online games revenue reached \$11.5 billion in 2018—up 24% from 2017.

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