

Sina plans New York IPO for Weibo microblog

February 25 2014, by Kelvin Chan

(AP)—Chinese internet company Sina Corp. plans to spin off its Twitter-like microblog service, Weibo, in a U.S. initial public offering to raise \$500 million, a person with knowledge of the deal said Tuesday.

The person, who requested anonymity because they weren't authorized to speak publicly about the deal, said investment banks Goldman Sachs and Credit Suisse have been hired to manage the IPO in New York.

The share sale, which has not been officially announced, is expected to be carried out in the second quarter. The company did not return a request by phone and email for comment.

The plans were first reported by the Financial Times on Monday.

Sina's IPO plans come as other Chinese internet heavyweights prepare for share sales.

Alibaba Group, China's largest e-commerce company, is planning an IPO that's widely expected to happen this year and could value the company at more than \$100 billion. Alibaba bought an 18 percent stake in Sina Weibo for \$586 million last April.

Online retailer JD.com filed for a U.S. stock listing in January.

Chinese microblogs have enjoyed explosive growth as users have taken to social media to share information in a country where the Internet is

strictly regulated. But numbers have been crimped recently by tighter Chinese government controls on what can be posted and reposted.

Chinese microblogs had 281 million users at the end of 2013, down 9 percent over the previous year, according to the China Internet Network Information Center.

The decline comes as Chinese web users shift to smartphone-based [instant messaging services](#) such as Tencent's WeChat, which has surged in popularity since 2012, threatening Sina Weibo's dominance in information sharing. WeChat and similar apps are increasingly incorporating social media functions that resemble microblog features.

Sina reported on Monday that fourth quarter earnings jumped 18-fold to \$44.5 million as Weibo turned an operating profit for the first time thanks to rising revenue from advertising, games and VIP membership fees.

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