

Weibo seeks to raise at least \$340 mln in US IPO

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The chinese app Weibo's logo is displayed on a tablet on January 2, 2014 in Paris

The microblogging service Weibo—often described as China's version of Twitter—will raise at least \$340 million in its US stock offering, an updated filing showed Friday.

The updated plan suggests a tighter relationship with Chinese e-commerce giant Alibaba as Weibo spins off from the Internet firm Sina,

another major player in China.

The filing by Weibo scales back the amount indicated last month of up to \$500 million.

The [initial public offering](#) (IPO) will include 20 million shares, with an option for three million additional shares if there is enough demand.

The price per [share](#) was set at a range of \$17-\$19 in the updated filing with the US Securities and Exchange Commission.

The shares will be listed on the Nasdaq exchange under the symbol "WB." The date of the market debut was not announced.

The document said a unit of Alibaba had agreed to buy three million shares in the IPO and had an option to increase its stake up to 30 percent of the total capital of the company, up from the current level of 18 percent.

The Alibaba unit Ali WB could obtain up to 32 percent of the ordinary shares, which would give it 15 percent of the voting power.

Funds from Alibaba will be used to repay loans from Sina, according to the filing.

But Sina would still hold 56.9 percent of the capital after the IPO, down from 79.9 percent.

The filing omits some financial information usually included because it is an "emerging growth company" with more lenient reporting requirements for companies with less than \$1 billion in revenues.

The latest filing indicates a corporate structure that will see Weibo

registered in the Cayman Islands, and owned by a Hong Kong corporation which is in turn owned by Chinese entities.

Weibo was launched in August 2009 with a business model reminiscent of that of Twitter—which is banned in China.

Weibo reported revenues for 2013 of \$188 million, triple the level of 2012, but has continually lost money, like its US counterpart, with accumulated losses of \$274.9 million as of December 31.

Despite Weibo's vast popularity in China its ascent has hit a few speed bumps recently due to a social media crackdown by Beijing and the rise of rival Tencent's mobile app, WeChat.

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