

Knight Bridge Investment Consultants Limited – Tencent Music Entertainment – IPO Update

TENCENT Music Entertainment, which owns China's most popular music apps, has filed for a US IPO seeking funds to develop content and new services.

HONG KONG, HONG KONG, HONG KONG, October 5, 2018 /EINPresswire.com/ -- It has been just [3 months since official news](#) started to break on Tencent Music Entertainments much anticipated US IPO.

[Knight Bridge Investment Consultants](#) looks at the latest new on the MEGA IPO.



More Details on Tencent Music Entertainment New York IPO

The music arm of tech giant Tencent Holdings, which plans to list either on the Nasdaq or the New York Stock Exchange, set a placeholder amount of US\$1 billion for registration purposes. Sources said last month it was hoping to raise US\$2 billion.

With streaming apps QQ Music, Kugou, Kuwo as well as karaoke app WeSing, Tencent Music is China's largest online music platform boasting more than 800 million monthly active users. It is often compared to Spotify Technology SA, but the Chinese firm offers more in the way of socially interactive services that makes it profitable while its Swedish counterpart is not.

Music-centric social entertainment services, which include virtual gifts and premium memberships, accounted for just over 70 per cent of the US\$1.65 billion in revenue it made in 2017, its filing with the US Securities and Exchange Commission said.

Profit after tax came in at US\$199 million. The filing also showed that only 3.6 per cent of Tencent Music users pay for music.

For the first half of this year, revenue jumped 92 per cent to US\$1.3 billion while profits after tax climbed roughly fourfold to US\$263 million.

By comparison, Spotify, with which it has a cross shareholding deal, lost 90 million euros (S\$143 million) in the second quarter of this year on revenue of 1.3 billion euros.

The number of Tencent Music shares to be sold were not disclosed and potential valuations were unclear. Spotify is now valued at US\$31 billion, with shares gaining about 8 per cent since its US debut in April.

Chinese companies have raised US\$7.5 billion in US markets so far this year, the biggest amount since 2014, according to Refinitiv data.

These include video streaming company iQiyi, which raised US\$2.4 billion, electric vehicle startup

Nio Inc which raised US\$1 billion, and online group discounter Pinduoduo which raised US\$1.63 billion.

Tencent Music's IPO comes as the global music industry gets back on track with more listeners streaming music through smartphone apps compared to a few years ago when the market was dominated by pirated music.

Its apps have over 20 million tracks from both international and domestic music labels, the filing said, while millions of users go to the karaoke app WeSing daily.

WeSing allows people to have karaoke parties in virtual singing rooms, challenge each other in sing-offs and sing duets with celebrities or other users.

To find out more information on the opportunities Knight Bridge Investment Consultants see's within the US markets, specifically with Tencent's IPO visit www.knightbridgeinvestment.com or contact us at info@knightbridgeinvestment.com for further information.

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