

Naspers to sell up to 190-million of its Tencent shares

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Naspers proposes to raise about R125bn by selling some of its Tencent shares, it said on Thursday.



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The media group said it intends selling up to 190-million Tencent shares, which would reduce its stake in the Chinese internet group to 31.2% from 33.2%.

At Tencent's share price of HK\$439.40 on Thursday - which was a 5% drop from Wednesday's closing price after the group's quarterly results failed to meet the high expectations of investors - Naspers could raise about HK\$83.5bn.

At the current exchange rate of R1.50 to the Hong Kong dollar, this would equate to more than R125bn.

"The funds will be used to reinforce Naspers's balance sheet and will be invested over time to accelerate the growth of our classifieds, online food delivery and fintech businesses globally, and to pursue other exciting growth opportunities when they arise," the statement said.

Naspers said this would be its first sale of Tencent shares since its initial \$32m investment in 2001. "Tencent understands

and supports the intention to sell. Naspers will not sell further Tencent shares for at least the next three years, in line with its long-term belief in Tencent's business," Naspers said.

Bank of America Merrill Lynch, Citigroup and Morgan Stanley have been appointed joint global co-ordinators and joint book-runners to manage the transaction.

"Books are open now and are expected to close prior to the Hong Kong market opening," the statement said.

On Wednesday, Satrix announced its new weightings of its top 40 index tracking exchange-traded fund (ETF), which showed Naspers is by far the largest constituent, growing to 23.37% in March from 22.58% in December.

Richemont is a distant second, with its slice of the top 40 shrinking to 8.78% from 9.51%.

Source: BDpro

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