Kuaishou Technology successfully joins AI fund raising binge

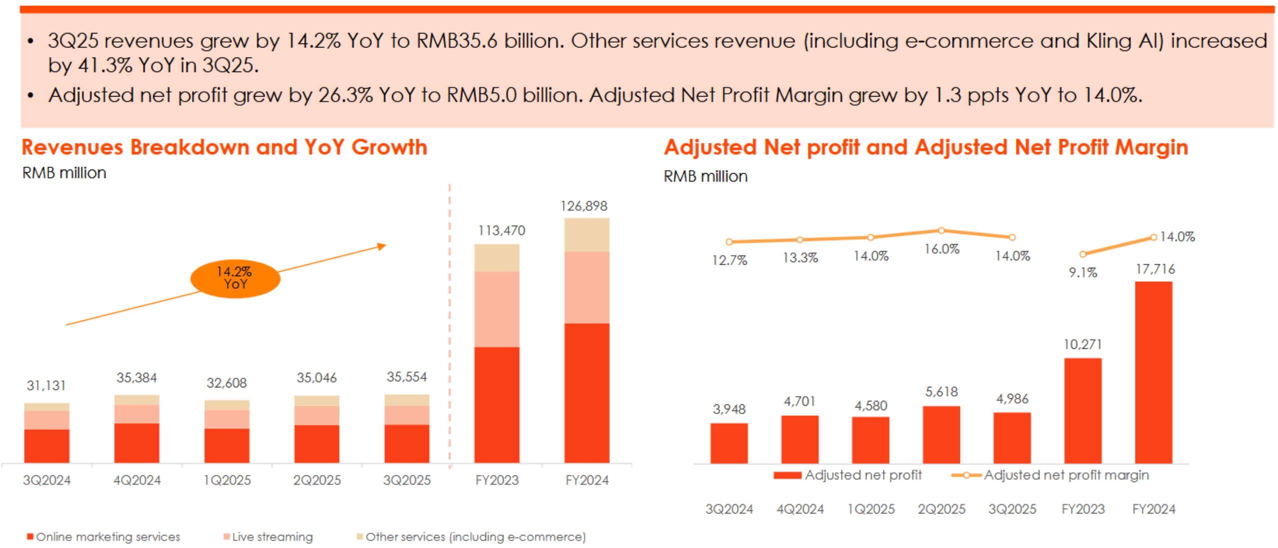
Kuaishou Technology, the Beijing-based short-video platform and a key competitor to ByteDance's TikTok, successfully placed a USD1.5bn/CNH3.5bn dual-currency issue this week, becoming the latest Chinese tech behemoth to tap the Asian primary markets for funding primarily aimed at developing and accelerating its AI capabilities, in particular AI-generated video content aimed at strengthening its position in the highly competitive social media landscape.

Founded in 2011, Kuaishou has grown into one of China's leading short-video and live-streaming platforms, boasting hundreds of millions of daily active users. Its shares have surge over 80% in 2025 and almost 10% so far in 2026, driven by robust revenue from its Kling AI tools.

Just this week Kuaishou announced that its self-developed, globally leading video generation large model product, Kling AI, achieved monthly revenue exceeding USD20m in December 2025, corresponding to an Annualized Revenue Run Rate (ARR) of USD240m. This milestone was reached just 19 months after launch, marking a significant leap in ARR scale for Kling AI. It follows the model's achievement of USD100m ARR in March 2025, recorded only 10 months post-launch according to the company's website.

Kuaishou Technology's debut bond aligns with a raft of deals from Chinese tech peers raising funds through the offshore bond markets in the past couple of years, including Alibaba, Baidu, JD.com, Meituan and Tencent whom also raised funds through the offshore markets.

Kuaishou Revenue Growth and Net Profit Margin Growth



Source: Kuaishou Q3 earnings

The mandate for Kuaishou's dual-currency deal was announced 14 January with banks named in relation to a proposed multi-tranche offering of USD Rule 144A/Reg S (Category 2) senior unsecured notes and CNH Reg S (Category 2) senior unsecured notes., with tenors of 5-year and 10-year in USD and 5-year for the CNH.

Pre pricing our 9fin credit analysis team gave the following potential risk factors for the company along with relative value analysis.

Risk factors

- **Geographical concentration —** Kuaishou's user base and revenue is highly concentrated in China. Its live-streaming, e-commerce and advertisement income would highly depend on China's consumer spending, and any deterioration in small-medium companies or weakened consumption would pressure revenue growth

- **Government regulations —** Chinese regulators have increased scrutiny over advertising claims and minors' protection. Tighter enforcement could lead to mandated business adjustments, increased compliance difficulty and moderation costs. Any breach of regulations could also lead to fines and reputational damage

- **Reputational risks —** Kuaishou's brand image is directly tied to livestream sales practices and influencer conduct on its platform. Product quality disputes, counterfeit goods, or misleading claims could undermine consumer trust and damage the company's reputation

- **Intensifying competition —** Beyond its main competitor Douyin, Kuaishou faces intense competition from well-capitalized technology platforms such as Alibaba's Taobao Live and Tencent's WeChat Channels. The larger competitors may be willing to accept lower margins or even incur sustained losses to gain market shares, forcing Kuaishou to increase marketing spend or reduce take rates, which would lead to lower cash flow conversion

- **AI development spending —** Kuaishou's bond aims to raise funding for AI development. With Baidu, Tencent, and Alibaba all issuing bonds and spending heavily to expand their AI capabilities, Kuaishou's market share may erode if its research and development fails to deliver expected results

Relative value

- We included some of the Chinese internet platform bonds in our compset but excluded **Meituan**, **JD.com** and **Weibo**, given their triple-B credit ratings

- **Baidu** is also A3 rated and our data indicates that 5-year for Baidu would be around 40-45bps. Although Kuaishou shares a similar credit ratings of A3/A-, we believe some premium is justified as this is their debut issuance

    - For the 5-year, the current curve suggests a spread of around 41bps, and initial spread guidance is at 85bps. We think the final pricing will fall around 55bps

    - For the 10-year, the initial spread guidance is at 100bps and we believe the final pricing will fall around 75bps

Click here for full 9fin Kuaishou Technology Credit Quicktake

Asian Syndicate Desk sources gave the following data points with reference to current tech benchmarks in the market for relative value calculation;

USD

Security		Amount	M/S&P/F	BMK	T+	G+
BABA	4⅞ 30	1MMM	A1/A+/A	5Y	40	45
BABA	5¼ 35	1.15MMM	A1/A+/A	10Y	49	55
TENCNT	2.88 31	500MM	A1/A+/A	5Y	33	30
BIDU	2⅜ 31	700MM	A3/-/A	5Y	50	44
JD	3⅜ 30	700MM	A3/A-/-	5Y	38	45

CNH

Security	B Yield	B Px	Yrs to Mty	Moody S&P Fitch
TENCNT 2.1 30	2.15	99.78	4.7	A1 A+ N.A.
BIDU 2.7 30	2.33	101.44	4.2	A3 N.A. A
BABA 2.8 29	2.27	101.91	3.9	A1 A+ A

Deal pricing

Deal terms were announced early in the Hong Kong session Thursday 15 January as initial guidance of T+85bp and T+100bp respectively for the USD 5-year and 10-year tranches. As books climbed to over USD12.5bn, leads gave final guidance as T+50bp and T+70bp respectively, where the deal later priced.

For the CNH tranche, initial guidance was given as 2.95%. Then with books at CNH19.5bn, the CNH tranche was launched and priced at 2.45%.

Both USD tranches traded slightly wider in secondary markets Friday 16 January in Hong Kong, with the 5-yeary and 10-year around 3bp wider on the bid. Syndicate contacts were not available for comment regarding the softer tone.

Lastly, in terms of distribution, the USD tranches saw Asian accounts dominate with over 80% of the books. While the 5-year saw roughly equal demand between asset/fund managers and banks, the longer dated 10-year was much more skewed towards the 10-year for asset/fund managers.

See full book stats below;

USD600m 5-year books over USD2.7bn (incl USD140m JLM) from 158 accounts.

Geography: Asia 85%, EMEA 9%, USA 6%.

Investor type: AM/FM 41%, Bank 37%, PF/INS/OI 16%, PB/Others 6%.

USD900m 10-year books over USD4.2bn (incl USD110m JLM) from 218 accounts.

Geography: Asia 83%, EMEA 13%, USA 4%.

Investor: AM/FM 58%, PF/INS/OI 20%, Bank 18%, PB/Others 4%.

CNH3.5bn 5-year books over CNH12bn (incl CNH4.28bn JLM and CNH181.5bn prop) from 83 accounts.

Geography: Asia 99%, EMEA 1%.

Investor type: Banks 59%, AM/ FM 32%, FI/ Sec 6%, SWF/OI 3%.

Pricing Details

Tranche A: USD600m, coupon 4.125%, due 22 January 2031. Reoffer 99.402, spread T+50bp. Yield 4.259%.

Tranche B: USD900m, coupon 4.75%, due 22 January 2036. Reoffer 99.153, spread T+70bp. Yield 4.858%.

Common terms: Settle 22 January 2026. Issuer Kuaishou Technology. Senior unsecured notes. 144A/RegS, registered. MWC. List Hong Kong, denoms 200k x 1k. Law New York. UOP General corporate purpose. Ratings A3/A-/A- (issuer) / A3/A-/A- (expected issue). Bookrunners BofA Securities, Morgan Stanley, UBS, Jefferies, Barclays.

All data, unless otherwise stated, sourced from the Bond Radar Ltd Data Wizard bondradar

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