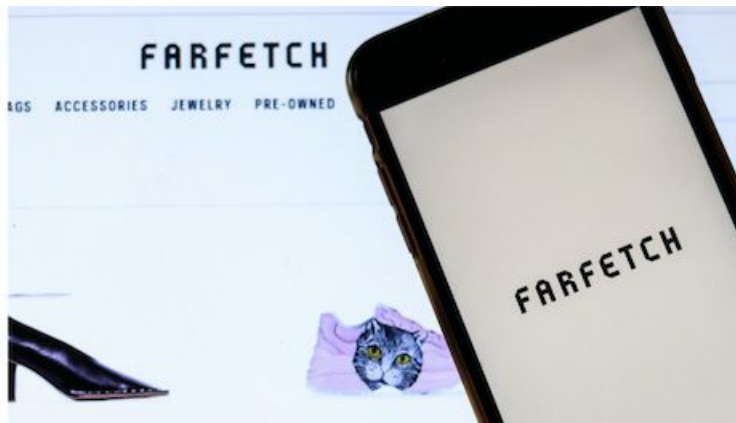


RETAIL

Tencent fuels \$125M into Farfetch's China growth, with another \$125M from Dragoneer

January 31, 2020



Farfetch announced today that it has secured \$125 million of investment from China's tech giant Tencent. Image credit: Shutterstock

By A LUXURY DAILY COLUMNIST

By **Yaling Jiang**

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Farfetch is now \$250 million richer. The London-based luxury fashion online retailer announced yesterday that it has secured a \$125 million investment from WeChat owner Tencent to accelerate its growth in China.

The San Francisco-based investor Dragoneer has also agreed to put up another \$125 million.

Both companies are investing in convertible senior notes, a type of debt security, which can be converted into stock at the end of 2025.

Farfetch's stock was up by 12.71 percent in New York by early afternoon yesterday.

Farfetch has made its name among luxury shoppers in China through WeChat by working with key opinion leaders (KOLs) such as Mr. Bags and Shiliupo. Its Mini Program provides access to more than 80 luxury brands, including **Moncler**, Balenciaga, Saint Laurent and Armani for WeChat's 1 billion users.

Tencent's investment at this time elevates the relationship between the two companies.

"Tencent looks forward to supporting Farfetch's mission to be a global technology platform for luxury fashion, and especially where we can support its efforts in China," said Martin Lau, Tencent's president, in a news release.

The Jing take

Those who grab China's attention hold the key to the future of luxury e-retail.

Tencent's \$125 million may not seem like a lot it's only half the amount Farfetch paid to acquire online sneaker seller Stadium Goods but let us think about the technology and network support Farfetch is able to get via Tencent.

Plus, it might also be the first to test all WeChat features including the ones in Beta.

This is also a win for Tencent, who has already dipped its toes in the world of luxury fashion through its partnership with Burberry to open a "social retail store" in early 2020.

Moreover, in 2017, China's Internet giant, JD.com, put almost \$400 million in Farfetch and now handles logistics for the company in China.

If Tencent decides to move forward with luxury ecommerce, it will now have the know-how from partnering with one of the best luxury e-tailers.

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