

China's Tencent posts 25% profit surge in Q2, revenue slows

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Chinese Internet giant Tencent saw its net profit surge by 25 percent in the second quarter buoyed by growth in online advertising revenue and its popular messaging service WeChat, the company said Wednesday.

Net profit for the three months to June 30 stood at 7.31 billion yuan (\$1.14 billion), up 25 percent from 5.84 billion yuan in the same period last year, while revenue rose by 19 percent from 19.75 billion yuan to 23.43 billion yuan.

Analysts quoted by Bloomberg News had forecast a revenue figure of 24 billion yuan, but earnings were seen as better than expected.

Shares in Tencent closed down 4.19 percent at HK\$134.9 (\$17.39) in Hong Kong on Wednesday while the overall market was down 2.38 percent.

Tencent's half-yearly earnings measured from January to June grew year-on-year by 15 percent to 14.20 billion yuan, while [revenue](#) growth in the period was 20 percent.

Based in the Chinese southern export hub of Shenzhen, Tencent operates China's biggest messaging service WeChat, through which a variety of businesses including gaming, advertising and social networking have flourished in recent years.

WeChat has reached 600 million in monthly active users, the company

said in a statement to the Hong Kong Stock Exchange, contributing to an 18 percent growth in social network revenues which stood at 5.46 billion yuan in Q2.

The firm added its online advertising business enjoyed rapid [growth](#), having nearly doubled year-on-year to 4.07 billion yuan, while revenues from online gaming, its biggest segment, rose by 17 percent to 12.97 billion.

The technology giant recently said it will set up an online platform to allow WeChat users to buy and sell stocks online.

It has also offered to buy eLong, a major Chinese online travel portal, as part of its drive into the traditional economy, according to Bloomberg News.

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