

WeChat sends China's Tencent profits surging

August 17 2016

Chinese Internet giant Tencent said Wednesday its profits jumped by 47 percent in the second quarter, buoyed by new users of its popular messaging service WeChat, gaming and digital content.

Net profit for the three months to June rose to 10.74 billion yuan (\$1.62 billion) from 7.31 billion yuan in the same period last year, beating the average analyst estimate of 9.52 billion yuan according to a Bloomberg survey.

Revenue jumped by 52 percent from 23.43 billion yuan to 35.69 billion yuan, the technology company said.

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.

Monthly active users for WeChat—known as Weixin in Chinese—reached 806 million from 600 million in June last year.

The company's messaging service is expanding into the corporate sector. The company said Weixin "further penetrated into communication scenarios at work", with 20 million active users registered on its platform for enterprises.

Tencent's online games business grew by 32 percent to 17.12 billion

yuan in revenues in the second quarter, helped by existing gaming offerings including popular Cross Fire Mobile and Honor of Kings, it said.

"In recent months, we have conducted several initiatives to develop our [online games](#) and [digital content](#) businesses," chairman Ma Huateng said in a statement to the Hong Kong Stock Exchange, where it is listed.

The company announced in June it had agreed to buy Finnish game-maker Supercell Oy, creator of "Clash of Clans", from Japanese mobile firm SoftBank for \$8.6 billion.

It said in the statement the deal would be completed by the end of the year.

© 2016 AFP

Citation: WeChat sends China's Tencent profits surging (2016, August 17) retrieved 9 April 2024 from <https://phys.org/news/2016-08-wechat-china-tencent-profits-surging.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--