

Tencent profits up as gamers stay home but WeChat ban looms

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Chinese tech firm Tencent, the parent company of social media giant

WeChat, said Wednesday its revenue jumped 28 percent in the first half of this year as the coronavirus pandemic kept people glued to their screens.

But the better-than-expected results were clouded by upcoming restrictions on WeChat ordered in the United States by President Donald Trump at a time of spiralling tensions between Washington and Beijing.

Trump has announced a ban from mid-September on WeChat and TikTok, which is owned by a separate Chinese company.

The [mobile apps](#) "threaten the [national security](#), foreign policy, and economy of the United States", he said last week.

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"During this challenging time, we utilised our platforms and technologies to help users adapt to the new normal via [online tools](#), to support enterprises in conducting digital upgrades, and to broadly contribute to [economic recovery](#)," it said in a statement.

First-half revenue was 222.9 billion yuan (\$32 billion) and net profit rose 21 percent on-year to 62 billion yuan.

"In China, user time spent on our smartphone games increased year-on-year but decreased quarter-on-quarter due to seasonality and back-to-office behavior," the company said, reflecting the country's move out of lockdown as coronavirus cases have dwindled.

But as the disease spread around the world in spring and early summer, monthly active users increased "significantly" both year-on-year and

between the first and second quarter, it said.

This was "due to new game launches and more user time spent during the stay-at-home period".

While many companies are being hammered by the economic fallout of the pandemic, tech firms worldwide including US market leaders Apple and Amazon have seen strong demand for their products.

Wechat and Weixin, the version of the app available in mainland China, have more than 1.2 billion active users.

Trump's executive order against WeChat forces the platform to end all operations in the United States and bans Americans doing business with it.

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