

Tencent Q3 revenue climbs 29 percent

November 12 2020



Chinese internet giant Tencent reported a rise in revenues, pointing to growth in smartphone games

Chinese internet giant Tencent said Thursday its revenue climbed 29 percent in the third quarter of this year, spurred by gaming and advertising as coronavirus lockdowns keep users indoors and online.

The Shenzhen-based parent company of WeChat said revenues rose to RMB 125.4 billion (\$18.9 billion) year-on-year while [net profit](#) increased to RMB 38.5 billion in the third quarter.

It hailed revenue growth in [smartphone games](#), including the latest instalment of its battle arena game League of Legends.

Third quarter revenue from fintech and [business services](#) increased by 24 percent to RMB 33.2 billion year-on-year due to higher revenues from commercial payment and wealth management, it said.

Tencent also noted that "overall China advertising activity appears to have largely returned to normal", after months of stringent lockdown measures imposed to combat the virus.

But the better-than-expected results came as Chinese regulators cast gloom over the biggest e-commerce stretch of the year by announcing draft antitrust rules that signal a possible crackdown on high-flying internet giants.

Regulators in Shanghai and Hong Kong earlier this month halted the enormous IPO of fintech giant Ant Group, whose parent company Alibaba is Tencent's rival.

According to Bloomberg, Tencent executives will hold a conference call seeking to reinforce perceptions that Tencent "isn't in the same boat as" Ant.

Tencent's messaging platform WeChat also faced challenges in operating in the United States where it has around 19 million active daily users.

The Trump administration had ordered a ban on WeChat downloads which was later blocked by a US judge.

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

Tencent's stock price was 4.72 percent in Hong Kong at the close, before the earnings were released.

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