

Tencent shuts game streaming site after China blocks merger

April 8 2022

Chinese tech giant Tencent will close its game streaming platform, less than a year after authorities blocked a merger that would have powered its drive to take on Amazon's Twitch.

Beijing has stepped up scrutiny over big tech, launching a major crackdown on some of the biggest names in the sector, while the [gaming market](#) has also taken a hit owing to tighter controls on play time for minors.

Tencent's service, Penguin Esports, has halted new user registrations and in-app purchases, and will shut down all services on June 7, the firm said in a statement Thursday.

The decision comes after China's financial regulator blocked a merger of the nation's two largest video [game](#) live-streaming sites over antitrust concerns in July.

The planned merger of live streaming services Huya and Douyu could have brought the combined platforms' domestic market share to as much as 90 percent—and Penguin Esports was to be moved under the combined entity.

The tie-up would also have granted Tencent majority control over the combined entity, with the transaction valued at about \$6 billion.

Tencent said its move was "due to changes in business development

strategy", adding that it would compensate users with coupons in other games.

In the fourth quarter of 2021, Tencent's domestic gaming revenues rose one percent.

The total time spent by minors on games also dropped 88 percent on-year, the company said.

© 2022 AFP

Citation: Tencent shuts game streaming site after China blocks merger (2022, April 8) retrieved 30 May 2023 from <https://techxplore.com/news/2022-04-tencent-game-streaming-site-china.html>

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.