E-commerce giant JD.com posts slowest quarterly revenue growth

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Chinese e-commerce giant JD.com reported its slowest revenue growth so far in the second quarter, the company said Tuesday, the latest in a series of gloomy numbers as China's economic growth slows.

JD.com's results came shortly after tech giant Tencent reported its first drop in quarterly revenue since going public—on top of job cuts—while Alibaba saw flat quarterly revenue growth for the first time.

China's major tech companies have been grappling with economic uncertainty, COVID-19 restrictions that have kept consumers jittery, as well as heightened scrutiny from regulators in recent months.

JD.com logged 5.4 percent revenue growth on-year in the second quarter, the company said—better than analysts expected but the lowest since it went public in 2014.

"We were pleased to post topline growth that outpaced the industry during a challenging period," said JD's chief financial officer Sandy Xu in a statement, adding that the company placed an emphasis on financial discipline and operational efficiency.

In the April to June period, sales came in at 267.6 billion yuan ($40 billion), while the company reported a profit of 4.4 billion yuan after three consecutive quarters of losses.

In New York, JD.com's shares rose more than four percent in pre-market trading.

Its net product revenue was up 2.9 percent, while net service revenues—which include those from logistics—rose 21.9 percent.

Many parts of China faced lockdowns and other COVID restrictions in recent months, disrupting business activity and adding to consumer worries as the country tried to stamp out the Omicron variant's spread under its strict zero-COVID policy.

China's tech industry has also been reeling from a regulatory crackdown that started late 2020, targeting anti-competitive practices and putting an end to a decade of freewheeling growth.

JD.com, which listed on the Nasdaq in New York in 2014 and made its Hong Kong debut in 2020, has not borne the brunt of Beijing's regulatory clampdown.

But there remain concerns surrounding the company, including the potential that US regulators' may force firms like it to delist.

The US Congress in 2020 passed a law targeting Chinese companies under which the Public Company Accounting Oversight Board must be able to inspect audits of foreign firms listed on US markets.

The law puts Chinese firms at the risk of delisting, and comes at a time when Chinese authorities have expressed reservations about China-based companies listing in the US.

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