

WeChat operator Tencent reports surge in Q1 profit

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Chinese Internet giant Tencent on Wednesday reported a 33 percent surge in net profit for the first quarter, as its popular messaging app WeChat added more users.

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billion), according to a statement. The figure beat an average of estimates compiled by Bloomberg News of 8.71 billion yuan.

"We delivered a strong set of financial results for the first quarter of 2016, and made progress in further building up our social, games and media platforms," Tencent chairman and chief executive Pony Ma said in the statement.

Revenue for the first three months jumped 43 percent year-on-year to 32.0 billion yuan.

Monthly active users for WeChat—known as Weixin in Chinese—were 762 million at the end of the quarter, up 39 percent on the year, the company said.

Besides advertising, Tencent uses its social media platforms to offer users mobile games, digital music, video and other services.

The Internet company also operates an older instant messaging service called QQ, which had 877 million user accounts for the first quarter.

Tencent is trying to boost its share of the mobile and online payments market, which is dominated by rival Alibaba, the e-commerce giant.

The volume of payments through Weixin Pay "grew significantly" in the first quarter, the statement said, but gave no precise figure.

But Tencent warned that China's slowing economic growth might have an impact. The company's stock closed down 1.11 percent in Hong Kong trading on Wednesday before the results were announced.

China's economy expanded at its slowest pace in seven years in the first quarter, growing 6.7 percent.

"While we are optimistic about the long-term growth potential of our online advertising business, our brand advertising business could face near-term challenges due to the uncertainties of (the) macroeconomic environment in China," Tencent said.

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