

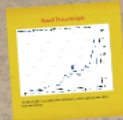
Foreign Investment

- Allocated 2 billion USD to foreign investment in 2011
- Attempting to push QQ and WeChat into foreign markets
- 70 million out of 600 million WeChat users are foreigners



Gaming

- Frequently purchases rights to other video game companies instead of developing their own
- Owns CrossFire, a South Korean with 957 million USD in revenue for 2013
- Holds 92.79% of Riot Games, with 624 million USD in revenue in 2013
- Holds 12% of ActivisionBlizzard



Competition: In China

- Alibaba: Competes with Tencent in online retail and auctions, and e-payment systems
- Baidu: Search Engine, Social Networking
- Sina Weibo: Microblogging

Regulation

- Internet in China is heavily censored
- Users of Social media are required to register with their government ID numbers
- Users' accounts and posts are subject to government oversight

Competition: Outside of China

- In expanding internationally, Tencent will have to compete with similar services that offer
- Facebook, Twitter, Google, Amazon, and Paypal all have services that Tencent would have to compete with

Conclusion

Based on the current price, P/E, and significant market share in China, we predict a rise in Tencent's stock price. They are still investing in many industries and are looking to take a global presence. The tech giant is looking to expand to the world (China, Facebook, Alibaba, Amazon, etc.)

Quick facts

- 2012 (USD)
- Revenue: 871.71
- Earnings: 18.37
- 2.52 billion shares outstanding
- 2014 Revenue:
- 1.06 billion USD, 474.00
- 1.975 billion
- 2.8 billion shares outstanding
- 2013 (USD)
- Revenue: 612.00
- Earnings: 18.37

Tencent

- Who they are?
- Chinese Holding Company
- What do they do?
- Media



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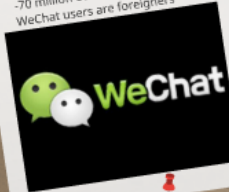
Tencent's Business Model

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Direct vs Indirect

Based on the current price, 30% and 40% of the stock price is held by Tencent. This means that Tencent is a major shareholder and has a strong influence on the company's decisions.

Quick Data

2012 Revenue: 1.1 billion USD
 2012 Profit: 1.1 billion USD
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 2012 Profit: 1.1 billion USD

Market Penetration
 - Long term goal is to become the world's most successful internet company
 - Focus on the Chinese market
 - Expand into other markets
 - Invest in other companies
 - Focus on the Chinese market
 - Expand into other markets
 - Invest in other companies

Global Expansion
 - The challenge for Tencent is to expand into other markets
 - Focus on the Chinese market
 - Expand into other markets
 - Invest in other companies

Tencent's Business Model

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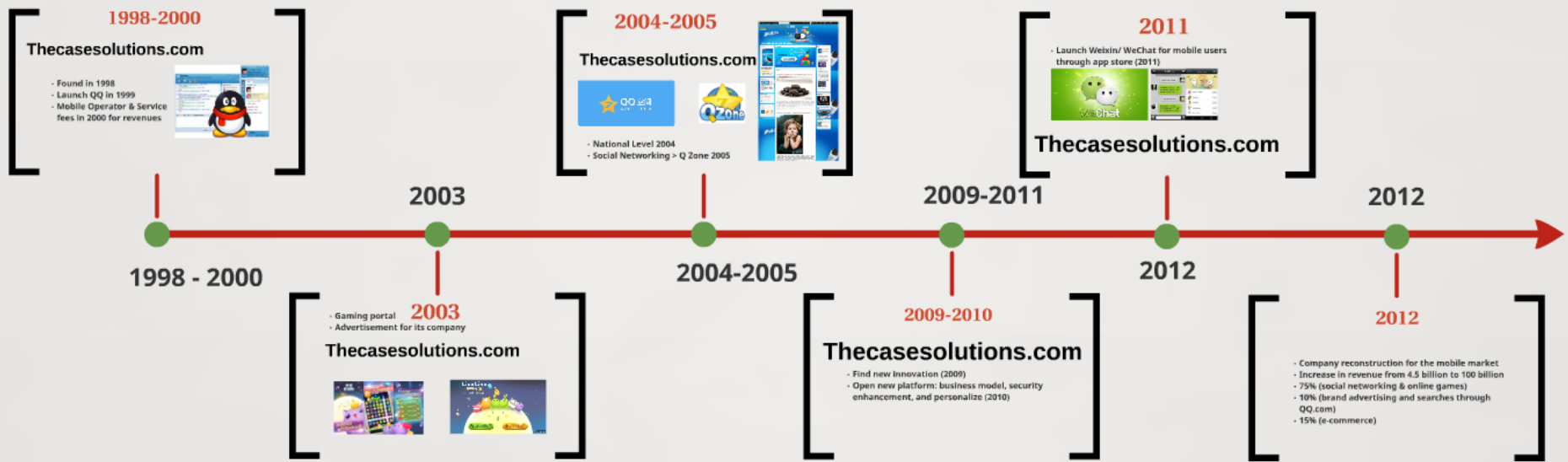
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1998-2000

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- Found in 1998
- Launch QQ in 1999
- Mobile Operator & Service fees in 2000 for revenues



2003

- Gaming portal
- Advertisement for its company

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2004-2005

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- National Level 2004
- Social Networking > Q Zone 2005





2009-2010

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- Find new innovation (2009)
- Open new platform: business model, security enhancement, and personalize (2010)

2011

- Launch Weixin/ WeChat for mobile users through app store (2011)



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