



天鵲互动控股有限公司

Tian Ge Interactive Holdings Limited

Stock Code: 1980.HK

十年

tiange
2008-2018

The transition from PC to mobile

**The evolution from social
entertainment to beauty economy**

Milestones

Era of PC Live

2008



- Company established
- Get Invested by IDG

2010



- Get invested by Sina

2014



- Listed on the main board of the Hong Kong Stock Exchange (Stock code: 1980.HK)

2016



- Expanded to overseas markets
- Launched “Miao Broadcasting” in Thailand
- Included in Shenzhen-Hong Kong Stock Connect

2017



- Invested in “Huajiao”

2018



- Holds Wuta Camera
- Continued expansion of overseas markets



Era of PC Live



“Many to many” social communities

Family-mode operation

“One to many” social communities

Decentralized operation



Era of Mobile Live



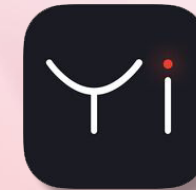
Seamlessly
interact with
PC

Established
Host Family
System

Hosts are
more intimate
to create a
companion
atmosphere

Real-time
Beautification
and Retouch

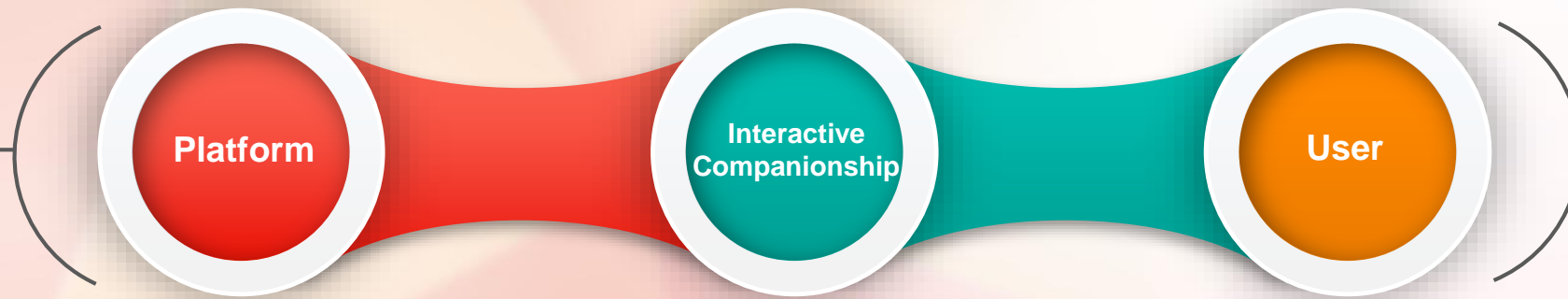
Easily switch
hosts in the
same room



“Companion Economy” Focus on 2nd-Tier to 4th-Tier Cities

Launch a series of value-added services to
Enhance users' satisfaction

- ✓ **High** platform interactivity
- ✓ **Strong** user engagement
- ✓ “Down-to-Earth” hosts



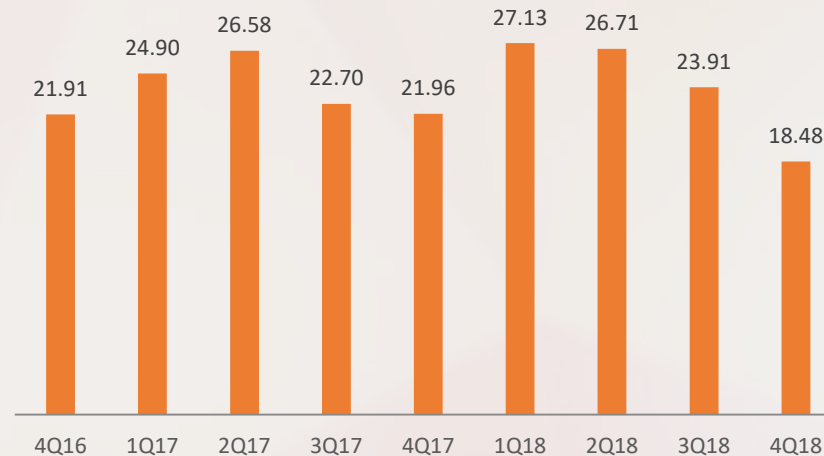
- ✓ Slow pace of life in 2nd to 4th tier cities
- ✓ **Much disposable time and low cost of living**

Average time spent online per user

1.0 – 2.5 hours

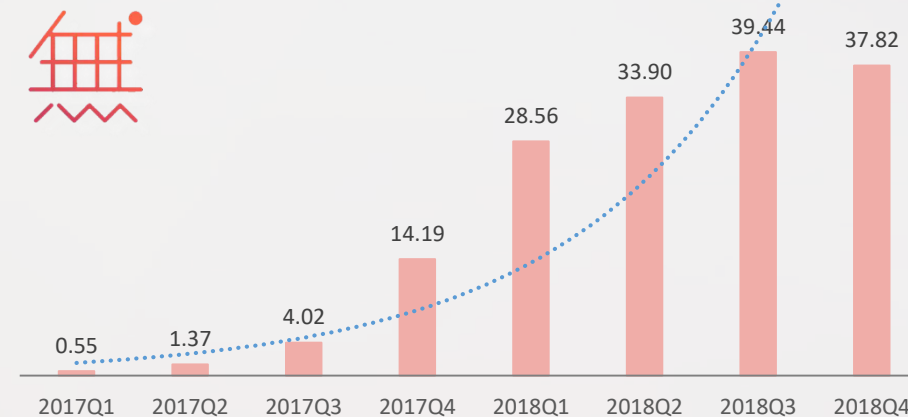


Live MAUs (MAU: million)



- ✓ MAUs: **18.48 million**
- ✓ Percentage of Mobile MAUs : **89.3%**
- ✓ QPUs: **0.70 million**
- ✓ Percentage of Mobile QPUs : **80.7%**
- ✓ Number of hosts: **>0.12 million**

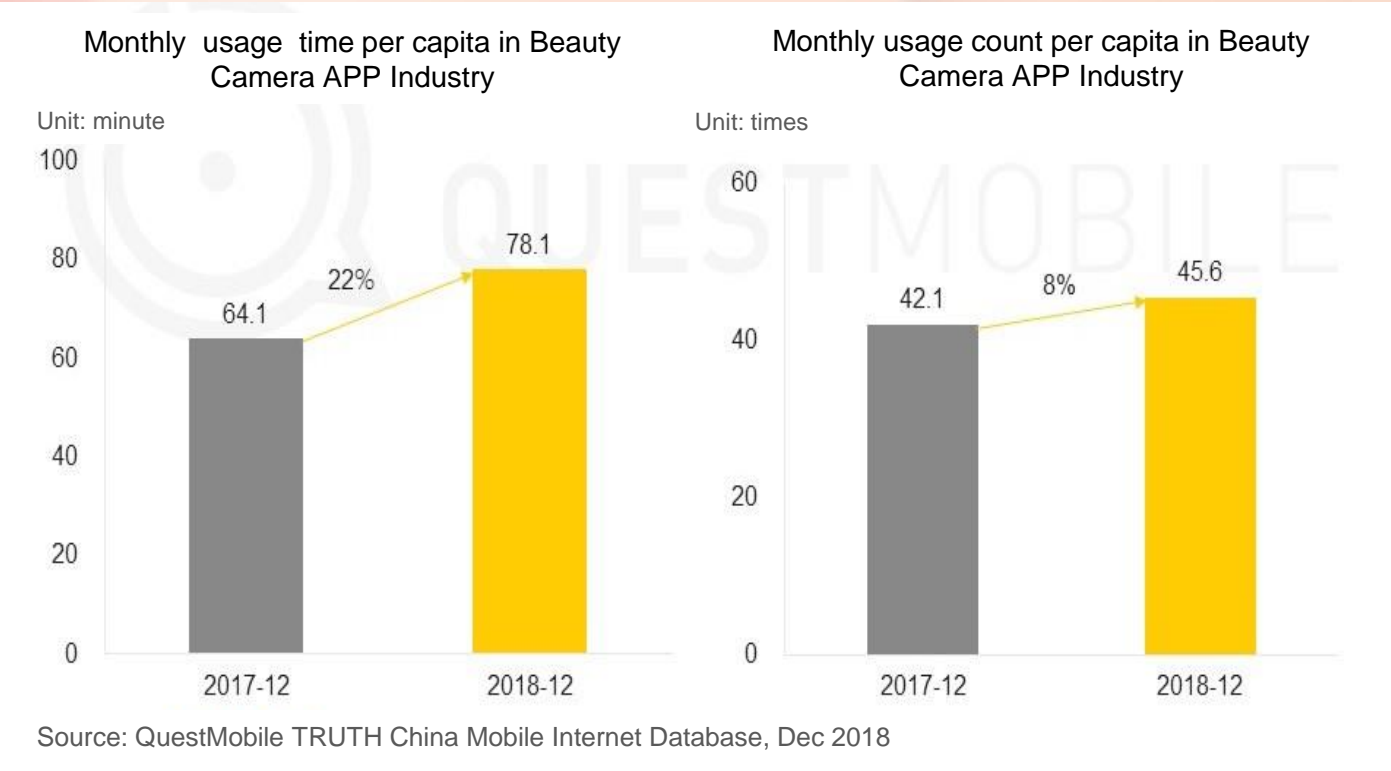
Wuta Camera MAUs (MAU: million)



- ✓ MAUs : **37.81 million**
- ✓ YoY increase of MAU: **167%**

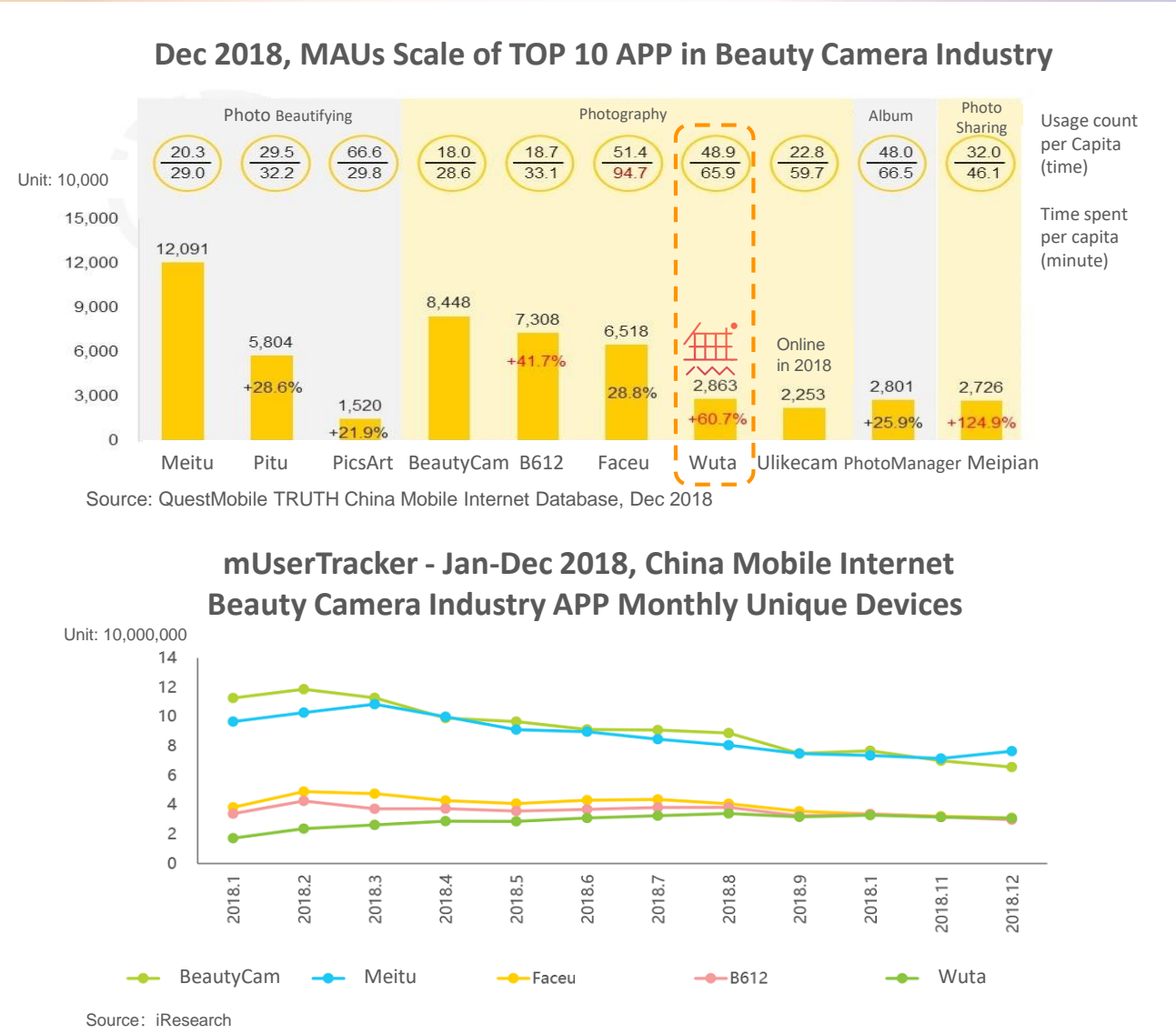
Era of Beauty Economy

User Stickiness Enhanced in Beauty Camera Industry



- Photography is rigid demand, and monthly usage time per capita increased 22% YoY;
- The usage count/ spent time per capita of Wuta Camera ranked in Top 3;
- Compared with others, Wuta Camera was less affected by the slowdown in the Industry.

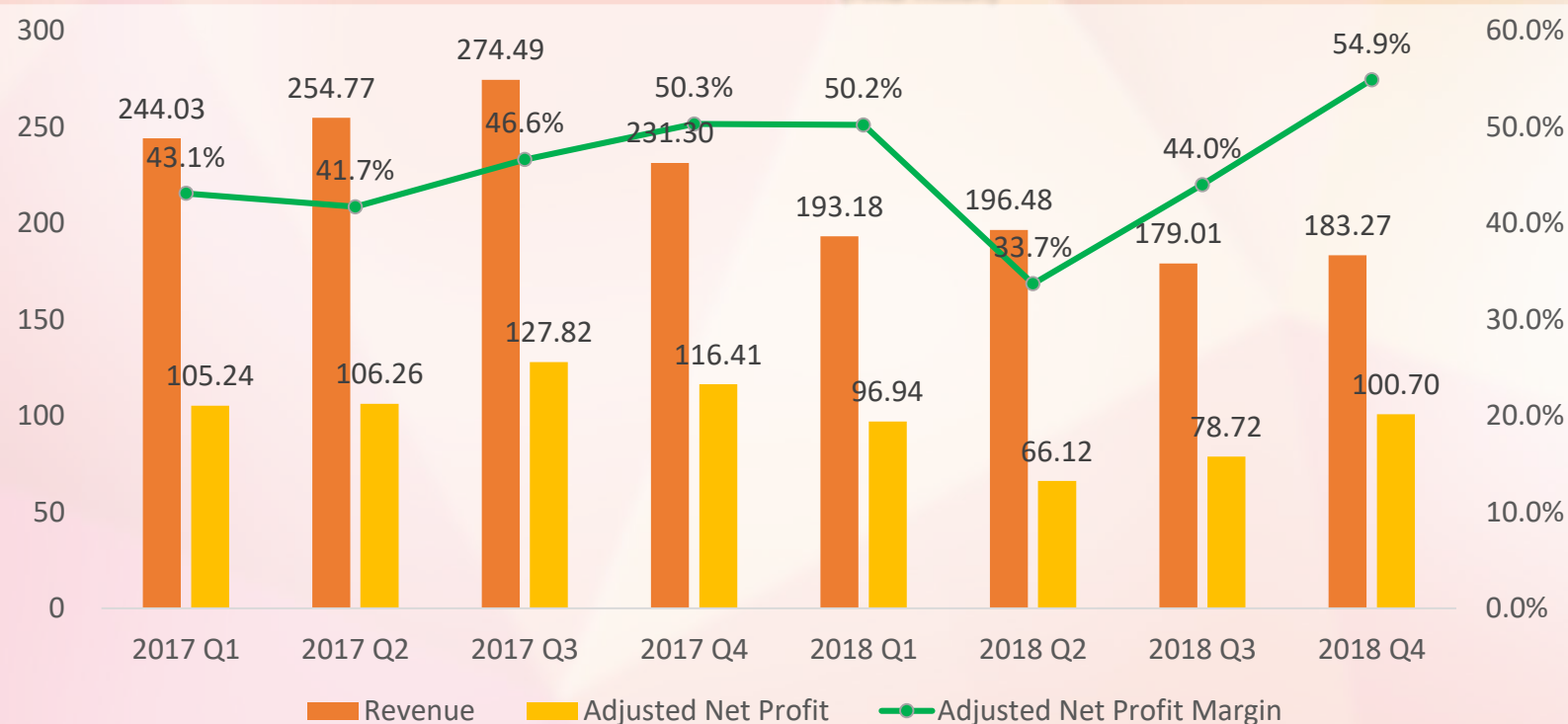
Peer Comparison among Camera Apps



Steady Financial Status

2017 Q1 – 2018 Q4 Financial data

(RMB million)



2018 Q4

- ✓ Revenue: RMB **183 million**
- ✓ Gross Profit: RMB **170 million**
- ✓ Gross Profit Margin: **92.7%**

FY 2018

- ✓ Revenue: RMB **752 million**
- ✓ Gross Profit: RMB **687 million**
- ✓ Gross Profit Margin: **91.3%**

Among which

Rapid growth
in advertising
revenue

- ✓ Advertising revenue reached approximately RMB **65 million**
- ✓ YoY increase: **110.5%**

Strong Research & Development



Content filtering system

- ✓ The self-monitoring function: allows the ecosystem to instantly respond to user agreements
- ✓ Intelligent recognition system: takes screenshots every 1 to 3 minutes
- ✓ Over 75 content monitoring teams conduct random checking on a 24/7 basis
- ✓ Submits surveillance reports to relevant government departments on a weekly basis and authorizes administration



Mobile terminal

- ✓ The number of Active Mobile Users in 2017 is doubled from 2016
- ✓ Grasp opportunities in the growing mobile market with the Group's established brand recognition, strong consumer base and advanced technology
- ✓ Continually develop and explore new apps; tap into new vertical segment and test new business trends
- ✓ Test self-developed mobile live broadcasting apps



High-quality, multicast video streaming and media processing

- ✓ Best-in-class video quality that adopts the latest industrial standard
- ✓ High quality audio effects comparable to off-line KTV hardwares
- ✓ Synchronous multi-video stream supports up to 10 audio feeds into the same video stream
- ✓ Latency-reducing technology to lower bandwidth costs, decreases user lag and load times and optimizes performance



Scalable infrastructure and cloud services

- ✓ 100,000 concurrent users per room
- ✓ 50,000 concurrent live video streams
- ✓ Over 10 Internet-based remote-access servers across China
- ✓ Live performance recording, cloud storage and "cloud rating" technology to drive service experience and quality



Beauty enhancing function

- ✓ "Image editing" has become mainstream, and thus Tian Ge is developing and introducing more beauty enhancing related apps
- ✓ Instant "Edit and Share" function has never been any easier

**Break through the boundaries of
the live Broadcasting era**

Entering the era of beauty economy



New Ten Years



New Content

New Strategy

New Entertainment

New Social Network

New Ecology of Social Entertainment



Building new video social ecology

Live

- ✓ Continued to explore the overseas markets
- ✓ Highly integrated with camera, short video & social network



Camera

- ✓ Wuta Camera



Short Video

- ✓ MOKA



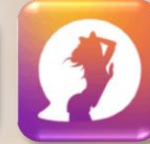
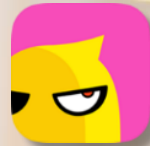
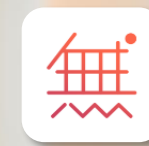
Headline

- ✓ Wuta Headline

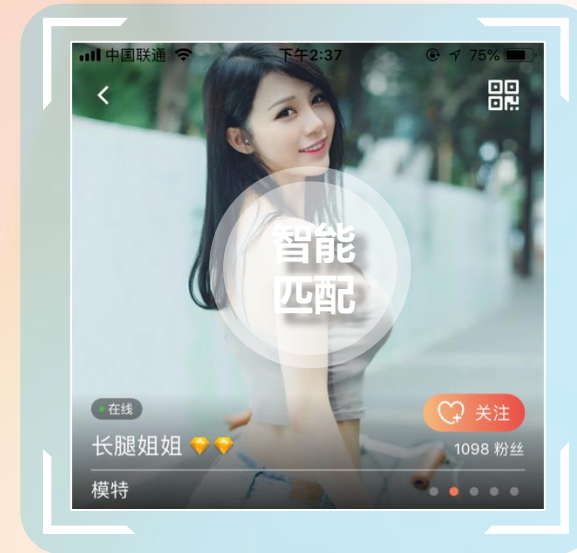
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Diversify content to enhance user experience and strengthen user loyalty

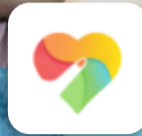


Live + Artificial Intelligence



- ✓ Recognizing and analyzing user preferences by using algorithms and big data
- ✓ Automatically recommend beautiful hosts that match users' needs
- ✓ Smart customer service chat system (voice recognition, voice input)
- ✓ Intelligent makeup and grooming function for hosts with the help of WUTA intelligent beauty system





**Intelligent image
matching optimization**

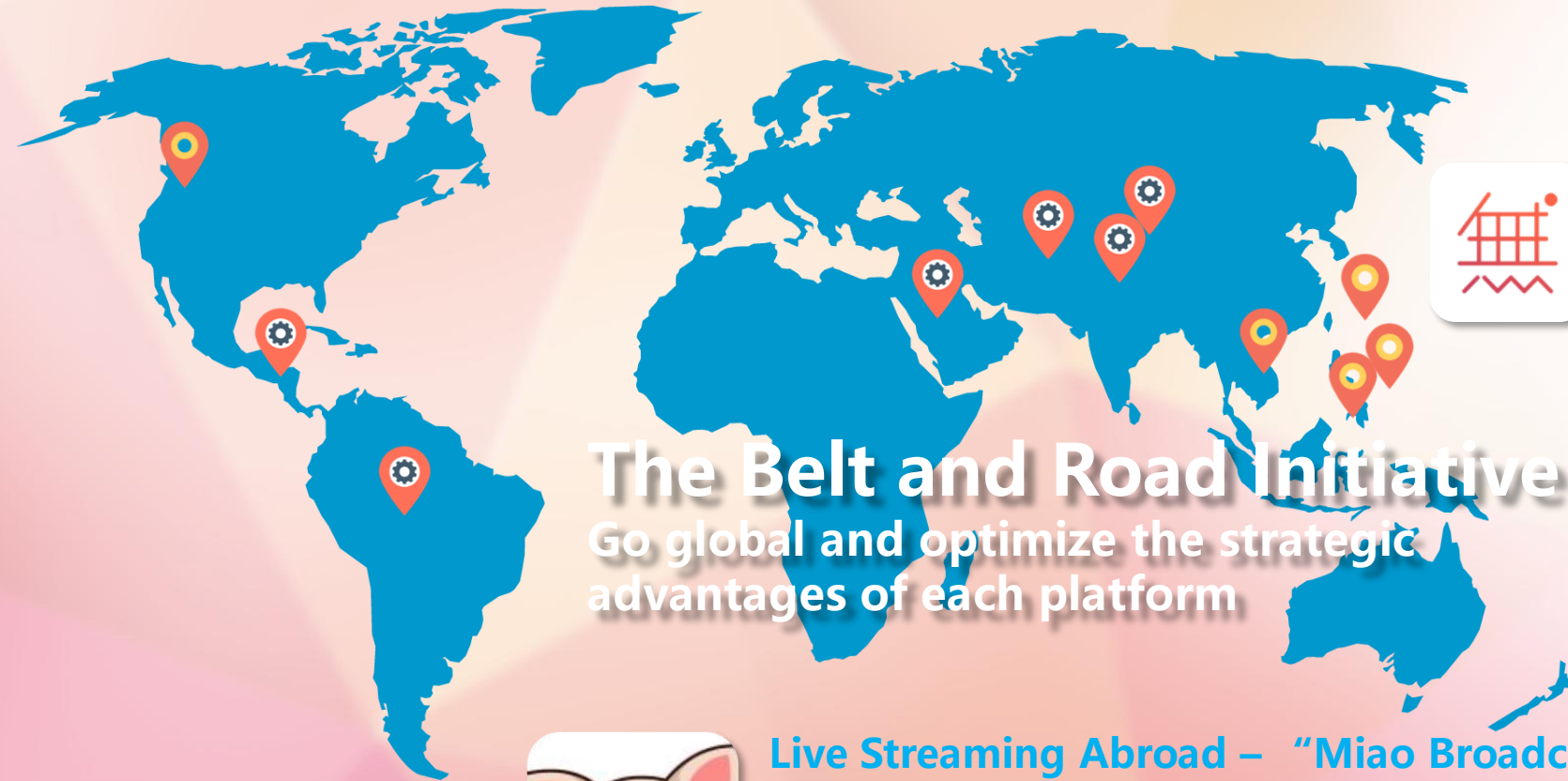


**Matching & pushing
of intelligent
information flow**



**Intelligent social
matching optimization**

Actively expand into overseas markets



The Belt and Road Initiative
Go global and optimize the strategic advantages of each platform



Live Streaming Abroad – “Miao Broadcasting”

- ✓ One of the fastest growing Live Streaming APPs in China
- ✓ Designated overseas Live Broadcasting platform of the Belt and Road Initiative Conference
- ✓ **International Version** is developing smoothly



Covered areas

Live streaming

- ✓ Tapped into Thailand market in 2016
- ✓ Tapped into Taiwan market in 2016
- ✓ Successfully tapped into Indonesian market in March 2017
- ✓ And has strategized its expansion into Philippines and other South East Asia regions

Wuta Camera

- ✓ Expanded overseas markets in 2017
- ✓ Users penetrate into the United States, Japan, Thailand, Vietnam and other countries
- ✓ The number of users in Vietnam, Thailand and Malaysia has grown significantly

FinTech

- ✓ Tapped into Vietnam and Malaysia in 2018



Targeting markets

- ✓ Southeast Asian countries
- ✓ Middle East regions / countries
- ✓ South American countries



Hot Products Go Abroad



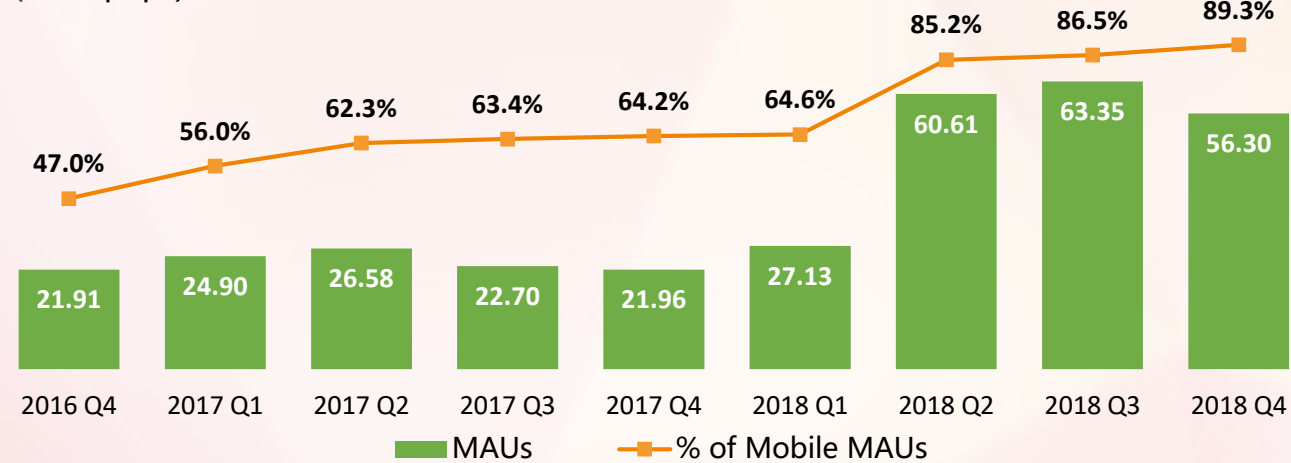


Financial and Operational Data Overview

Key Operating Index

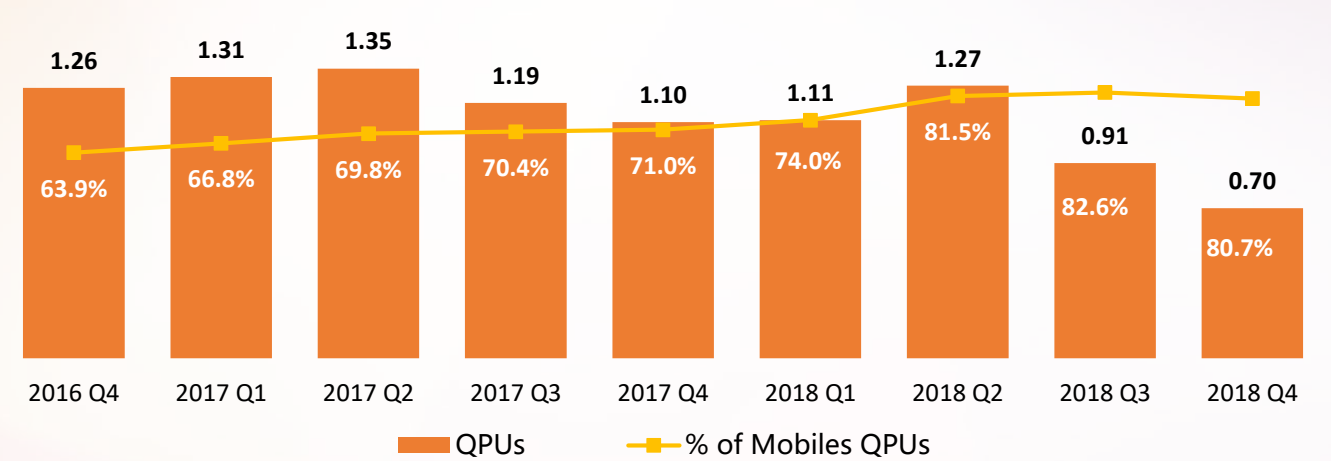
Average MAUs & % of Mobile MAUs in Total MAUs

('million people)



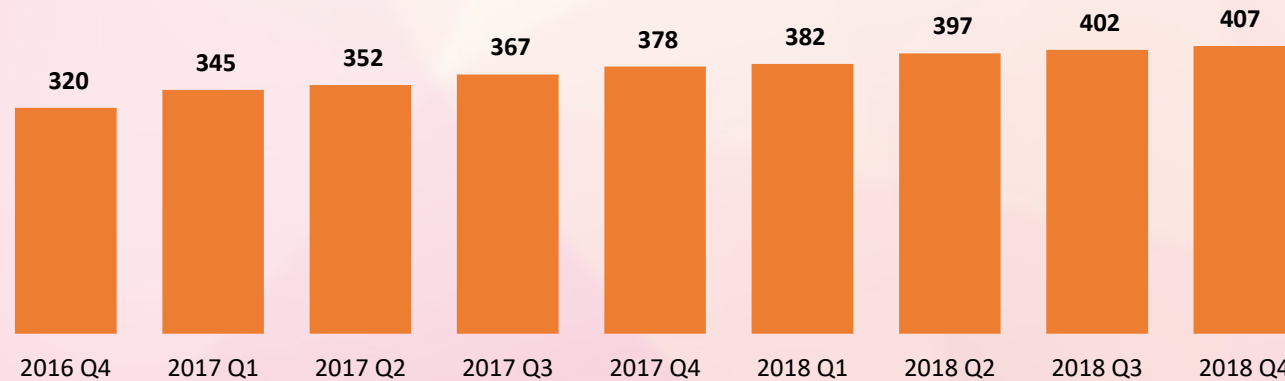
Average QPUs & % of Mobile QPUs in Total QPUs

('million people)



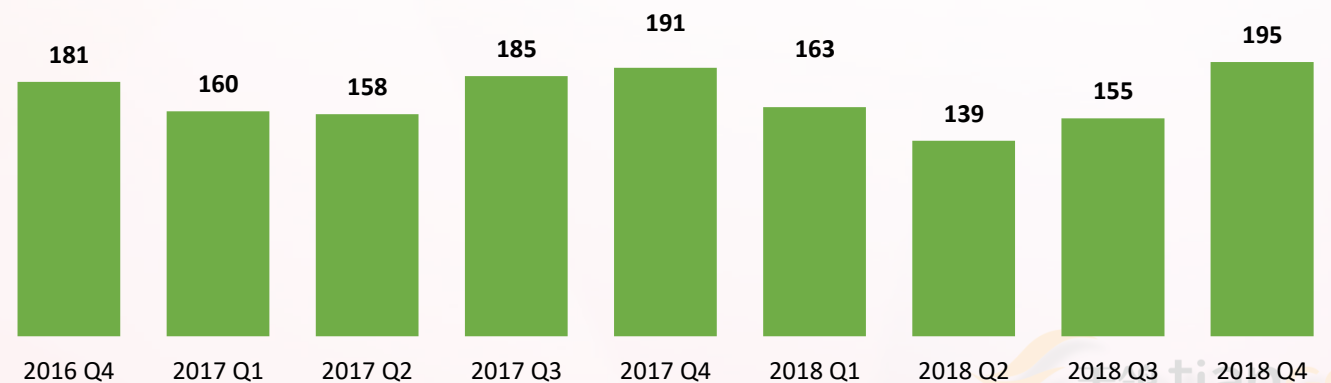
Total Registered Users

('million people)



Quarterly Average Revenue Per User

(RMB)



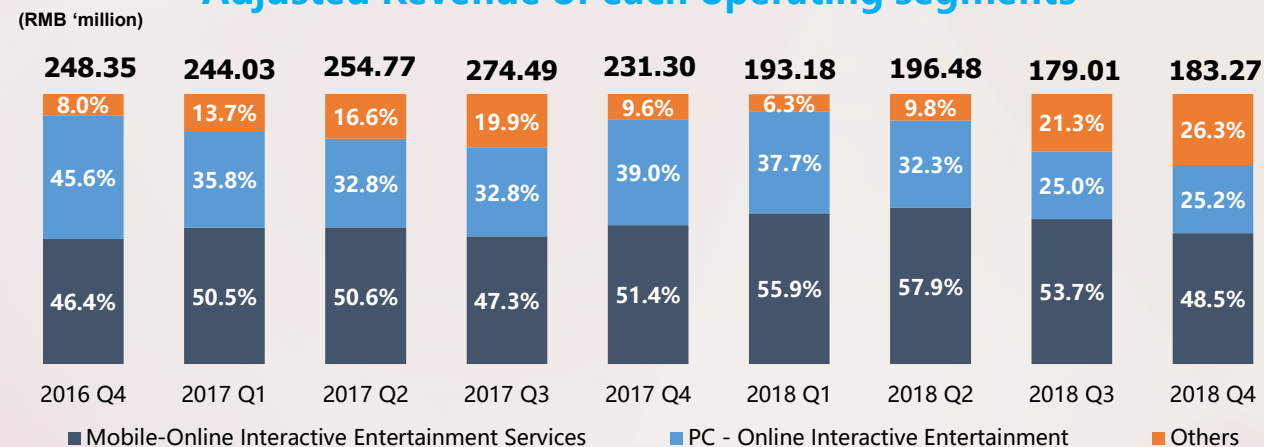
Financial Highlights in 2018

(RMB'000)	The Year Ended 31 December		
	2018	2017	Changed YoY
Revenue	751,933	915,969	-17.9%
Gross Profit	686,643	806,678	-14.9%
Gross Profit Margin	91.3%	88.1%	
Net Profit	215,662	322,787	-33.2%
Profit Attributable to Equity Holders	218,276	324,099	-32.7%
Adjusted Net Profit	342,471	455,732	-24.9%
Adjusted Net Profit Margin	45.5%	49.8%	-
Adjusted EBITDA*	438,842	538,847	-19.3%
Basic Earnings Per Share	0.172	0.251	-31.5%

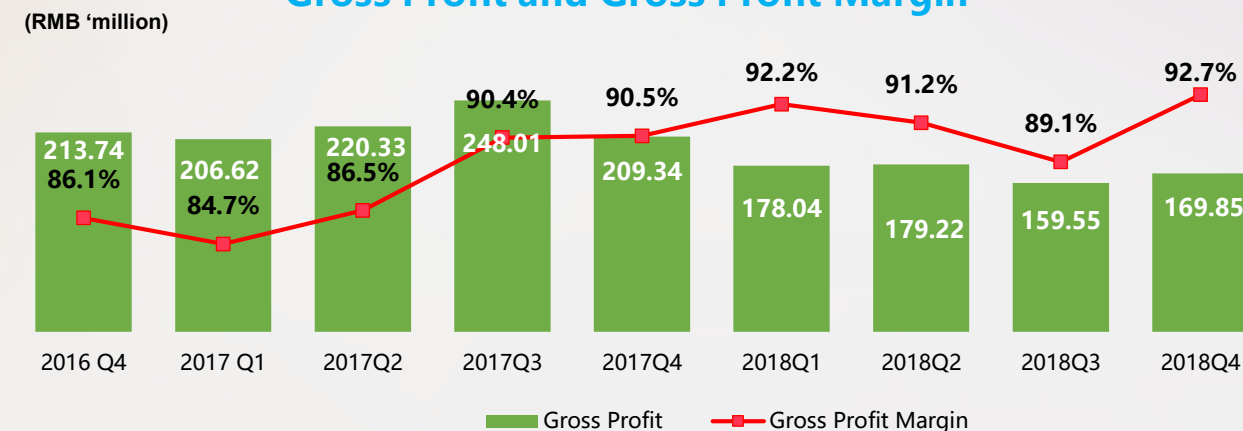
*Adjusted EBITDA represents operating profit, adjusted to exclude non-cash share-based compensation expenses, impairment losses arising from investments, disposal (gains)/losses and investment income arising from investments, (gains)/losses from fair value change of investment, impairment of capital surplus attributable to non-controlling interests of newly established subsidiaries, amortisation of intangible assets arising from acquisitions, and depreciation and amortization.

Profitability and Cost Controls

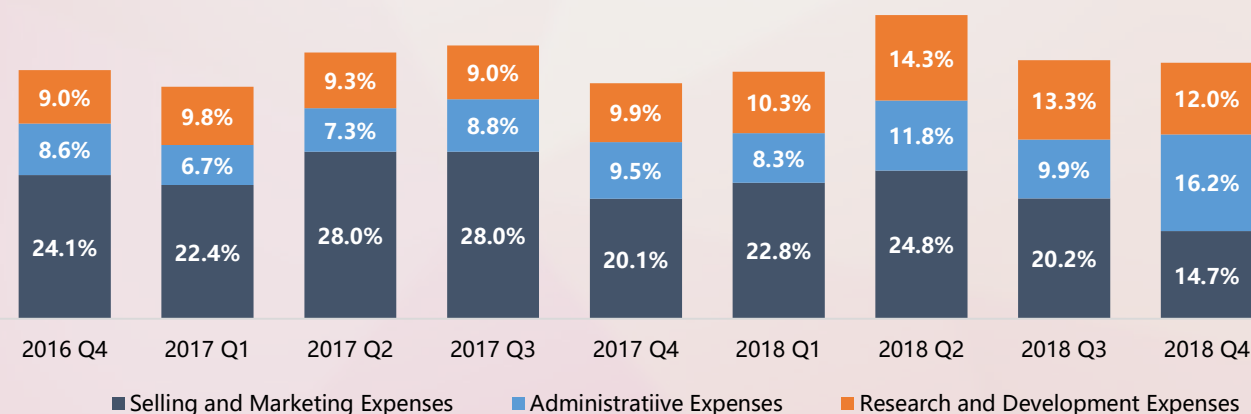
Adjusted Revenue of each operating segments



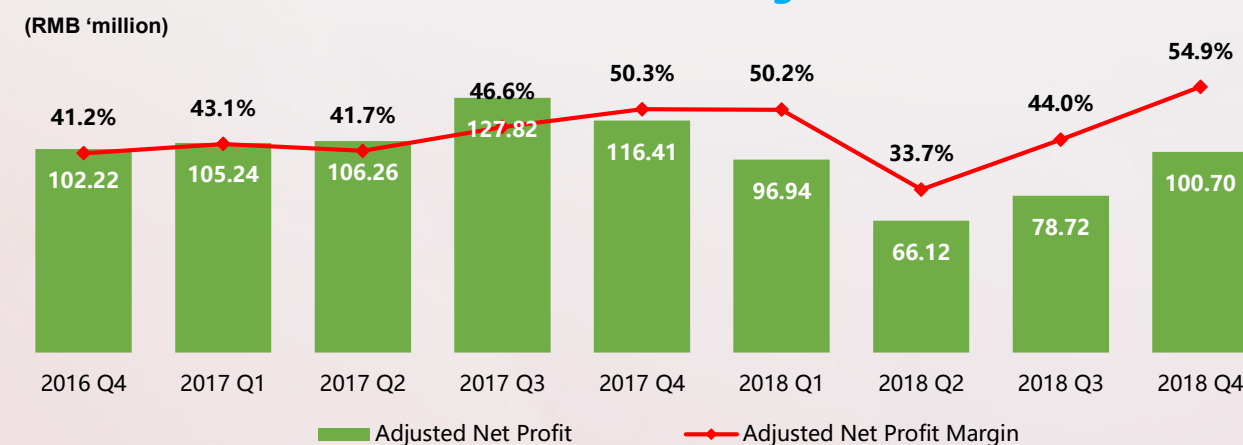
Gross Profit and Gross Profit Margin



Adjusted Operating expenses as % of revenues



New Profit and Margin



Balance Sheet Summary

(RMB '000)	As of 31 Dec 2018	As of 31 Dec 2017
Cash and cash equivalent, available-for-sale financial assets	1,416,777	1,403,692
Non-current assets	1,572,543	1,359,049
Current assets	1,583,997	1,605,098
Total assets	3,156,540	2,964,147
Current liabilities	199,771	228,999
Total liabilities	312,370	235,390
Equity attributable to shareholders of the Company	2,831,408	2,717,175
Total equity	2,844,170	2,728,757
Capital expenditures	62,300	45,800

Cash Flow Summary

(RMB '000)	As of 31 Dec 2018	As of 31 Dec 2017
Net cash generated from operating activities	261,535	410,997
Net cash used in investing activities	113,325	(122,882)
Net cash generated from /(used in) financing activities*	(222,717)	(297,893)
Net decrease in cash and cash equivalents	152,143	(9,778)
Cash and cash equivalents at end of year	432,588	273,652

*The dividends paid in 2018 and 2017 were RMB 74,537,000 (HK\$0.07 per share) and RMB 79,591,000 (HK\$0.07 per share) , respectively. The Company repurchased 50,081,000 and 34,882,000 ordinary shares from HKEX with a total amount of RMB224,706,000 and RMB152,251,000 during 2017 and 2018, respectively.

问答环节

Q & A

THANK YOU

Tian Ge Interactive Holdings Limited

• Stock Code: 1980.HK •