



# 天鵲互动控股有限公司

Tian Ge Interactive Holdings Limited

Stock Code: 1980.HK

# 集团发展历程

## 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

Diversified investment portfolio



Contributed to high returns

2018



- Held Wuta Camera

- Continued expansion of overseas markets

2019



- Introduced Sina

- Diversified social scope

# Era of PC Live



“Many to many” social communities

Family-mode operation

“One to many” social communities

Decentralized operation





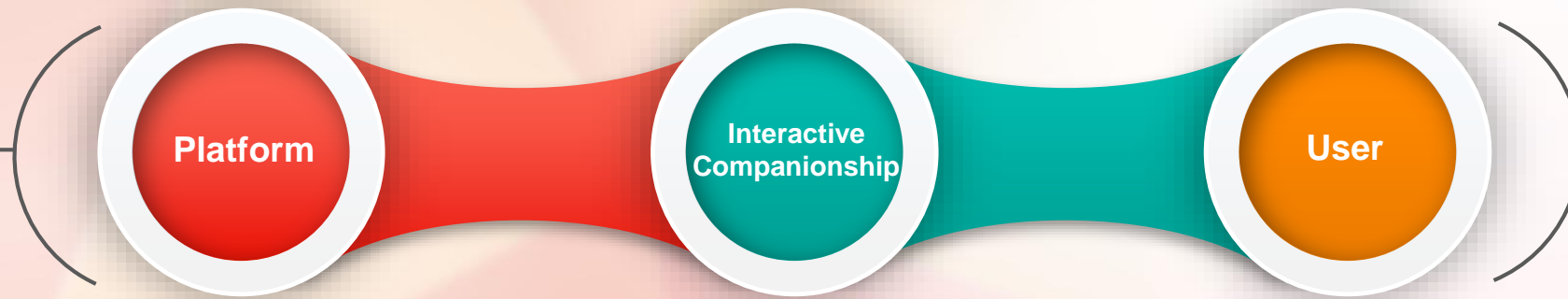
# Era of Mobile Live



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

Launch a series of value-added services to  
**Enhance Users' Satisfaction**

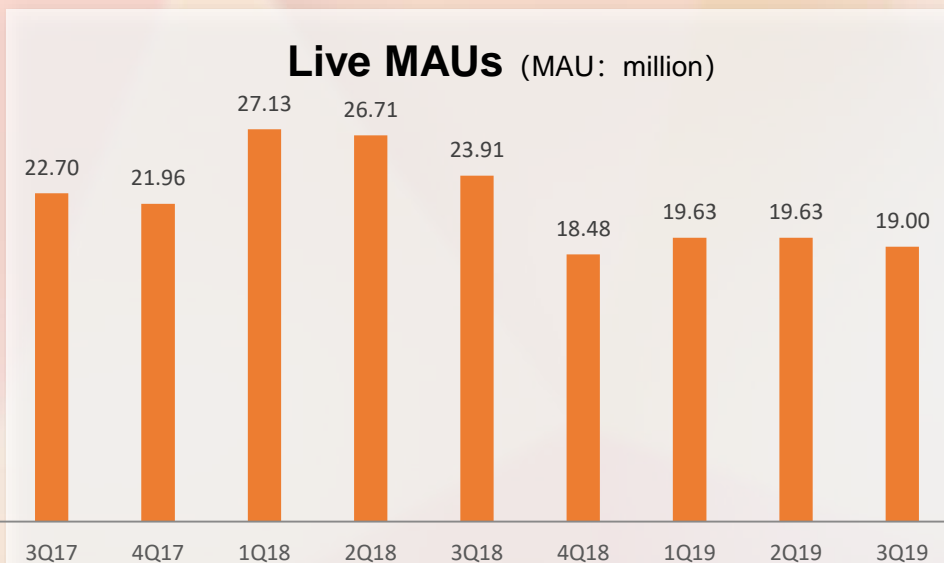
- ✓ **High** platform interactivity
- ✓ **Strong** user engagement
- ✓ “Down-to-Earth” hosts



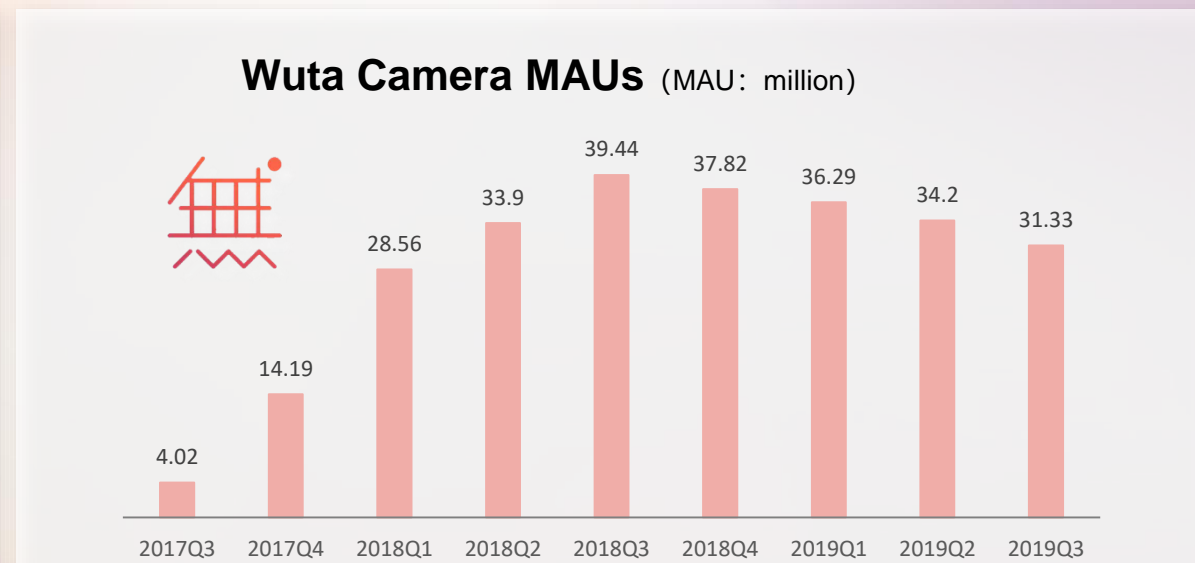
- ✓ Slow pace of life in 2<sup>nd</sup> to 4<sup>th</sup> tier cities
- ✓ **Much disposable time and low cost of living**

Average time spent online per user

1.0 – 2.5 hours



- ✓ MAUs: **19.00million**
- ✓ Percentage of Mobile MAUs : **96.7%**
- ✓ QPUs: **0.50 million**
- ✓ Percentage of Mobile QPUs : **74.7%**
- ✓ Number of hosts: **0.12 million**



- ✓ MAUs : **31.33 million**
- ✓ Number of photos taken in the month nearly **1 billion**
- ✓ Number of video shot in the month nearly **200 million**



# Commercialization of Wuta Camera App —Advertising

Since the establishment of Wuta Camera APP, it has cooperated with a number of first-tier advertisers with the good development and professional services:



(Examples)

## Cooperation with Sina



Marketing efforts with KOLs

### Social activities in Sina Weibo ——#无他相机4D原生妆#



Weibo topic reading counts: 120 M+  
Weibo topic discussion reach: 44.8W+

### ——#2019华晨宇火星演唱会#

Customized stickers & concert promotion to attract users



Monetization efforts in E-commerce

Connected with e-commerce platform of Sina Weibo to monetize Wuta Camera's traffic

IT/Operation Support



User traffic



Fully tap the consumption potential of female users

# Wuta Camera 3.0——4D makeup technology gives effect of super-natural looks without photoshop



## Feature highlights:

1. Upgraded make-up classification function;
2. 3D real-life effects embody real-time dynamic fine beauty
3. DIY your GIF and vlog anytime and choose your favorite shooting speed
4. Open a male makeup-fit function with just one-click;
5. Wuta Partner -Connected to Live streaming platforms to promote beauty effects.

### [Key examples]:

**Different textures of Lipstick** features (matter, glossy, liquid, bitten)

**Multi-color adaption** of different eyebrows;  
**Multi-color selection** of different blusher.



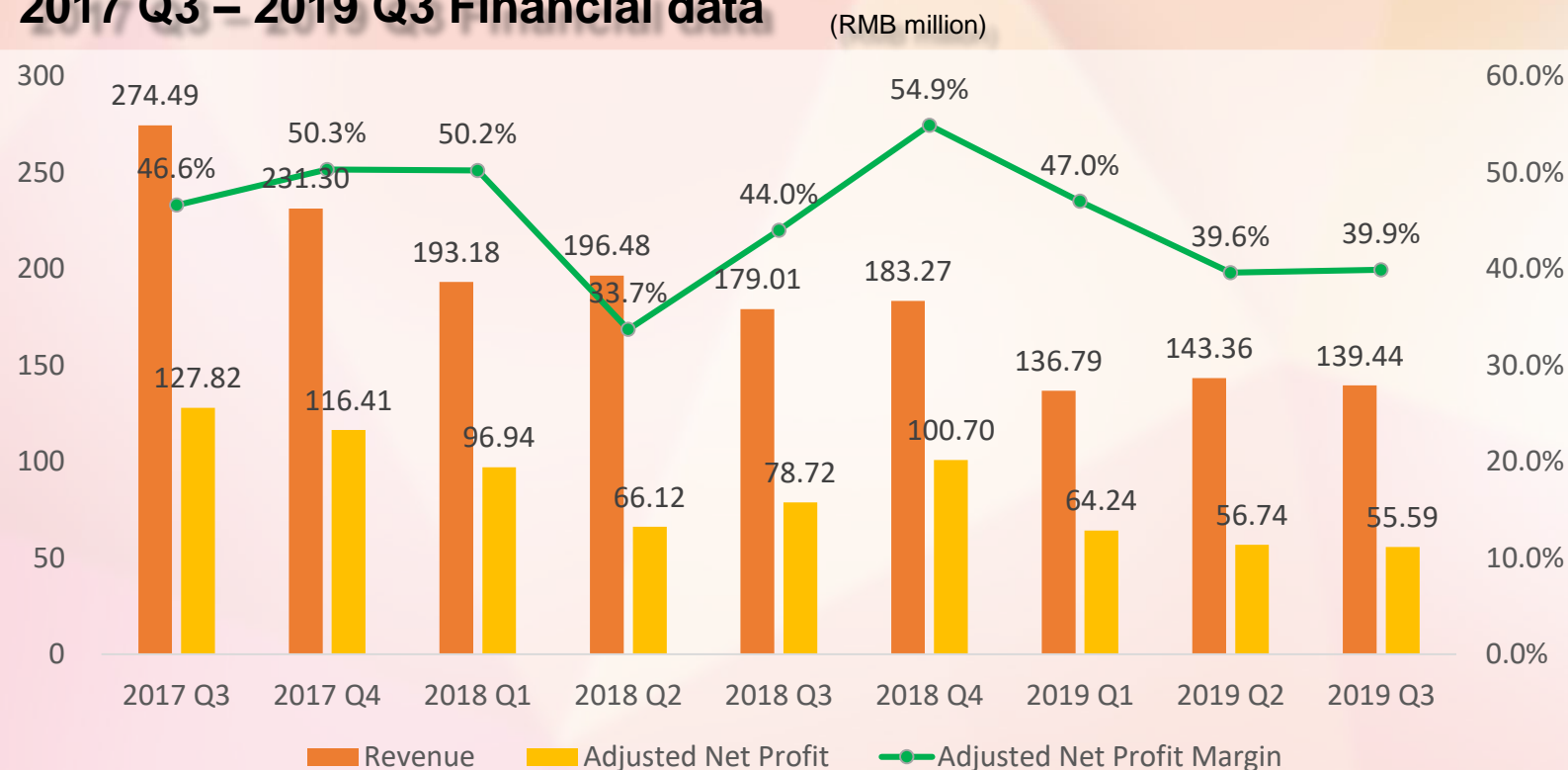
Add the function of **shrinking philtrum** and **thinning cheekbones**, optimize the effect of **thinning nose** and **wrinkles**.





# Steady Financial Status

## 2017 Q3 – 2019 Q3 Financial data



### 2019 Q3

- ✓ Revenue: RMB **139 million**
- ✓ Gross Profit: RMB **123 million**
- ✓ Gross Profit Margin: **88.1%**

### 2019 Q2

- ✓ Revenue: RMB **140 million**
- ✓ Gross Profit: RMB **130 million**,
- ✓ Gross Profit Margin: **90.6%**

Cash and cash equivalents **>1.5bn**

Note: 2019 Q2 Adjusted Net Profit is excluded the impact of additional withholding tax

# 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 Streaming

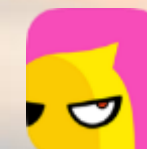
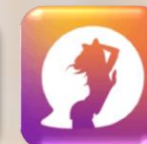
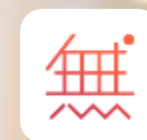
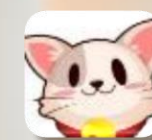
- ✓ "Companion Economy" Focus on 2<sup>nd</sup>-Tier to 4<sup>th</sup>-Tier Cities
- ✓ "Mobile + PC" Dual Live Streaming: 9158, Miao Broadcasting, Happy Broadcasting and Feng Broadcasting
- ✓ Interconnectivity between platforms at home and abroad

## Wuta Camera

- ✓ A popular beauty camera and short video application in China
- ✓ Overseas users record steady growth
- ✓ Cooperated with Sina Corporation to accelerate its commercialization

## Overseas Business

- ✓ Live Streaming Platforms: Mlive, Bunny Live, Morein.Live
- ✓ Real Estate Projects: Saipan, Manila, Japan
- ✓ Financial Management Projects: HK, Indonesia, India

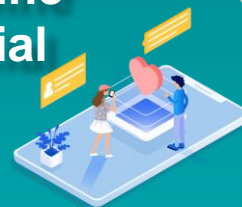


Taking efforts to diversify our business portfolio and continue to enrich Tian Ge' s ecosystem,



# Construction Vision of Wuta Products

Multiplayer online  
dating and social  
interactivity  
platform



Beauty Camera  
and short-form  
videos



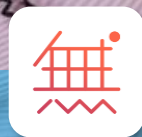
Content sharing  
community  
—Constellation,  
Reading headline



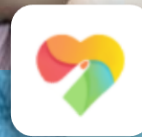
E-commerce







无他



**Intelligent image  
matching optimization**

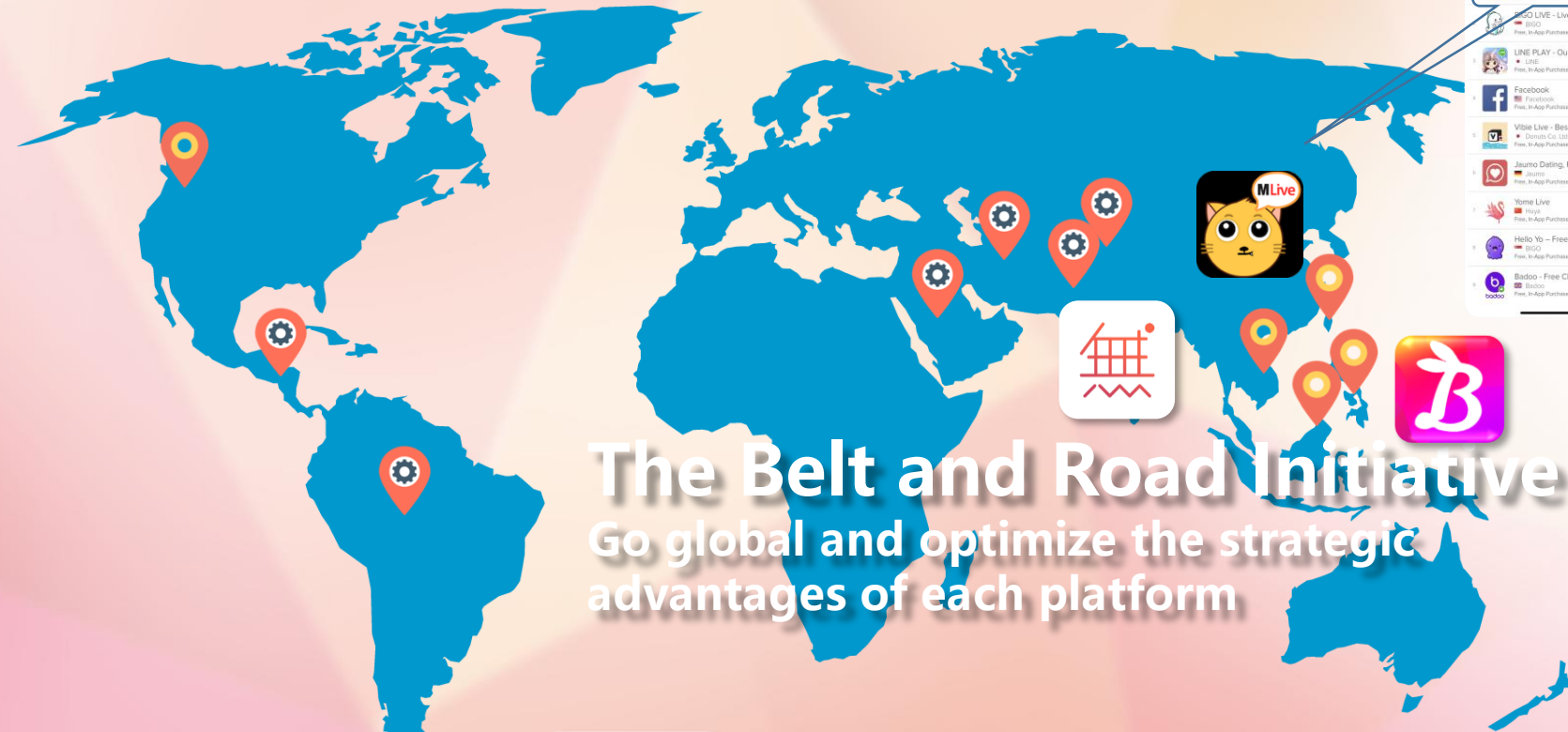


**Matching & pushing  
of intelligent  
information flow**



**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
- ✓ Launched Bunny Live in Vietnam in 2019
- ✓ Mlive ranked No.1 in Thailand's Google Play social free list(April,2019)

## 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**





# Southeast Asian Market-short video/Live popular APP rankings

- ❑ In the income TOP20 list, more than 17 APPs are Chinese short video/Live platforms while 16 APPs in the download volume TOP20
- ❑ Overseas version of Miao Broadcasting - Mlive shortlisted for the download list and income list, ranked in the income list No.3, second only to BIGO LIVE of YY's overseas Live product and QuVideo Inc of video clipping product

2018-2019 Southeast Asian Market short video/Live APP income TOP20

应用及发行商		
1	BIGO LIVE 欢聚时代	中国
2	小影 QuVideo Inc.	中国
3	Mlive WinNine Pacific Pty	澳大利亚
4	17直播Live 17 MEDIA (H.K.)	中国
5	小象直播 广州锐森网络科技有限公司	中国
6	Up直播 亚创集团	中国
7	Kitty Live MICO World	中国
8	Nonolive 世讯信息科技	中国
9	MeMe 直播 FunPlus	中国
10	Tango Live Video TangoMe	美国
11	95Live DONCHEN LIMITED	中国
12	LiveMe 猎豹移动	中国
13	1024直播 1024live	中国
14	Nimo TV 欢聚时代	中国
15	Chums Live 北京珊瑚灵御科技	中国
16	Yome Live 欢聚时代	中国
17	花椒直播 密境和风	中国
18	一直播 一下科技	中国
19	GOGO LIVE Global Live	美国
20	映客 映客互娱	中国

数据来源: Sensor Tower 2018年6月至2019年5月印尼/泰国/越南/菲律宾/马来西亚/新加坡 App Store 及 Google Play 收入估算。

2018-2019 Southeast Asian Market short video/Live APP download volume TOP20

应用及发行商		
1	Tik Tok 字节跳动	中国
2	小影 QuVideo Inc.	中国
3	BIGO LIVE 欢聚时代	中国
4	Likee 欢聚时代	中国
5	Nimo TV 欢聚时代	中国
6	Nonolive 世讯信息科技	中国
7	快手 北京快手科技	中国
8	VMate 2019 UC	中国
9	Cube TV 欢聚时代	中国
10	Up直播 亚创集团	中国
11	Yome Live 欢聚时代	中国
12	Game.ly Live 触手	中国
13	蛋宝游戏厅 Omlet, Inc	美国
14	火山小视频 字节跳动	中国
15	Mlive WinNine Pacific Pty	澳大利亚
16	VOOV 腾讯	中国
17	GOGO LIVE Global Live	美国
18	LiveMe 猎豹移动	中国
19	Tango Live Video TangoMe	美国
20	Mico 深圳乐游网络科技有限公司	中国

数据来源: Sensor Tower 2018年6月至2019年5月印尼/泰国/越南/菲律宾/马来西亚/新加坡 App Store 及 Google Play 下载量估算。

Source: Sensor Tower 2018-2019 Southeast Asia Mobile App Engagement Report, the report data offering download volume and income for in-app purchase on App Store and Google Play in Indonesia, Thailand, Vietnam, Philippines, Malaysia and Singapore, time limit from 1 June 2018 to 31 May 2019.





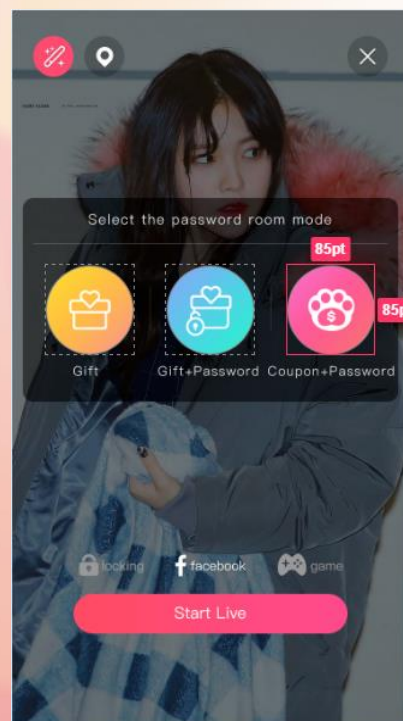
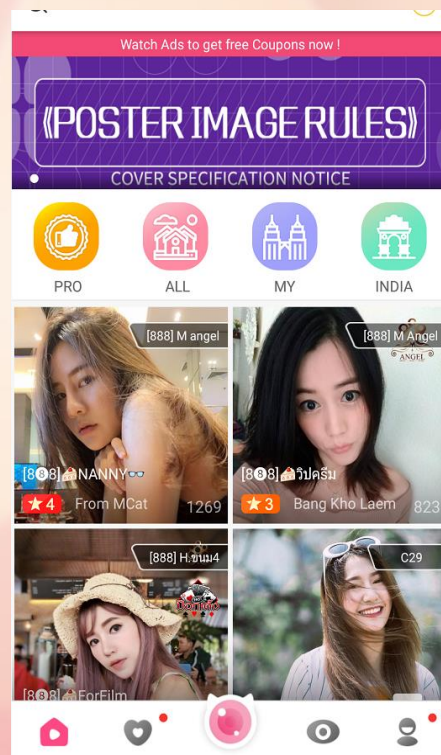
# Thailand social live platform —Mlive

Realtime many-to-many  
interaction

Diversified password room mode

Hosts classified by countries &  
regions

Host page display





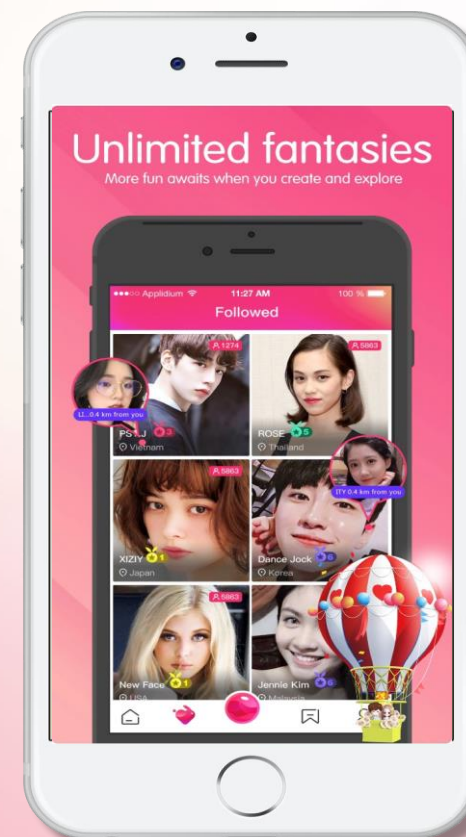
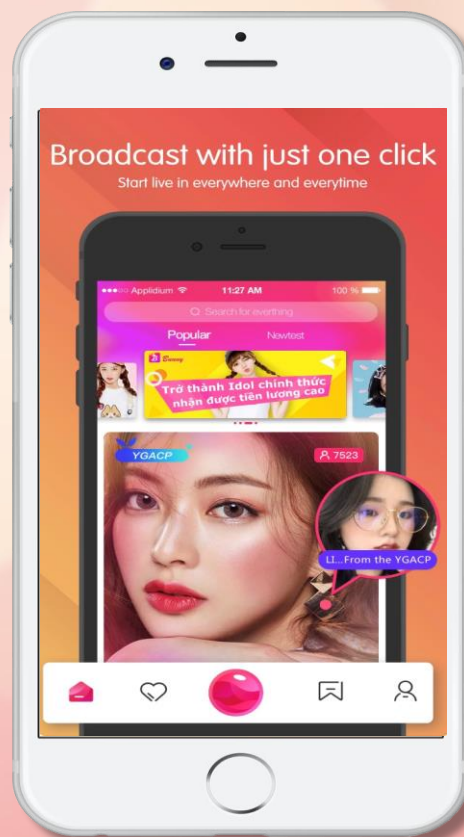
# Vietnam livestreaming platform —Bunny Live

Broadcast with just one  
click

Unique gift system

Unlimited fantasies in  
many-to-many model

Intelligent Beautification







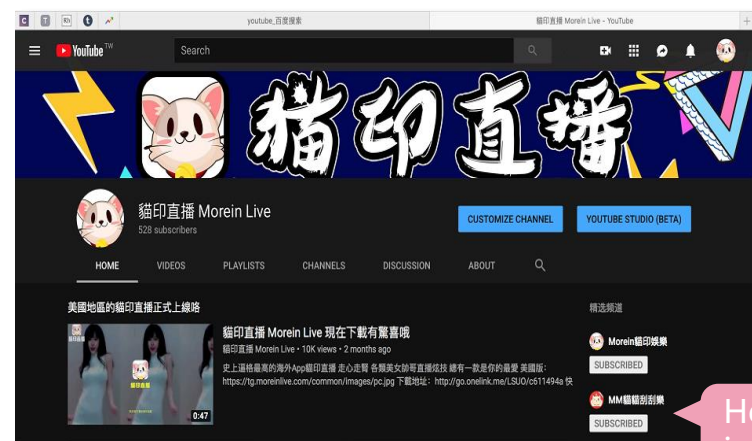
# Taiwan livestreaming platform —Morein.live



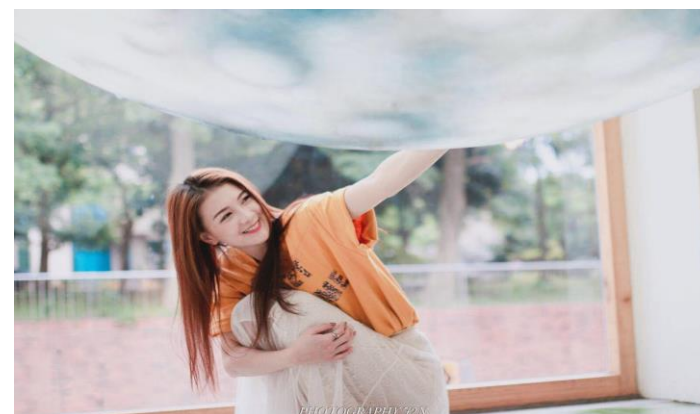
Homepage  
in Instagram



Our popular  
performers



Homepage  
in Youtube





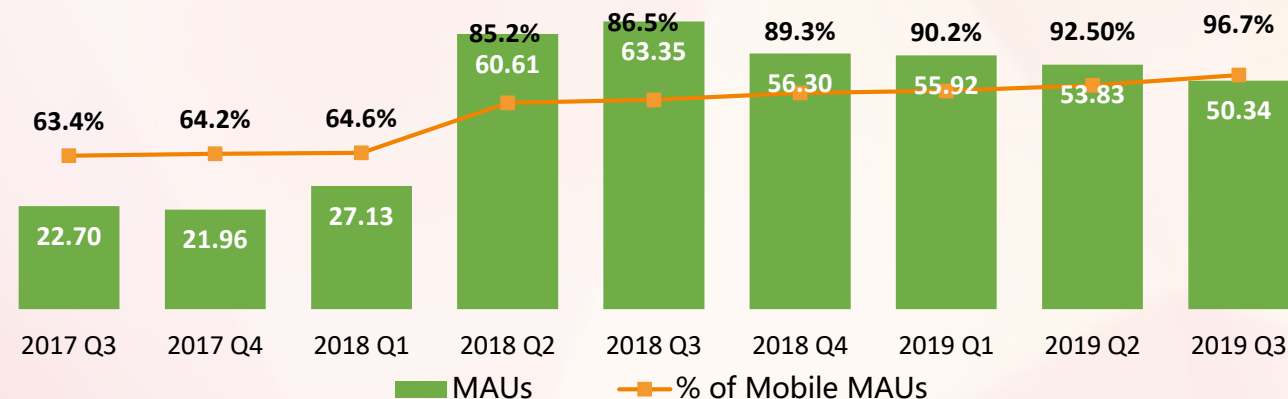


# Financial and Operational Data Overview

# Key Operating Index

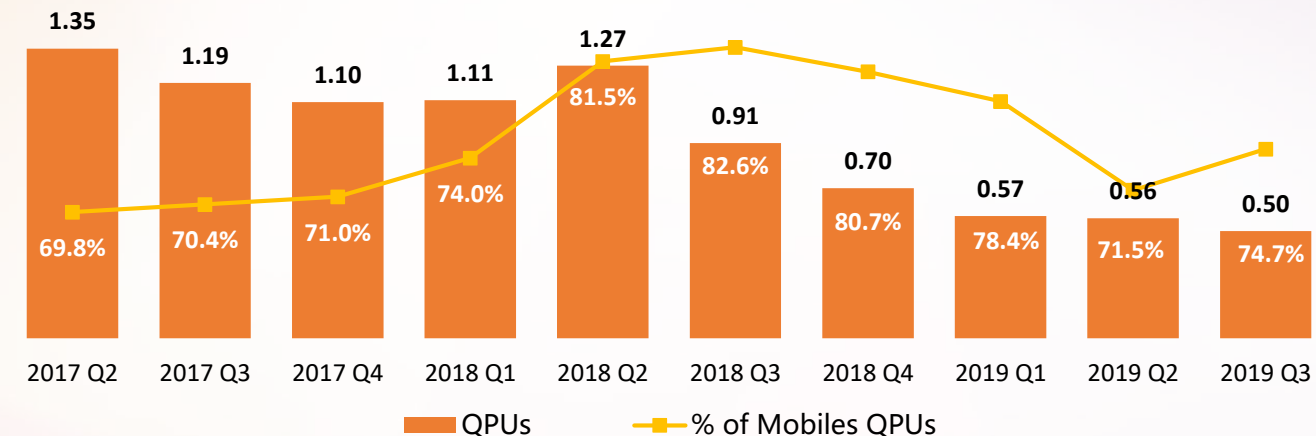
## Average MAUs & % of Mobile MAUs in Total MAUs

('million people)



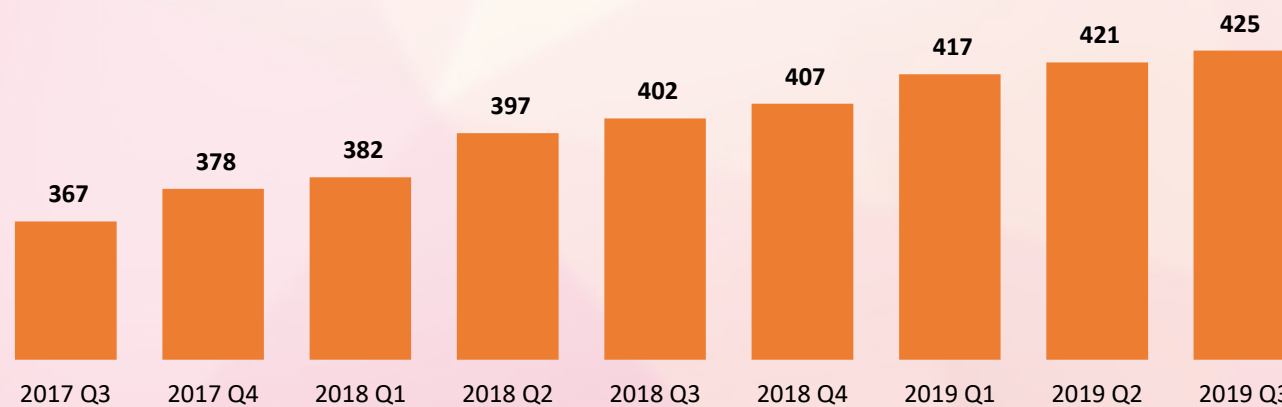
## Average QPUs & % of Mobile QPUs in Total QPUs

('million people)



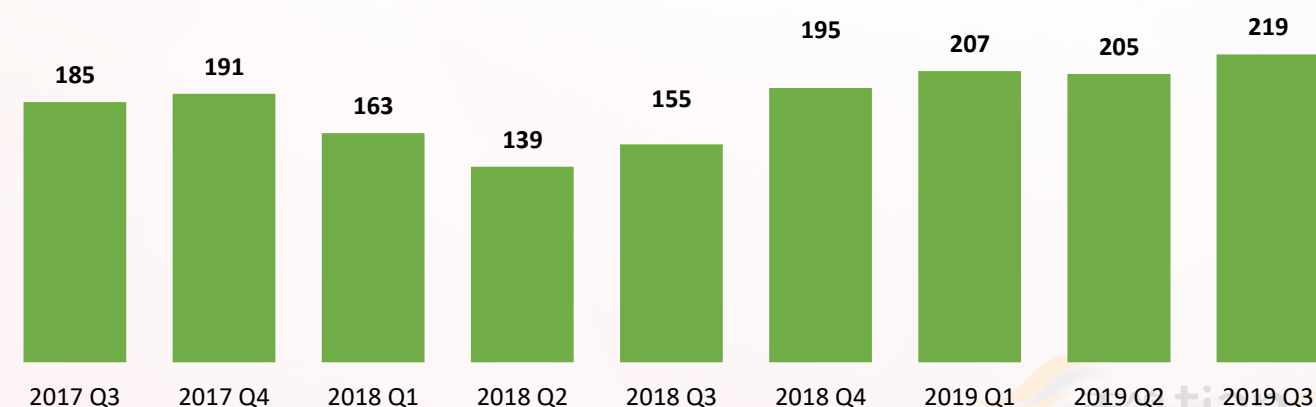
## Total Registered Users

('million people)



## Quarterly Average Revenue Per User

(RMB)



# Financial Highlights in 2019 Q3

(RMB'000)	For the three months ended			For the three months ended	
	September 30.2019	September 30.2018	YoY	June 30.2019	QoQ
Revenue	139,437	179,011	-22.1%	143,364	-2.7%
Gross Profit	122,905	159,547	-23.0%	129,925	-5.4%
Gross Profit Margin	88.1%	89.1%	-	90.6%	-
Net Profit	24,272	94,619	-74.3%	-31,469	-
Adjusted Net Profit	55,587	78,719	-29.4%	56,739	-2.0%
Adjusted Net Profit Margin	39.9%	44.0%	-	39.6%	-
Adjusted EBITDA*	67,984	100,460	-32.3%	83,107	-18.2%

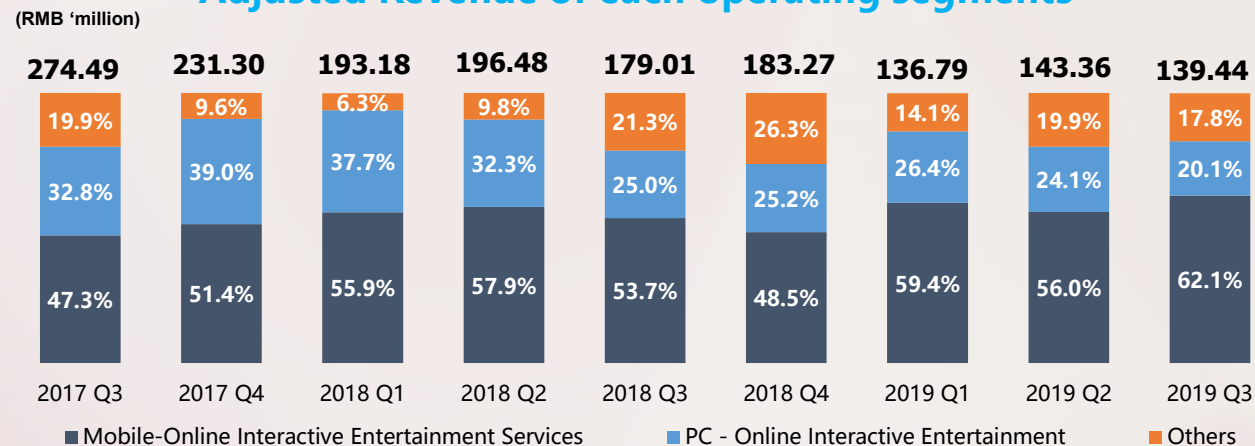
\* Adjusted net profit was derived from the unaudited net profit for the period excluding the effect of non-cash share-based compensation expenses, net losses/(gains) from investee companies, impairment provision, amortization of intangible assets arising from acquisitions and income tax effects of non-IFRS adjustments. And adjusted net profit in Q2 2019 excluded the impact of additional withholding tax. Adjusted net profit margin is excluded the impact of additional withholding tax of adjusted net profit divide by income.

\* Adjusted EBITDA represents operating profit, adjusted to exclude non-cash share-based compensation expenses, net losses/(gains) from investee companies, amortisation of intangible assets arising from acquisitions and depreciation and amortization.

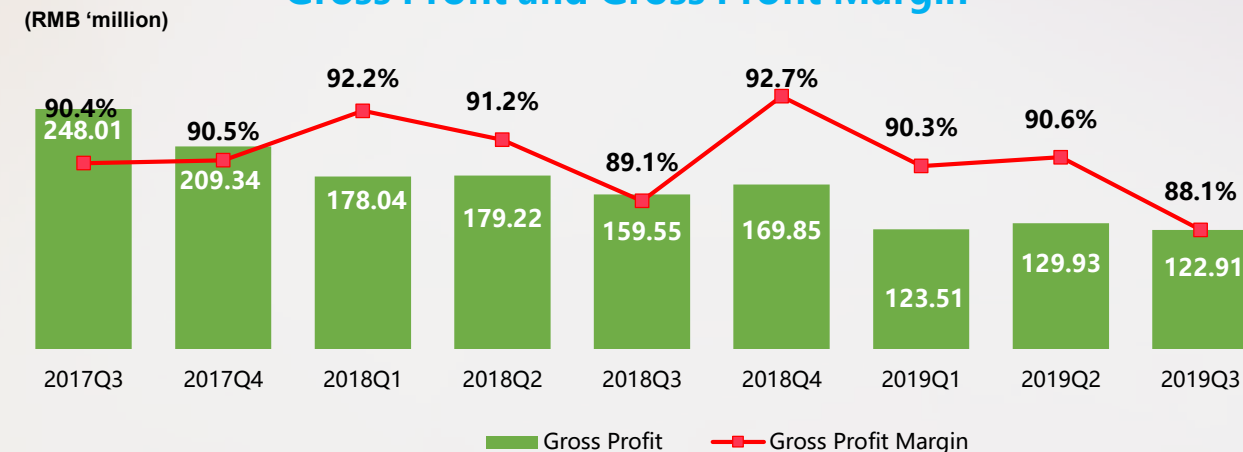


# Profitability and Cost Controls

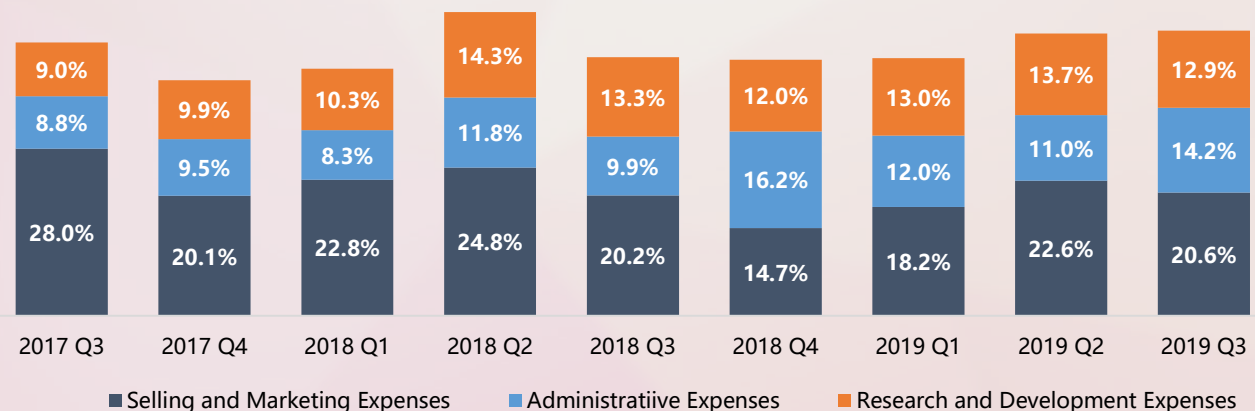
## Adjusted Revenue of each operating segments



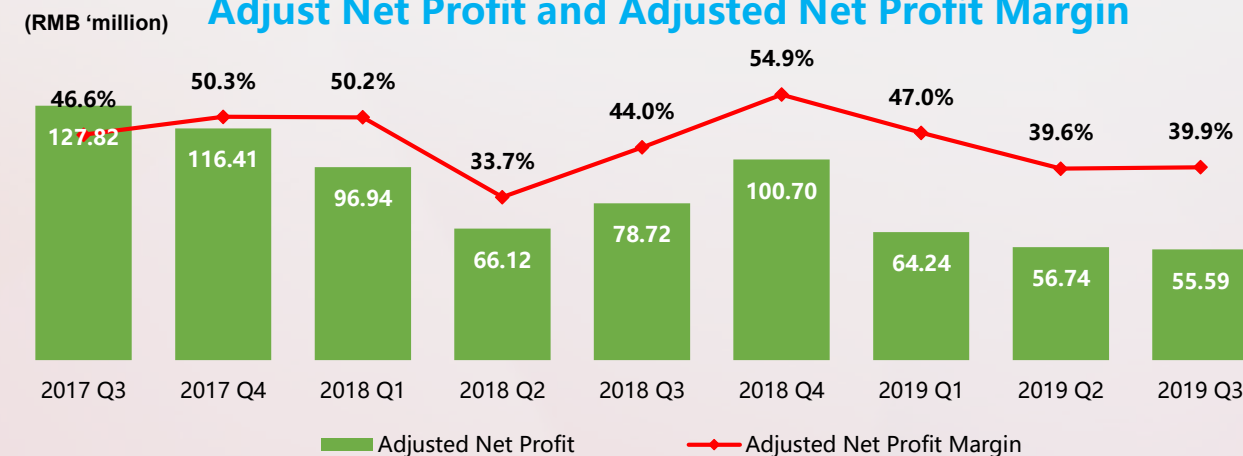
## Gross Profit and Gross Profit Margin



## Adjusted Operating expenses as % of revenues



## Adjusted Net Profit and Adjusted Net Profit Margin



# Balance Sheet Summary

(RMB '000)	As of 30 Jul 2019	As of 31 Dec 2018
Cash and cash equivalent, available-for-sale financial assets	1,557,200	1,416,777
Non-current assets	1,607,975	1,572,543
Current assets	1,688,685	1,583,997
Total assets	3,302,771	3,156,540
Current liabilities	241,381	199,771
Total liabilities	438,597	312,370
Equity attributable to shareholders of the Company	2,849,555	2,831,408
Total equity	2,864,174	2,844,170
Capital expenditures	8,700	62,300

# Cash Flow Summary

(RMB '000)	As of 30 Jul 2019	As of 30 Jul 2018
Net cash generated from operating activities	115,090	122,372
Net cash generated from/ (used in) financing activities	(22,826)	(51,735)
Net cash generated from /(used in) financing activities*	22,002	(101,665)
Net increase/ (decrease) in cash and cash equivalents	114,266	(31,028)
Cash and cash equivalents at end of year	549,432	244,812

\*During the Six months ended September 30, 2019, the Company has repurchased a total of 6.17 million ordinary shares listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with an aggregate amount of HK\$10.85 million.



# 问答环节

Q & A

# THANK YOU

Tian Ge Interactive Holdings Limited

• Stock Code: 1980.HK •