

主持人:.

大家好! 欢迎各位出席天鸽互动控股有限公司的 2015 年第三季度业绩公告电话会议。(主持人提示) 我在此提醒大家,今天的电话会议内容将被录音。(主持人提示)

Hello, everyone. Welcome to Tian Ge Interactive Holdings Limited's Third Quarter 2015 results announcement conference call. (Operator Instructions) I must advise you that this conference is being recorded today. (Operator Instructions)

接下来,我将交由天鸽互动的投资者关系总监柯霆钧先生主持会议,请继续。

At this point, I would like to turn the call over to Mr. Kenneth Ke, Tian Ge's Investor Relations Director. Please proceed.

柯霆钧:

大家好!感谢各位出席天鸽互动控股有限公司的 2015 年第三业绩公告电话会议。

Hi everyone. And thank you for joining Tian Ge Interactive Holdings Limited's Third quarter 2015 earnings conference call

会议开始前提醒大家,除历史事实外,本次电话会议中其他所有陈述都是前瞻性陈述,是基于管理层对天鸽及其行业的预期,假设,预测和估计。此类陈述只于此日前有效,并随时发生改变,天鸽公司并无责任对其改变进行修正。

Before we begin, I will remind you that in this call, we will make "forward-looking statements" that are based on our current expectations, assumptions, estimates and projections about Tian Ge and its industry. All statements other than statements of historical fact we may make during this call are forward-looking statements. These forward-looking statements speak only as of the date hereof and are subject to change at any time, and we have no obligation to update these forward-looking statements.

出席今天电话会议的有公司董事会主席兼首席执行官-傅政军先生、公司执行董事、COO 兼代理 CFO 麦世恩先生。傅总与麦总将以中文进行介绍,并由公司进行翻译。于电话会 议后,我们将把今天的旁白稿上载到公司投资者关系网站上。

Joining us on today's call are Mr. Mike Fu, the Company's Chairman, and CEO; Mr. Richard Mai, COO and acting CFO. Mike and Rich will speak in Chinese, and we will translate their comments into English. Shortly after the call, we will provide a transcript in English on our website.

现在,有请傅主席为我们介绍。



At this time, I would now like to turn the conference call over to our Chairman, Mr Mike Fu.

#### 傅政军:

我们在此宣布公司 2015 年第三季度业绩。第三季度我们持续强化和发展公司的核心在线视频业务往移动端和 O2O 方向发展,并展开新的垂直业务。移动化的浪潮为我们带来了巨大的机遇和挑战。越来越多的年轻人习惯在移动端获取信息,我们认为未来移动端将成为视频娱乐和用户消费的主要入口。

We are here to address our third quarter 2015 earnings result. In the third quarter, we continued to move forward in strengthening and expanding our core live social video products towards mobile, O2O, as well as to other new verticals. However, the trend towards mobile has brought both challenges and significant opportunities to us. As the younger generation tends to rely more on mobile devices rather than PC, we see mobile definitely will be the core tool and major gateway for internet access and consumption.

受 2015 年大环境的制约,天鸽互动在移动端的策略转换以及多元化的布局使第三季度核心收入增速放缓。在此期间,我们成功开发运营了多款手游,完成了多项收购,并与之建立了合作关系。未来我们会继续专注天鸽互动独特的生态体系,多元化的产品和战略性的投资必将加速用户的增长,并逐步实现潜在的移动端以及 PC 端, O2O 的变现机会。

We are taking positive steps to address the issue. As we are strategically transitioning into Mobile, while diversify our products offerings, our financial performance in this quarter doesn't yet show the progress we are making. Meanwhile, we have successfully launched and operated several new mobile games and applications, completed several acquisitions and entered into several cooperation alliances. Going forward, we will focus on leveraging our unique ecosystem and strategic partnership with new vertical leaders as well as strategic investments to diversify product offerings, accelerate user base growth and capitalize on emerging monetization opportunities on PC, mobile and O2O."

2015年3季度,我们的 MAU 同比增长 26.2%至 1,855 万人,主要驱动力来自于我们对移动端产品的投入。得益于移动端网速的不断提升、智能手机价格和流量资费的逐渐降低、以及公司自身的推广投入,我们的 MAU 移动端占比由去年同期的 10.0%增长至今年 3 季度的 20.9%。但是目前行业的 PC 端产品使用率在逐渐下降,移动业竞争加剧,从而提升移动端产品的货币化能力对公司来说仍然是一个不小的挑战。

In 3Q 2015, the number of our total monthly active users increased by 26.2% YoY to 18.6 million, mainly driven by our investment in mobile products. Benefiting from faster mobile connection speed, cheaper mobile device purchase costs, lower mobile traffic fees and our mobile promotions, our percentage mobile MAUs increased to 20.9% in the third quarter of 2015,



compared to 10.0% in the same period of 2014. However, the slowing PC usages, mobile competitions and mobile monetization remain a challenge for the Company.

在游戏方面,除了我们在 2015 年上半年推出的 3 款手游,其中部分融合实时社交的测试功能外,我们也开始试运营一款已授权的全新的 3D 互动游戏"暗黑王座",此游戏的初步检测结果令人期待,该游戏为暗黑系列的 ARPG 游戏,具备独特 3D 视觉特效及交互式运动控制技术。另外,我们目前正积极地与领先的游戏发行合作伙伴探讨共同发行游戏的可能性。

In the terms of games, in addition to the three mobile games we launched and operated with test feature on live social integration in the first half of 2015, we have initiated the soft launch of a licensed new 3D interactive games, Dark Throne "暗黑王座". The initial testing result of these games is highly anticipated. This is a Diablo-style ARPG game with unique 3D visual features and interactive motion control technology. Moreover, we are actively exploring the development of our new web and mobile game publishing platform with leading game publishing partners.

在 O2O 娱乐方面, 我们的 O2O 娱乐策略不再局限于庞大的卡拉 OK 市场, 我们已经透过扩展将用户群及线上体验进一步扩阔至了其他的线下场所(例如酒吧、会所及餐厅等)的智能娱乐装置, 从而实现将我们的产品组合多元化。目前, 我们在超过一千个实体娱乐场所提供 O2O 卡拉 OK 系统以及若干智能装置。

未来,我们计划将会凭藉成熟而完善的分销商生态系统及管理技术在全国范围内授出我们的产品的许可专利并宣传我们的产品。我们相信,我们 O2O 娱乐产品的目标市场规模庞大,并有潜力为股东带来丰厚的回报。

In the terms of ONLINE TO OFFLINE ("O2O") entertainment, our O2O entertainment strategy goes beyond the mass karaoke market. We have diversified our product offering by extending into smart entertainment devices that further expands our user base and online experience into other offline venues, such as bars, pubs, clubs and restaurants, etc. Currently, we offered O2O karaoke system, as well as several smart devices in over a thousand physical entertainment venues.

Going forward, we plan to leverage our well-established distributor ecosystem and management know-how to franchise or promote our products on a national scale. We believe the addressable market for our O2O entertainment products are massive, and could potentially generate outsized shareholder returns.

在健康管理业务方面,我们已经将业务扩展至了医疗保健行业,并且目前正在着手创立一个由我们的内部技术培育团队及策略性投资部门支持,规模更大的,以 O2O 医疗保健为导向的实时社交生态系统。本集团计划日后扩展投资到医疗、保健及美容行业等领域的策略性合作伙伴。



In the terms of Healthcare Management, we have already expanded our business into healthcare industry and are now in the process of creating an O2O healthcare-oriented live social ecosystem in a larger scale, supported by our internal technology incubation team and strategic investment divisions. The future plan of the Group is to expand our investment reach in partnership with our strategic partners in the field of medical, healthcare and beauty industries.

我们今年上半年在日本成立了首家海外子公司,成功拓展了我们的海外业务计划将把高质量的国际内容引入我们的实时社交平台。为配合我们 2015 年第四季度的国际化战略计划,我们的日本子公司即将上线,同时我们的平台也即将开始为用户提供日本及韩国方面的内容及主播。

We established our first overseas subsidiary in Japan during first half of 2015, through which we successfully increased our global presence and at the same time introduced new premium international contents to our live social platforms. Our Japanese interactive platform is about to go online and our Chinese platform will begin offering Japanese and Korean contents and hosts as part of our internationalization strategy in 4Q 2015.

最后,我们对公司的未来发展,利润前景及自由现金流增长,仍充满信心。现在,请我们 COO 兼代理 CFO Rich,让他更详细介绍公司的运营及财务情况。

Lastly, we are highly confident on Tian Ge's future development, profitability prospect and free cash flow growth. Now, let me turn the call to our COO and acting CFO Rich, to go over our operating and financial performance.

#### 麦世恩先生:

感谢 Mike, 大家好!

Thanks Mike and hello everyone.

现在让我先向大家汇报我们2015年第三季的运营数据。

Let me first go through our Operating metrics for 3Q 2015

2015年三季度, 我们的 MAU 由 2014年同期的 1470万人同比增长 26.2%至 1860万人。季度付费用户 QPU 同比增长 26.1%至 81.1万人。季度 ARPU 则由 2015年2季度的人民币 222元,下降 17.1%至 2015年3季度的人民币 184元,主要由目前的移动端货币化较弱所导致。

In 3Q 2015, our total MAU increased by 26.2% year-on-year to 18.6 million from 14.7 million in the corresponding period in 2014. Our Quarterly Paying User increased by 26.1% year-on-year



to 811,000. Our Quarterly ARPU decreased to RMB 184 from RMB 222 in the previous quarter, mainly due to the current mobile migration with relatively weak monetization.

我们线上平台的房间和主播数量保持稳定,上麦用户的 MAU 占比由上季度的 3.7%,轻 微下降至 2015 年 3 季度的 3.4%。主要是因为用户的习惯在转变,我们月活跃用户在移动端偏向以交谈形式互动或只观看在线内容。总体而言,我们的移动端用户群正稳定增长,但要提升货币化程度仍然是个挑战。

Number of hosts and rooms on our online platforms remained stable and the percentage users on air over MAU on our online platforms declined slightly to 3.4% in 3Q 2015 from 3.7% in the previous quarter. That's mainly because our mobile active users also tend to interact more in terms chatting and solely viewing. Overall, our mobile user base are steadily growing, but improving mobile monetization remains a challenge to the Company.

接下来, 我将向大家汇报我们 2015 年三季度的财务业绩。

Next, Let me go through our financial highlights for the third quarter of 2015.

今天我所提及的所有数据是以人民币元为单位,所有的百分比变动都是指与去年同期的同比数据。

Let me first clarify that all the figures I'm giving today are in Chinese RMB. And all the percentage changes refer herein are year-over-year comparisons.

- 总收入较 2014 年同期的人民币 1.73 亿元下降 8.4%至人民币 1.59 亿元,下跌的原因主要是付费用户的 ARPU 下跌以致線上平台的收入有所下降。而付费用户的 ARPU下跌則因為行业的 PC 端产品使用率在逐渐下降。
  - Total Revenues decreased by 8.4% year-on-year to RMB 158.5 million from RMB 173.1 million in the same period in 2014, mainly due to the decrease of income from online platforms as a result of decreasing ARPU paying users, which is affected by industry trend and shifting user trends from PCs to mobile devices.
- 毛利润由 2014 年同期的人民币 1.53 亿元同比下降 22.1%至人民币 1.19 亿,毛利率 由 88.5%下降至 75.3%。
- Total Gross Profit decreased by 22.1% to RMB 119.3 million from RMB 153.1 million in the same period of 2014. Gross margin decreased to 75.3% from 88.5% in the same period in 2014.
- 销售及市场推广开支相比 2014 年同期的人民币 6,120 万元,同比下滑 19.8%至人民币 4,910 万元,主要由于我们 3 季度实施了成本控制。



Selling and marketing expenses decreased by 19.8% to RMB 49.1 million from RMB 61.2 million in the same period in 2014. The decrease was primarily due to the cost control policy we adopted this year.

- 行政开支较 2014 年同期的人民币 3,680 万元同比减少 29.2%至人民币 2,600 万元。 行政开支的减少主要是因为员工期权费用及上市费用的减少所致。
  - Administrative expenses decreased by 29.2% to RMB26.0 million from RMB 36.8 million in the same period in 2014, primarily due to the decrease of share-based compensation and listing expenses.
- 研发开支较 2014 年同期的人民币 2,300 万元同比下跌 4.5%至人民币 2,190 万元, 主要是由于员工期权费用的减少所致。
  - Research and development expenses decreased by 4.5% to RMB21.9 million from RMB 23.0 million in the same period in 2014, primarily due to the decrease in share-based compensation.
- 2015年第三季度经调整EBITDA 较 2014年同期的人民币 8,070万元同比下跌 27.5%至人民币 5,850万元。
  - Adjusted EBITDA decreased by 27.5% to RMB58.5 million from RMB 80.7 million in the same period of 2014
- IFRS 净利润较 2014 年同期的人民币 2,090 万元同比增长 41.9% 至人民币 2,960 万元。
  - IFRS net profit increased by 41.9% to RMB29.6 million from RMB20.9 million in the same period in 2014.
- 经调整净利润由 2014 年同期的人民币 7,160 万元下跌 37.3%至人民币 4,490 万元。
  经调整净利润率由 41.4%下跌至 28.3%。
  - Our Adjusted net profit decreased by 37.3% to RMB44.9 million from RMB71.6 million in the same period of 2014 and Adjusted net profit margin decreased to 28.3% from 41.4%.
- IFRS 每股基本盈利为人民币 0.024 元, 经调整每股基本盈利为人民币 0.036.元 IFRS Basic earnings per share was RMB 0.024 per share. Adjusted basic earnings per share was RMB 0.036.

截至2015年9月30日, 我们没有任何银行借贷, 现金及现金等价物, 定期存款及保本结构性存款为人民币14.97亿元。

As of September 30, 2015, we had no debt and RMB 1,497.3 million in cash, cash equivalents, term deposits, and principal-protected structured deposit.

截至2015年9月30日止3个月, 我们没有重大的资本开支。



In the third quarter, the Company did not have any significant capital expenditures for the three months ended September 30, 2015.

2015 年的三季度, 我们通过产品多样化和用户向移动端转移的新趋势进入了一个转型的阶段, 并且凭借着我们对国内三四线城市的用户习性的了解, 将有利于巩固和维持我们在三四线城市的行业领导地位。

During the third quarter of 2015, we're entering into a transitional stage through product diversification as well as undergoing the evolving trend of switching user behavior from PC to mobile, our focus and understanding of the users across Tier 2 to 4 cities of China remains our strength and will retain our leadership position in the lower Tier cities.

现在将是问答环节,请主持人开放线路予投资者提问。谢谢!

With that, I would like to open the call to Q&A. Operator, would you please open the line for questions. Thank you.