Tian Ge Interactive Holdings Limited
天 鴿 互 動 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1980)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS

(in RMB 000)	Unaudited Six months ended June 30, 2015	June 30, 2014	Year-on-Year* Change
Revenue**	**371,837**	344,257	8.0%
Gross Profit	**304,454**	290,203	4.9%
Gross Margin	***81.9%***	*84.3%*	
Profit/(Loss) attributable to equity holders of the Company	**114,911**	(174,353)	
Non-IFRS Adjusted Net Profit***	**151,903**	131,701	15.3%
Adjusted Net Profit Margin	***40.9%***	*38.3%*	
EPS (expressed in RMB per share)			
– basic	**0.093**	(0.272)	
– diluted	**0.088**	(0.272)	
Non-IFRS Adjusted EBITDA****	**190,131**	158,708	19.8%
Adjusted EBITDA margin	***51.1%***	*46.1%*	

* Year-on-Year change represents a comparison between the current reporting period and the corresponding period last year.

** For the period after June 1, 2014, revenue is recorded net of 6% VAT tax.

*** Non-IFRS adjusted net profit was derived from the unaudited profit for the period excluding the effect of non-cash share-based compensation expenses, non-cash fair value change of convertible redeemable preferred shares and listing expenses.

**** Non-IFRS adjusted EBITDA represents operating profit, adjusted to exclude share-based compensation expenses, listing expenses, depreciation and amortization.

INTERIM RESULTS

The board of directors (the "**Directors**") (the "**Board**") of Tian Ge Interactive Holdings Limited (the "**Company**" or "**Tian Ge**") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2015. These interim results have been reviewed by (i) the Company's audit committee (the "**Audit Committee**"), comprising solely the independent non-executive Directors, one of whom chairs the committee, and (ii) the Company's external auditors, PricewaterhouseCoopers.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Overview and Outlook

In the first half of 2015, we continued to make healthy progress in expanding and developing our overall business. Thanks to the improved functionality of our services and strong user activity on our platform, we achieved robust financial results for the first half of 2015. We recorded a net profit attributable to equity holders of the Company of approximately RMB114.9 million for the six months period ended June 30, 2015 as compared to the significant net loss attributable to equity holders of the Company of RMB174.4 million for the corresponding period in 2014.

Our successful and highly profitable ecosystem based business remains highly dependent on the PC interface today for user interaction. Nonetheless, we continue to see resilience in our PC users, and long-term sustainability of the business model, but we also realize that the next generation of users will seek new forms of live social video products on new mobile devices and other smart technologies.

To date, we have several major initiatives to grow our business:

Mobile

Recognizing the trend towards mobile for the future generation, we plan to facilitate complete multi-platform usability and functionality, as we leverage our brand, user base and technology to give users the flexibility to enjoy our content anytime and anywhere. We aim to take full advantage of the technological and infrastructure improvements in China, including the ongoing recent rollout of 4G services, which will support high-quality video streams on mobile devices, lower traffic costs as recently announced by Ministry of Industry and Information Technology and cheaper purchasing costs for mobile devices.

In the second quarter of 2015, our mobile monthly active users ("**MAU**") increased to 18.0% from 14.8% in the previous quarter and compared to 7.4% in the corresponding period of 2014. In addition to our rapid mobile MAU growth, we are also developing and exploring investment opportunities on new mobile applications, extending into new verticals, and testing new emerging businesses that leverage our large audience and establish capabilities in live social ecosystem.

Games

In the first half of 2015, we have successfully launched and operated three mobile games with test feature on live social integration. We achieved more than 60% increase rate (net of VAT effect) in the game sector. In addition to the "live social embedded function" that we developed to leverage our technological and operational expertise and ecosystem, we are looking into licensing proprietary technology and contents from leading gaming partners overseas to enhance its user experience and core competency in the gaming field.

Moreover, we are currently in the process of soft-launching a new 3D interactive game, which is a new Diablo-style ARPG game with unique 3D visual features and interactive motion control technology.

Lastly, we are actively exploring the development of our new web and mobile game publishing platform with leading game publishing partners.

Online to Offline ("O2O") Entertainment

Our live social ecosystem goes beyond the online services we provide. It also includes how we create additional live social experiences with our users in the offline world. In the first half of 2015, we successfully introduced and tested our new products in several pilot stores and announced our strategic alliance with Wenzhou BJL Entertainment Investment Management Co., Ltd. ("**BJL Entertainment**"), as their exclusive online partner for the Jolly100 chain karaoke brand in China. Our cloud-based software solution has successfully expanded the user demographic and increased the offline asset's yield through the introduction of online to offline promotions, gamification, virtual gifting and virtual economies, host economy and other innovative features.

Moreover, our O2O entertainment strategy goes beyond the mass karaoke market. Our goal is to further expand our user base and online experience into other offline venues, such as bars, pubs, clubs and restaurants, etc. The next step going forward includes identifying additional key partners to launch our revolutionary O2O entertainment products on a national scale. We believe the addressable market for our O2O entertainment products is massive, and could potentially generate outsized shareholder returns.

Healthcare Management

In the first half of 2015, we expanded our business into healthcare industry through the investment in Hangzhou Seehealth Information Technology Co., Ltd. We are currently actively developing our mobile healthcare management application. As part of our strategic plan, we are also in the process of creating a healthcare oriented live social ecosystem in a larger scale, supported by our internal technology incubation team and strategic investment divisions.

Overseas Expansion

As one of our overseas expansion strategy, we successfully established our first overseas subsidiary in Japan, Dimensional Media Inc. in the first half of 2015, which would allow us to replicate our proven successful business model overseas, increase our global presence and at the same time introduce new premium international contents to our live social platforms. Moreover, we are licensing some of our proprietary live social video technologies to the overseas market as well.

We aim to leverage our strong technological capabilities and infrastructure, large and loyal user base and established social ecosystem to advance our penetration and global presence outside of Mainland China in countries and regions with large number of Chinese speakers and similar cultural background in the karaoke and entertainment area.

2. Operating Information

The following table sets forth certain quarterly operating statistics relating to the Company's internet platforms as of the dates and for the periods presented below:

	Three months ended				
	June 30, 2015	**March 31, 2015**	**Quarter-on-quarter Change**	June 30, 2014	Year-on-year Change
Monthly Active Users *(in '000)*	**18,880**	**17,386**	**8.6%**	13,747	37.3%
Online Platforms	**17,834**	**16,425**	**8.6%**	13,428	32.8%
Games	**1,046**	**961**	**8.8%**	319	227.9%
Quarterly Paying Users *(in '000)*	**810**	**769**	**5.3%**	634	27.8%
Quarterly Average Revenue Per User *(RMB)*	**222**	**225**	**-1.3%**	270	-17.8%
Number of Rooms	**29,374**	**29,187**	**0.6%**	29,449	-0.3%
Number of Hosts	**39,264**	**39,102**	**0.4%**	38,448	2.1%

The following is a summary of the comparative figures for the periods presented above:

- The number of MAU for Tian Ge's online platforms was approximately 17.8 million for the three months ended June 30, 2015, representing an increase of approximately 32.8% from the three months ended June 30, 2014 and representing an increase of approximately 8.6% from the three months ended March 31, 2015.

- The number of Quarterly Paying Users ("**QPU**") for Tian Ge's online business was approximately 810,000 for the three months ended June 30, 2015, representing an increase of approximately 27.8% from the three months ended June 30, 2014 and representing an increase of approximately 5.3% from the three months ended March 31, 2015.

- The Quarterly Average Revenue Per User ("**ARPU**") of Tian Ge's online business for the three months ended June 30, 2015 decreased by 17.8% to RMB222 from the three months ended June 30, 2014 and representing a decrease of approximately 1.3% from the three months ended March 31, 2015, primarily due to the significant increase in our mobile paying user base.

- The number of hosts and number of rooms on our online platforms remained stable on a quarter-on-quarter basis as compared to the three months ended March 31, 2015, mainly because we began consolidating rooms and increasing the average room size of popular rooms in recent quarters, to meet growing popularity for larger rooms, especially among our growing number of new mobile users.

- Number of users on air on our online platforms experienced a slight sequential decrease as compared to the previous quarter and the corresponding period of 2014, primarily due to the continual increase in the percentage of MAUs accessing via mobile devices and we are experiencing a growing preference of our users to participate in channels solely through viewing and chatting, and less as a percentage of active users through live video interaction.

- The percentage users on air over MAU on the online platforms declined slightly to 3.7% in the three months ended June 30, 2015, as compared to 3.8% in the immediately preceding quarter.

- The total number of registered users of Tian Ge as at June 30, 2015 was 283.2 million, as compared to 268.5 million as at December 31, 2014.

3. Financial Information

Revenue increased by 8.0% year-on-year to RMB371.8 million for the six months ended June 30, 2015 from RMB344.3 million for the corresponding period in 2014, driven by the success of our online businesses, which mainly include our online platforms and mobile games. The increase was also contributed by the growth of other revenue. As one of our international expansion strategy, we licensed one of our proprietary live social video technologies to the overseas market and recorded approximately RMB12 million income.

After the implementation of the Pilot Practice of Levying VAT in Place of Business Tax for the Telecommunication Industry (Caishui No. 43, [2014]) jointly issued by the Ministry of Finance and the State Administration of Taxation effective from June 1, 2014 ("**VAT reform**"), our revenue is recorded as net off 6% VAT tax from June 1, 2014. Excluding this effect, our revenue for the six months ended June 30, 2015 increased approximately 13.3% year-on-year compared to the corresponding period of 2014.

The Company currently does not break down revenue into segments, as it currently evaluates the business as one segment.

Cost of Revenue

Cost of revenue experienced an increase of 24.6% year-on-year to RMB67.4 million for the six months ended June 30, 2015 from RMB54.1 million for the corresponding period in 2014. The increase was primarily due to the higher cost related to launch and operation of our mobile games and other value-added services, and partially offset by the saving of business tax and surcharges after the VAT reform as mentioned in the above section.

The gross margin for the six months ended June 30, 2015 was 81.9%, compared with 84.3% for the corresponding period in 2014.

Selling and Marketing Expenses

Selling and marketing expenses decreased by 2.5% year-on-year to RMB92.4 million for the six months ended June 30, 2015 from RMB94.8 million for the corresponding period in 2014. The decrease was mainly caused by the decrease of marketing and promotion expenses.

Administrative Expenses

Administrative expenses decreased by 19.3% year-on-year to RMB56.2 million for the six months ended June 30, 2015 from RMB69.6 million for the corresponding period in 2014, which was primarily due to the decrease of listing expenses of RMB31.9 million and business tax and related surcharges of RMB7.2 million benefiting from the VAT reform effective from June 1, 2014. The decrease was partially offset by the increase in share-based compensation of RMB16.8 million.

Research and Development Expenses

Research and development expenses increased by 17.6% year-on-year to RMB40.0 million for the six months ended June 30, 2015 from RMB34.0 million for the corresponding period in 2014, primarily due to the increase in employee benefits and new research and development investment in mobile games.

Other Gains, Net

Other gains, net increased by 97.2% year-on-year to RMB27.8 million for the six months ended June 30, 2015 from RMB14.1 million for the corresponding period in 2014, mainly caused by the increase of investment income of RMB14.9 million from the structured deposits.

Finance Income, Net

Finance income, net decreased by 33.3% year-on-year to RMB0.8 million for the six months ended June 30, 2015 from RMB1.2 million for the corresponding period in 2014, mainly caused by the decrease of interest income on our cash and cash equivalents.

Gain/(Loss) attributable to equity holders of the Company

We recorded gain attributable to equity holders of the Company for the six months ended June 30, 2015 of RMB114.9 million instead of loss attributable to equity holders of the Company of RMB174.4 million for the corresponding period of 2014. The change was mainly attributable to (i) the absence of fair value loss of convertible redeemable preferred shares as all such shares were automatically converted into ordinary shares upon completion of the initial public offering (the "**IPO**") on July 9, 2014 (the "**Listing Date**"); and (ii) the increase in our operating profit.

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, adjusted net profit and adjusted EBITDA are used as additional financial measures. These financial measures are presented because they are used by management to evaluate operating performance. The Company also believes that these non-IFRS measures provide useful information to help investors and others understand and evaluate the Company's consolidated results of operations in the same manner as management and in comparing financial results across accounting periods and to those of our peer companies.

The following table sets forth the Company's non-IFRS financial data for the periods presented:

	Unaudited Six months ended		
(in RMB 000)	**June 30, 2015**	June 30, 2014	Year-on-year Change
Non-IFRS Financial Data			
Non-IFRS adjusted EBITDA	**190,131**	158,708	19.8%
*Non-IFRS EBITDA margin**	***51.1%***	*46.1%*	
Non-IFRS adjusted Net Income	**151,903**	131,701	15.3%

* Non-IFRS EBITDA margin is calculated by dividing adjusted EBITDA by revenues.

Non-IFRS Adjusted EBITDA

Non-IFRS adjusted EBITDA, as presented, represents operating profit, adjusted to exclude share-based compensation expenses, listing expenses, depreciation and amortization. The use of non-IFRS adjusted EBITDA has certain limitations because it does not reflect all items of income and expenses that affect operations. Items excluded from non-IFRS adjusted EBITDA are significant components in understanding and assessing our operating and financial performance. Share-based compensation expenses, listing expenses, depreciation and amortization have been and may continue to be incurred are not reflected in the presentation of non-IFRS adjusted EBITDA. Each of these items should also be considered in the overall evaluation of the Company's results.

The following table reconciles our net profit to our non-IFRS adjusted EBITDA for the periods presented:

	Unaudited Six months ended		
(in RMB 000)	**June 30, 2015**	June 30, 2014	Year-on-year Change
Operating Profit	**143,590**	105,865	35.6%
Share-based compensation expense	**35,063**	13,510	159.5%
Listing expense	**–**	31,865	-100.0%
Depreciation and amortization expense	**11,478**	7,468	53.7%
Non-IFRS Adjusted EBITDA	**190,131**	158,708	19.8%

Non-IFRS Net Income and Earnings Per Share

Non-IFRS net income eliminates the effect of non-cash share-based compensation expenses, non-cash fair value change of convertible redeemable preferred shares, non-cash gains and listing expenses. The term of adjusted net profit is not defined under IFRS.

Non-IFRS earnings per share and non-IFRS diluted earnings per share are not defined under IFRS. Non-IFRS earnings per share is defined as adjusted net profit attributable to the equity holders of the Company divided by weighted average number of ordinary shares outstanding.

The denominator for computing the adjusted diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of Series B convertible redeemable preferred shares (if applicable) and to assume share options granted to employees under 2008 Global Share Option Plan and restricted share units granted to employees under Pre-IPO Restricted Share Unit Scheme and Post-IPO Restricted Share Unit Scheme have been fully vested and exercised with no impact on the non-IFRS adjusted earnings. The number of ordinary shares outstanding during the corresponding period has been adjusted retroactively for the proportional changes in the number of preferred shares, share options and restricted share units outstanding as a result of the issuance of bonus shares for the corresponding period. The numerator of adjusted diluted EPS is adjusted net profit attributable to the equity holders of the Company.

The following table sets forth the reconciliations of the Company's net profit to non-IFRS net income for the periods presented below:

	Unaudited		
	Six months ended		Year-on-year
(in RMB 000)	**June 30, 2015**	June 30, 2014	Change
Net Profit/(Loss)	**116,840**	-174,176	
Share-based compensation expense	**35,063**	13,510	159.5%
Listing expense	**–**	31,865	-100.0%
Fair value loss of convertible redeemable preferred shares	**–**	260,502	-100.0%
Non-IFRS Net Income	**151,903**	131,701	15.3%

4. Liquidity and Financial Resources

Cash and Cash Equivalent, Restricted Cash and Financial Assets/Term Deposits

Cash and cash equivalents consist of cash at bank and cash on hand, and as at June 30, 2015 and December 31, 2014 amounted to RMB189.2 million and RMB289.1 million, respectively. All cash in bank balances as of these dates were demand deposits and term deposits with initial terms of less than three months. Since there are no cost-effective hedges against the fluctuation of Renminbi ("**RMB**") and no effective manner to generally convert a significant amount of non-RMB currencies into RMB, which is not a freely exchangeable currency, there is a risk that we may experience a loss as a result of any foreign currency exchange rate fluctuations in connection with our deposits and investments.

The Company had current available-for-sale financial assets of RMB292.1 million and RMB313.0 million as at June 30, 2015 and December 31, 2014, respectively. Current available-for-sale financial assets typically consist of RMB-denominated principal-guaranteed structured deposits with floating interest rates ranging from 3% to 5% per annum with maturity periods within one year or with an ongoing term offered by large state-owned and commercial banks in China.

The Company had financial assets at fair value through profit or loss of RMB241.3 million and RMB109.5 million as at June 30, 2015 and December 31, 2014, respectively. Financial assets at fair value through profit or loss mainly represent investments in certain principal-protected structure deposits issued by national commercial banks in the PRC and reputable international financial institutions in Hong Kong. They have an initial term ranging from two months to one year, and were classified as financial assets at fair value through profit or loss upon initial recognition.

The Company had term deposits with initial terms of over three months of RMB904.7 million and RMB1,082.8 million as at June 30, 2015 and December 31, 2014, respectively.

Bank Loans and Other Borrowings

As at June 30, 2015 and December 31, 2014, the Company had no bank loans and other borrowings outstanding.

Gearing Ratio

The gearing ratio as at June 30, 2015 and December 31, 2014 were 0%.

Capital Expenditures

For the six months ended June 30, 2015, our capital expenditures were approximately RMB43.9 million, including approximately RMB30.1 million related to the purchase of new office space located in Beijing, which had been transferred to our fixed assets in February 2015, approximately RMB8.9 million related to the pre-payment of our newly purchased office space in Hangzhou, RMB1.8 million related to the decoration of our new offices and RMB3.1 million related to servers and other office equipment, etc.

Significant Investment

The Company did not make any significant investments for the six months ended June 30, 2015.

Mergers and Acquisitions

In January 2015, the Group acquired 80% of the equity interest of Jinhua Shixun Network Technology Co., Ltd., an independent third party company specialised in online live social video related technologies at a total consideration of RMB25,000,000.

In March 2015, the Group acquired 34.47% equity interest of Hangzhou Seehealth Information Technology Co., Ltd., a company specialised in online health information services at a total cash consideration of RMB23,978,700.

In April 2015, the Group acquired 50.91% of the equity interest of Uncle Sam (HK) Co., Ltd., a company incorporated in Hong Kong at a consideration of RMB23,400,000.

In April 2015, the Group acquired 60% of the equity interest of Hangzhou Raily Plastic Surgery Clinic Co., Ltd., a beauty clinic at a total consideration of RMB10,500,000.

Except as disclosed above the Group did not make any other material mergers or acquisitions for the six months ended June 30, 2015.

Charges on Assets

As at June 30, 2015, the Group did not have any asset charges.

Contingent Liabilities

As at June 30, 2015, the Group did not have any significant contingent liabilities.

Foreign Exchange Risk

Most of our subsidiaries' functional currencies are RMB, as the majority of the revenues of these companies are derived from our operations in mainland China. We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to foreign currency denominated financial assets as at June 30, 2015. We do not hedge against any fluctuation in foreign currency.

5. Corporate Information

Staff

The Company had 768 full time employees as at June 30, 2015. Tian Ge's success depends on its ability to attract, retain and motivate qualified personnel. The Company adopts high standards in recruitment with strict procedures to ensure the quality of new hiring and use various methods for recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through hunting firms or agents, to satisfy the demand for different types of talents. Moreover, the Company provides a robust training program for new employees in order to effectively equip them with the skill sets and work ethics which are necessary to succeed at Tian Ge.

Relevant staff cost was RMB95.0 million for the first half of 2015, while our staff cost was RMB69.3 million for the six months ended June 30, 2014. The Group's remuneration policies are formulated according to the duty, experience, ability and performance of individual employees and are reviewed annually. In addition to basic salary, employees are entitled to other benefits including social insurance contribution, employee provident fund schemes and discretionary incentive.

The Company's employees have not formed any employee union or association. Tian Ge believes that it maintains a good working relationship with its employees and the Company did not experience any significant labor disputes or any difficulty in recruiting staff for our operations during the period under review.

Share Option Schemes

The Company has adopted the Pre-IPO Share Option Scheme, the Pre-IPO Restricted Share Unit Scheme, the Post-IPO Share Option Scheme and the Post-IPO Restricted Share Unit Scheme (the "**Schemes**"). The purpose of the Schemes is to reward the participants defined under the Schemes for their past contribution to the success of the Group and to provide incentives to them to further contribute to the Group.

The share-based compensation expenses for the first half of 2015 is RMB35.1 million, as compared to RMB13.5 million in the corresponding period in 2014.

6. Use of Proceeds from Global Offering

The net proceeds from the global offering (after the exercise of the over-allotment option and after deducting the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the global offering) amounted to approximately HK$1,725.0 million (equivalent to approximately RMB1,376.0 million). As at June 30, 2015, approximately HK$704.0 million (equivalent to approximately RMB556.7 million) had been used in investing in potential acquisitions, expanding our marketing and promotion activities, developing our mobile applications and enhancing our research and development efforts. We have utilized, and will continue to utilize the net proceeds from the IPO for the purposes consistent with those set out in the section headed "Future Plans and Use of Proceeds" contained in the prospectus of the Company dated June 25, 2014. The unutilized net proceeds had been deposited into term deposits in the bank account maintained by the Group as well as used in money markets principal protected instruments as classified under available-for-sale financial assets and financial assets at fair value through profit or loss in our consolidated balance sheet.

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2015

	Note	**Unaudited June 30, 2015 RMB'000**	Audited December 31, 2014 *RMB'000*
Assets			
Non-current assets			
Property and equipment		**184,495**	142,280
Intangible assets		**125,965**	49,002
Investment in associates	*4*	**29,501**	3,863
Available-for-sale financial assets	*6*	**76,754**	26,776
Prepayments and other receivables		**25,679**	40,744
Deferred income tax assets		**28,037**	32,466
Term deposits with initial term over 3 months		**422,226**	479,869
		892,657	775,000
Current assets			
Trade receivables	*5*	**22,090**	14,049
Prepayments and other receivables		**222,730**	159,032
Available-for-sale financial assets	*6*	**292,084**	313,029
Financial assets at fair value through profit or loss	*7*	**241,309**	109,481
Term deposits with initial term over 3 months		**482,471**	602,917
Cash and cash equivalents		**189,172**	289,083
Inventories		**10,121**	–
		1,459,977	1,487,591
Total assets		**2,352,634**	2,262,591
Equity			
Equity attribute to shareholders of the Company			
Share capital		**794**	779
Share premium		**2,313,184**	2,381,529
Shares held for RSU Scheme		**(17)**	(19)
Other reserves		**157,159**	122,473
Accumulated deficits		**(306,162)**	(421,073)
		2,164,958	2,083,689
Non-controlling interests		**25,117**	4,799
Total equity		**2,190,075**	2,088,488

CONDENSED CONSOLIDATED BALANCE SHEET
(AS AT JUNE 30, 2015)

	Note	**Unaudited June 30, 2015** *RMB'000*	Audited December 31, 2014 *RMB'000*
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		**5,404**	361
Other non-current liabilities		**1,368**	1,389
		6,772	1,750
Current liabilities			
Trade payables	*9*	**18,014**	24,278
Other payables and accruals		**68,965**	52,530
Income tax liabilities		**43,087**	51,523
Customer advance and deferred revenue		**25,721**	44,022
		155,787	172,353
Total liabilities		**162,559**	174,103
Total equity and liabilities		**2,352,634**	2,262,591
Net current assets		**1,304,190**	1,315,238
Total assets less current liabilities		**2,196,847**	2,090,238

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015)

		Unaudited Three months ended June 30,		Unaudited Six months ended June 30,	
		2015	2014	**2015**	2014
	Note	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue	*10*	**186,294**	172,612	**371,837**	344,257
Cost of revenue	*11*	**(38,329)**	(26,711)	**(67,383)**	(54,054)
Gross profit		**147,965**	145,901	**304,454**	290,203
Selling and marketing expenses	*11*	**(43,558)**	(44,807)	**(92,413)**	(94,824)
Administrative expenses	*11*	**(28,731)**	(45,191)	**(56,210)**	(69,614)
Research and development expenses	*11*	**(19,518)**	(18,849)	**(40,047)**	(33,977)
Other gains, net	*12*	**12,546**	8,083	**27,806**	14,077
Operating profit		**68,704**	45,137	**143,590**	105,865
Finance income	*13*	**2,891**	1,686	**1,469**	2,993
Finance costs	*13*	**(100)**	(1,042)	**(673)**	(1,839)
Finance income, net	*13*	**2,791**	644	**796**	1,154
Fair value loss of convertible redeemable preferred shares		**–**	(237,517)	**–**	(260,502)
Share of loss of investment accounted for using the equity method		**(122)**	–	**(373)**	–
Profit/(Loss) before income tax		**71,373**	(191,736)	**144,013**	(153,483)
Income tax expense	*14*	**(13,018)**	(9,869)	**(27,173)**	(20,693)
Profit/(Loss) for the period		**58,355**	(201,605)	**116,840**	(174,176)
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss					
Currency translation differences		**(4,774)**	263	**(377)**	(6,169)
Total comprehensive income/(loss) for the period		**53,581**	(201,342)	**116,463**	(180,345)

	Note	Unaudited Three months ended June 30, **2015** ***RMB'000***	 2014 *RMB'000*	Unaudited Six months ended June 30, **2015** ***RMB'000***	 2014 *RMB'000*
Profit/(loss) attributable to:					
– Shareholders of the Company		**56,982**	(202,014)	**114,911**	(174,353)
– Non-controlling interests		**1,373**	409	**1,929**	177
		58,355	(201,605)	**116,840**	(174,176)
Total comprehensive income/(loss) attributable to:					
– Shareholders of the Company		**52,208**	(201,751)	**114,534**	(180,522)
– Non-controlling interests		**1,373**	409	**1,929**	177
		53,581	(201,342)	**116,463**	(180,345)
Earnings/(Loss) per share (expressed in RMB per share)					
– Basic	*15*	**0.046**	(0.316)	**0.093**	(0.272)
– Diluted	*15*	**0.043**	(0.316)	**0.088**	(0.272)
Dividends	*16*	**–**	–	**59,573**	–

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2015

	Unaudited							
	Equity attributable to shareholders of the company							
	Share capital	Share premium	Shares held for RSU Scheme	Other reserves	Accumulated deficits	Total	Non-controlling interests	Total equity/ (deficits)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2015	**779**	**2,381,529**	**(19)**	**122,473**	**(421,073)**	**2,083,689**	**4,799**	**2,088,488**
Comprehensive income								
Profit for the six months ended June 30, 2015	–	–	–	–	114,911	114,911	1,929	116,840
Other comprehensive loss								
Currency translation differences	–	–	–	(377)	–	(377)	–	(377)
Total comprehensive income/ (loss) for the period ended June 30, 2015	–	–	–	(377)	114,911	114,534	1,929	116,463
Total transactions with shareholders of the Company, recognised directly in equity								
Share-based compensation	–	–	–	35,063	–	35,063	–	35,063
Non-controlling interests arising from acquisition and establishment of subsidiaries	–	–	–	–	–	–	18,389	18,389
Proceeds from share issued under employee share option plan	17	7,302	–	–	–	7,319	–	7,319
Repurchase and cancellation of ordinary shares	(4)	(16,070)	–	–	–	(16,074)	–	(16,074)
Appropriation of special dividends	–	(59,573)	–	–	–	(59,573)	–	(59,573)
Vest and transfer of RSUs	–	(4)	4	–	–	–	–	–
Issuance of shares held for Post-IPO RSU Scheme	2	–	(2)	–	–	–	–	–
Total transactions with shareholders of the Company, recognised directly in equity	15	(68,345)	2	35,063	–	(33,265)	18,389	(14,876)
Balance at June 30, 2015	794	2,313,184	(17)	157,159	(306,162)	2,164,958	25,117	2,190,075

	Share capital RMB'000	Share premium RMB'000	Shares held for RSU Scheme RMB'000	Other reserves RMB'000	Accumulated deficits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity/(deficits) RMB'000
	Unaudited							
	Equity attributable to shareholders of the company							
Balance at January 1, 2014	42	139,703	–	65,705	(294,006)	(88,556)	4,897	(83,659)
Comprehensive income/(loss)								
Profit/(Loss) for the six months ended June 30, 2014	–	–	–	–	(174,353)	(174,353)	177	(174,176)
Other comprehensive loss								
Currency translation differences	–	–	–	(6,169)	–	(6,169)	–	(6,169)
Total comprehensive income/(loss) for the period ended June 30, 2014	–	–	–	(6,169)	(174,353)	(180,522)	177	(180,345)
Total transactions with shareholders of the Company, recognised directly in equity								
Issuance of shares held for RSU Scheme	4	–	(4)	–	–	–	–	–
Share-based compensation	–	–	–	13,510	–	13,510	–	13,510
Total transactions with shareholders of the Company, recognised directly in equity	4	–	(4)	13,510	–	13,510	–	13,510
Balance at June 30, 2014	46	139,703	(4)	73,046	(468,359)	(255,568)	5,074	(250,494)

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW
FOR THE SIX MONTHS ENDED JUNE 30, 2015

	Unaudited Six months ended June 30, **2015** ***RMB'000***	 2014 *RMB'000*
Net cash generated from operating activities	**78,949**	109,481
Net cash used in investing activities	**(110,275)**	(163,889)
Net cash used in financing activities	**(66,375)**	(51,935)
Net decrease in cash and cash equivalents	**(97,701)**	(106,343)
Cash and cash equivalents at beginning of period	**289,083**	171,896
Exchange loss on cash and cash equivalents	**(2,210)**	–
Cash and cash equivalents at end of period	**189,172**	65,553

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Tian Ge Interactive Holdings Limited (the "**Company**"), was incorporated in the Cayman Islands on July 28, 2008 as an exempted company with limited liability under the Companies Law (2007 Revision) of the Cayman Islands as an investment holding company. The address of the Company's registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The Company and its subsidiaries (collectively the "**Group**") are principally engaged in the operating of live social video platforms, mobile and online games and other services in the People's Republic of China (the "**PRC**").

This condensed consolidated financial information is presented in Renminbi (the "**RMB**"), unless otherwise stated. This condensed consolidated financial information was approved by the board of directors of the Company for issue on August 20, 2015.

This condensed consolidated financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

This condensed consolidated financial information has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting". The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as set out in the 2014 annual report of the Company dated March 30, 2015.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2014, as described in those annual financial statements.

(a) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) Revenue from the provision of cosmetic procedures are recognised upon the completion of such procedures. Balances of customers' prepaid medical cards are recognized as customer advance in the balance sheet.

(c) Revenue from the sales of products is recognised upon customers' receipt and acceptance of the products.

(d) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(e) Amendments to IFRSs, effective for the financial year ending 31 December 2015 do not have a material impact on the Group.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the financial information of the Group.

4 INVESTMENT IN ASSOCIATES

Details of investment in associates as of June 30, 2015

Name of entity	Place of business	% of ownership interest	Nature of Associate	Measurement method
Lin Yuan Information Technology (Hangzhou) Co., Ltd. ("**Lin Yuan**") (臨淵信息技術(杭州)有限公司)	Hangzhou, PRC	49%	Note a	Equity
Hangzhou Seehealth Information Technology Co., Ltd. ("**Seehealth**") (formerly known as Hangzhou Xi He Technology Co., Ltd.) (杭州希和信息技術有限公司) (原名為杭州希禾資訊技術有限公司)	Hangzhou, PRC	34.47%	Note b	Equity
Chengdu Happy Alliance Technology Co., Ltd. ("**Happy Alliance**") (成都歡樂聯盟科技有限公司)	Chengdu, PRC	15%	Note c	Equity

(a) Lin Yuan primarily engages in the operation of one offline KTV store in Hangzhou, the PRC.

(b) Seehealth primarily engages in providing online health information services in Hangzhou, the PRC.

(c) Happy Alliance engages in developing and selling game software and communication products, and providing computer technology consulting services in Chengdu, the PRC.

	Six Months Ended June 30, 2015 *RMB'000*
Beginning of the period	**3,863**
Additions	**25,979**
Cash contribution to associates	**32**
Share of loss of investment accounted for using the equity method	**(373)**
End of the period	**29,501**

5 TRADE RECEIVABLES

	As of June 30, 2015 *RMB'000*	As of December 31, 2014 *RMB'000*
Third parties	**20,253**	12,638
Amount due from related parties	**1,837**	1,411
	22,090	14,049
Less: provision for impairment	**–**	–
	22,090	14,049

Aging analysis based on recognition date of the gross trade receivables at the respective balance sheet dates are as follows:

	As of June 30, 2015	As of December 31, 2014
	RMB'000	*RMB'000*
0-90 days	**18,301**	12,215
91-180 days	**2,878**	1,180
181-365 days	**237**	200
Over 1 year	**674**	454
	22,090	14,049

6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Six months ended June 30,	
	2015	2014
	RMB'000	*RMB'000*
Non-current *(Note a)*		
Opening balance as of January 1	**26,776**	2,300
Additions	**50,000**	–
Exchange difference	**(22)**	–
Closing balance as of June 30	**76,754**	2,300
Current *(Note b)*		
Opening balance as of January 1	**313,029**	278,140
Additions	**381,278**	1,175,332
Repayment	**(402,223)**	(1,070,947)
Closing balance as of June 30	**292,084**	382,525

(a) The non-current portion of available-for-sale financial assets mainly referred to the Company's investment in certain venture funds as a limited partner.

In January 2015, the Group subscribed shares in certain venture capital fund, at a cash consideration of RMB100,000 thousand. The Company was a limited partner in the fund and did not have control over or significant influence on the fund. The directors classified the investment as available-for-sale financial assets. The fund was set up to invest in companies in various fields. As of June 30, 2015, RMB50,000 thousand was paid by the company and the directors considered that there was no significant change in the fair value up to June 30, 2015 as the fund was yet to be closed.

(b) The fair value of the current available-for-sale financial assets approximated its carrying amount. The Group's current available-for-sale financial assets refer to RMB-denominated principal guaranteed structured deposits with floating interest rates ranging from 3% to 5% per annum and maturity period within 1 year or with revolving term. These structured deposits are offered by large state-owned commercial banks in the PRC.

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As of June 30, 2015	As of December 31, 2014
	RMB'000	*RMB'000*
Included in current assets		
– Non-quoted investments	**241,309**	109,481

Financial assets at fair value through profit or loss of the Group mainly represent investments in certain principal protected structured deposits issued by Hong Kong branches of certain national commercial banks in the PRC. These structured deposits have an initial term ranging from two months to one year, and were classified as fair value through profit or loss upon initial recognition. Changes in fair values of these financial assets had been recognised in "other gains, net" in the consolidated statement of comprehensive income (note 12).

8 SHARE-BASED PAYMENTS

(a) Share Options

Movements in the number of outstanding share options, retroactively reflecting the one-to-ten basis bonus shares, are as follows:

	Average Exercise Price in US$ per Share Option	**Number of Share Options**
At January 1, 2015		**87,721,320**
Exercised	**US$0.0438**	**(27,358,000)**
Forfeited	**US$0.3407**	**(769,250)**
At June 30, 2015		**59,594,070**
At January 1, 2014		119,965,100
Granted	US$0.3500	11,850,000
Cancelled	US$0.0973	(2,480)
Forfeited	US$0.1741	(623,870)
Replaced by the Pre-IPO Restricted Share Unit Scheme	US$0.0281	(42,800,000)
At June 30, 2014		88,388,750

As of June 30, 2015, out of the outstanding share options, 49,657,842 share options were exercisable.

(b) Restricted share units

On April 20, 2015, pursuant to the Company's Post-IPO Restricted Share Unit Scheme, the Company granted 3,499,000 restricted share units in respect of a total of 3,499,000 shares to 24 grantees with below vesting schedule, 50% shall vest on August 20, 2015 and 50% shall vest on August 20, 2016.

The Post-IPO Restricted Share Unit Scheme will be valid and effective for a period of ten years, commencing from June 16, 2014.

Movements in the number of outstanding RSUs, retroactively reflecting the one-to-ten basis bonus shares, are as follows:

	Number of shares held for Pre-IPO RSU Scheme	Number of shares held for Post-IPO RSU Scheme	Total
At January 1, 2015	**31,343,750**	**–**	**31,343,750**
Grant	**–**	**3,499,000**	**3,499,000**
Vested and transferred	**(8,521,875)**	**–**	**(8,521,875)**
At June 30, 2015	**22,821,875**	**3,499,000**	**26,320,875**
Shares vested but not transferred to the grantees as of June 30,2015			**–**

During the six months ended June 30, 2015, totally 4,013,000 of the above granted RSUs were exercised.

(c) Fair value of share options and RSUs

The directors have used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation method to determine the fair value of the underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors with best estimates.

Based on the fair value of the underlying ordinary share, the directors have used Binominal pricing model to determine the fair value of the share option as of the grant date. The fair value of RSUs was determined by directors based on the fair value of underlying ordinary shares as of the grant date.

The management estimated the risk-free interest rate based on the yield of US Treasury Strips with a maturity life equal to the option life of the share option and RSUs. Volatility was estimated at grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share option and RSUs. Dividend yield is based on management estimation at the grant date.

(d) Shares held for RSU Scheme

On June 16, 2014, the Company entered into a trust deed with an independent trustee (the "**RSU Trustee**") and an independent trust nominee (the "**Pre-IPO RSU Nominee**"), pursuant to which the RSU Trustee shall act as the administrator of the Pre-IPO RSU Scheme and the Pre-IPO RSU Nominee shall hold the shares underlying the Pre-IPO RSU Scheme.

On June 19, 2014, the Company issued 7,280,000 ordinary shares to the Pre-IPO RSU Nominee at the par value of US$0.0001 each. Accordingly, 7,280,000 ordinary shares of the Company underlying the RSUs were held by the Pre-IPO RSU Nominee for the benefit of the grantees pursuant to the Pre-IPO RSU Scheme.

On July 9, 2014, upon the Company's IPO on the Main Board of The Stock Exchange of Hong Kong Limited, the Company's ordinary shareholders received nine bonus shares for every registered ordinary share that they already held. As a result, the 7,280,000 ordinary shares of the Company underlying the RSUs were adjusted to 72,800,000 ordinary shares on a one-to-ten basis.

On June 16, 2014, the Company entered into a trust deed with an independent trustee (the "**RSU Trustee**") and an independent trust nominee (the "**Post-IPO RSU Nominee**"), pursuant to which the RSU Trustee shall act as the administrator of the Post-IPO RSU Scheme and the Post-IPO RSU Nominee shall hold the shares underlying the Post-IPO RSU Scheme.

On April 20, 2015, the Company issued 3,499,000 ordinary shares to the Post-IPO RSU Nominee at the par value of US$0.0001 each. Accordingly, 3,499,000 ordinary shares of the Company underlying the RSUs were held by the Post-IPO RSU Nominee for the benefit of the grantees pursuant to the Post-IPO RSU Scheme.

The above shares held for Pre-IPO RSU Scheme and Post-IPO RSU Scheme were regarded as treasury shares and had been deducted from shareholders' equity.

9 TRADE PAYABLES

	As of June 30, 2015	As of December 31, 2014
	RMB'000	*RMB'000*
Third parties	**12,722**	18,986
Amount due to related parties	**5,292**	5,292
	18,014	24,278

The aging analysis of trade payables based on recognition date is as follows:

	As of June 30, 2015	As of December 31, 2014
	RMB'000	*RMB'000*
0-90 days	**5,557**	10,424
91-180 days	**3,076**	5,336
181-365 days	**3,376**	2,976
Over 1 year	**6,005**	5,542
	18,014	24,278

10 REVENUE

Details of the revenue for the three and six months ended June 30, 2015 and 2014 are as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Online business	**180,109**	171,549	**353,422**	342,649
Other business	**6,185**	1,063	**18,415**	1,608
Total revenue	**186,294**	172,612	**371,837**	344,257

11 EXPENSES BY NATURE

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Employee benefit expenses (including share-based compensation expenses)	**50,112**	41,388	**95,002**	69,288
Promotion and advertising expenses	**23,397**	29,831	**58,629**	64,850
Commission charged by platforms and game developers	**10,842**	7,997	**25,470**	15,950
Bandwidth and server custody fees	**7,734**	7,448	**16,332**	14,716
Cost of inventories sold	**12,394**	–	**12,394**	–
Travelling and entertainment expenses	**3,988**	3,756	**8,125**	7,101
Depreciation of property and equipment	**4,048**	3,252	**7,966**	5,732
Game development costs	**2,847**	5,755	**6,103**	7,702
Utilities and office expenses	**2,262**	1,866	**4,943**	4,856
Auditors' remuneration	**1,375**	500	**3,490**	1,455
Operating lease rentals in respect of office buildings	**1,897**	2,172	**3,412**	4,550
Professional and consultancy fees	**1,052**	20,863	**2,563**	32,399
Amortization of intangible assets	**2,228**	829	**3,512**	1,736
Payment handling costs	**1,157**	1,396	**2,273**	2,635
Turnover tax and related surcharges	**1,030**	7,957	**1,853**	18,704
Others	**3,773**	548	**3,986**	795
Total cost of revenue, selling and marketing expenses, administrative expenses and research and development expenses	**130,136**	135,558	**256,053**	252,469

12 OTHER GAINS, NET

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Investment Interest	**10,042**	3,754	**22,064**	7,212
Financial assets at fair value through profit or loss				
– Fair value loss	**(1,293)**	–	**(438)**	–
Government grants	**3,813**	4,483	**6,196**	7,021
Gains/(loss) on disposal of property and equipment, net	**27**	(120)	**27**	(122)
Others	**(43)**	(34)	**(43)**	(34)
	12,546	8,083	**27,806**	14,077

13 FINANCE INCOME, NET

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Finance income:				
– Exchange gain on financing activities, net	**2,147**	–	**–**	2
– Interest income on cash and cash equivalents	**744**	1,686	**1,469**	2,991
	2,891	1,686	**1,469**	2,993
Finance costs:				
– Interest expenses on bank borrowings	**(100)**	(1,033)	**(100)**	(1,830)
– Exchange loss on financing activities, net	**–**	(9)	**(573)**	(9)
	(100)	(1,042)	**(673)**	(1,839)
Finance income, net	**2,791**	644	**796**	1,154

14 INCOME TAX EXPENSE

The Group is not subject to taxation in the Cayman Islands. Hong Kong profits tax has been provided for at a rate of 16.5% (2014:16.5%) for the period on the estimated assessable profits arising in or derived from Hong Kong. The companies established and operated in the PRC are subject to PRC Enterprise Income Tax ("**EIT**") at a rate of 25% (2014: 25%) and certain Group's subsidiaries established in the PRC and PRC Operating Entities are entitled to preferential EIT rate of 12.5% or 15%.

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Current income tax	**10,025**	9,707	**23,000**	19,712
Deferred income tax	**2,993**	162	**4,173**	981
	13,018	9,869	**27,173**	20,693

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for companies established and operated in the PRC and Hong Kong for the year ended December 31, 2015 is 14.86% and 16.5% respectively (the estimated tax rate used for companies established and operated in the PRC and Hong Kong for the three and six month ended June 30, 2014 was 14.63% and 16.5% respectively).

15 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit of the Group attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during each interim period.

	Three months ended June 30,		**Six months ended June 30,**	
	2015	2014	**2015**	2014
Profit/(Loss) attributable to shareholders of the Company *(RMB'000)*	**56,982**	(202,014)	**114,911**	(174,353)
Weighted average number of ordinary shares in issue (i) *(thousand shares)*	**1,239,253**	640,000	**1,232,288**	640,000
Basic earnings/(loss) per share *(in RMB/share)*	**0.046**	(0.316)	**0.093**	(0.272)

(i) Upon the Company's IPO on Main Board of The Stock Exchange of Hong Kong Limited on July 9, 2014, the Company's ordinary shareholders received nine bonus shares for each registered ordinary share that they already held. As a result, the then existing outstanding ordinary shares were adjusted to 640,000,000 on a one-to-ten basis.

For the purpose of computing basic and diluted earnings per share, the number of ordinary shares outstanding during each interim period has been adjusted retroactively for the proportional changes in the number of ordinary share outstanding as a result of the issuance of bonus shares.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the three and six months ended June 30, 2015, the Company has two categories of dilutive potential ordinary shares, share options granted to employees under Global Share Option Plan and restricted share units ("**RSUs**") granted to employees under Pre-IPO Restricted Share Unit Scheme and Post-IPO Restricted Share Unit Scheme. The share options and restricted share units are assumed to have been fully vested and released from restrictions with no impact on earnings.

For the three and six months ended June 30, 2014, the Company has three categories of dilutive potential ordinary shares, convertible redeemable preferred shares, share options granted to employees under Global Share Option Plan and restricted share units ("**RSUs**") granted to employees under Pre-IPO Restricted Share Unit Scheme are assumed to have been fully vested and released from restrictions with no impact on earnings. As the Group incurred loss for the three and six months ended June 30, 2014, the convertible redeemable preferred shares and the share based compensation are anti-dilutive and, consequently, not included in the computation of diluted losses per share.

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Profit/(loss) attributable to shareholders of the Company *(RMB'000)*	**56,982**	(202,014)	**114,911**	(174,353)
Weighted average number of ordinary shares in issue *(thousand shares)*	**1,239,253**	640,000	**1,232,288**	640,000
Adjustments for share based compensation – share options *(thousand shares)*	**62,088**	–	**59,230**	–
Adjustments for share based compensation – RSUs *(thousand shares)*	**18,839**	–	**13,933**	–
Weighted average number of ordinary shares for the calculation of diluted EPS *(thousand shares)*	**1,320,180**	640,000	**1,305,451**	640,000
Diluted earnings/(loss) per share *(in RMB/share)*	**0.043**	(0.316)	**0.088**	(0.272)

16 DIVIDENDS

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Dividends declared by the Company	**–**	–	**59,573**	–

Pursuant to the resolution of the extraordinary general meeting in February 2015, the Company declared a special dividend of HK$75,209,715 (approximately RMB59,573,000) in total or HK$0.06 per ordinary share out of the Company's share premium account, which were fully paid in March 2015.

CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Board is of the opinion that the Company has complied with the code provisions as set out in the Corporate Governance Code and the Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the six months ended June 30, 2015.

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. During the six months ended June 30, 2015, the Company has complied with all the code provisions of the CG Code and adopted most of the best practices set out therein, except for the code provision A.2.1 of the CG Code.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Fu Zhengjun (傅政軍) is our Chairman and chief executive officer and has been a Director of our Board since July 28, 2008. He was designated to our Board as an executive Director on March 11, 2014. Mr. Fu is the founder of our Group and has served as the chief executive officer of all our wholly foreign-owned enterprises and PRC operating entities since their respective incorporations. With extensive experience in the internet industry, Mr. Fu is responsible for the overall strategic planning, management and operation of our Group and is instrumental to our growth and business expansion since our establishment in 2008. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and high-calibre individuals. Our Board currently comprises two executive Directors (including Mr. Fu), two non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

As stipulated in the amendments to the code provisions (the "**New CG Code**") of Appendix 14 to the Listing Rules which will come into effect on or after January 1 2016, the Board should review the existing risk management of the Company and should define the roles and responsibilities of the Board for risk management. As acknowledged by the Board, the Audit Committee will be responsible for overseeing the Company's risk management and will disclose the relevant details in the Corporate Governance Report as the New CG Code has explicitly required.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set forth in Appendix 10 to the Listing Rules as a code of conduct of the Company for Directors' securities transactions since the Listing Date. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended June 30, 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended June 30, 2015, the Company has repurchased a total of 5,944,000 ordinary shares listed on The Stock Exchange of Hong Kong Limited with an aggregate amount of HK$20,302,780. As at the date of this announcement, all the above repurchased shares were cancelled. Details of shares repurchased during the six months ended June 30, 2015 are set out as follows:

Month of repurchases	Number of Shares purchased on the Stock Exchange	Price paid per Share Highest	Price paid per Share Lowest	Aggregate consideration paid
January 2015	5,944,000	3.61	3.2811	HK$20,302,780

The Directors believe that repurchases of shares are in the best interests of the Company and its shareholders and that such repurchase of shares would lead to an enhancement of the earnings per share.

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended June 30, 2015.

DIVIDEND

Pursuant to the resolution of the extraordinary general meeting in February 2015, the Company declared a special dividend of HK$75,209,715 in total or HK$0.06 per ordinary share out of the Company's share premium account, which were fully paid in March 2015.

The Board did not propose any interim dividend for the six months ended June 30, 2015.

REVIEW OF THE INTERIM RESULTS

The Audit Committee has reviewed (i) the accounting principles and practices adopted by the Group, and (ii) the auditing, internal control and financial reporting matters, including the review of the interim results for the six months ended June 30, 2015.

The Company's external auditor, PricewaterhouseCoopers, has performed a review of the Group's interim financial information for the six months ended June 30, 2015 in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Based on their review, PricewaterhouseCoopers confirmed that nothing has come to their attention that causes them to believe that the interim financial information has not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PUBLICATION OF INTERIM REPORT

Pursuant to the requirements of the Listing Rules regarding the reporting period, the 2015 interim report of the Company will set out all information disclosed in the interim results announcement for the first half of 2015 and will be despatched to the shareholders and uploaded on the websites of the Company (http://www.tiange.com) and The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) in due course.

By order of the Board
Tian Ge Interactive Holdings Limited
Fu Zhengjun
Chairman and Chief Executive Officer

Hong Kong, August 20, 2015

As of the date of this announcement, the executive Directors are Mr. Fu Zhengjun and Mr. Mai Shi'en; the non-executive Directors are Mr. Mao Chengyu and Mr. Herman Cheng-Chun, Yu; and the independent non-executive Directors are Ms. Yu Bin, Mr. Wu Chak Man and Mr. Chan Wing Yuen Hubert.