



## JOYY Reports First Quarter 2020 Unaudited Financial Results

May 20, 2020

GUANGZHOU, China, May 21, 2020 (GLOBE NEWSWIRE) -- JOYY Inc. (NASDAQ: YY) ("JOYY" or the "Company," formerly known as YY Inc.), a global video-based social media platform, today announced its unaudited financial results for the first quarter of 2020.

### First Quarter 2020 Financial Highlights

- **Net revenues** increased by 49.6% to RMB7,149.4 million (US\$1,009.7 million) from RMB4,780.6 million in the corresponding period of 2019.
- **Net income attributable to controlling interest of JOYY Inc.**<sup>1</sup> was RMB386.7 million (US\$54.6 million), compared to RMB3,120.4 million in the corresponding period of 2019<sup>2</sup>.
- **Non-GAAP net income attributable to controlling interest of JOYY Inc.**<sup>3</sup> was RMB428.9 million (US\$60.6 million), compared to RMB653.5 million in the corresponding period of 2019, primarily due to the impact of the consolidation of Bigo Inc ("Bigo").

### First Quarter 2020 Operational Highlights

- **Global average mobile MAUs**<sup>4</sup> reached 520.1 million, among that 77.0% were from markets outside of China.
- **Average mobile MAUs of Likee** (formerly known as Like) increased by 121.9% to 131.6 million from 59.3 million in the corresponding period of 2019.
- **Average mobile MAUs of global live streaming services** increased by 33.4% to 177.6 million from 133.1 million in the corresponding period of 2019, among that (i) 119.8 million were from China, including 45.1 million from YY, which increased by 21.7% year over year, and 74.7 million from Huya, which increased by 38.6% year over year; and (ii) 57.7 million were from outside of China, including 26.7 million from Bigo Live, which increased by 37.8% year over year, and 31.0 million from HAGO, which increased by 36.3% year over year.
- **Average mobile MAUs of imo** was 211.0 million.
- **Total number of paying users**<sup>5</sup> of YY decreased by 3.6% to 4.0 million from 4.1 million in the corresponding period of 2019, primarily due to the impact of COVID-19.
- **Total number of paying users of Huya** increased by 13.0% to 6.1 million from 5.4 million in the corresponding period of 2019.

Mr. David Xueling Li, Chairman and Chief Executive Officer of JOYY, commented, "First and foremost, we would like to extend our sincere gratitude to our global teams. Your resilience, ingenuity, and dedication have enabled us to continue delivering strong operating and financial results despite the global challenging macro environment due to the COVID-19 pandemic."

Mr. Li continued, "During the first quarter, our dual-engine growth strategy of combining living streaming with short-form videos continued to produce good results across all of our business segments. Bigo Live, our global live streaming platform, achieved 37.8% year-over-year MAU growth with our continuous global expansion. Driven by the rapid growth of Bigo Live in the developed market, the live streaming revenues of Bigo segment increased 92.4% to RMB1,972.3 million (US\$278.5 million) in the first quarter.<sup>6</sup> Also, Likee, our global short-form video platform, grew its MAUs by 121.9% year over year as it accelerated its expansion in developed markets and further strengthened its leading position in the key developing markets. In addition, Hago is entering into a new growth phase to become a vibrant social network platform for young generation with solid progress in monetization. Meanwhile, YY Live further cemented its domestic market leadership in China by launching innovative virtual entertainment events and upgrading its live streaming content. Looking ahead, as the consumption of live streaming and short-form video services becomes increasingly prevalent around the globe, we aim to stay at the forefront of this growth surge as we continue to build technology platforms, connect users, offer more diverse and tailored content, and bring joyful and youthful experiences to people everywhere."

Mr. Bing Jin, Chief Financial Officer of JOYY, further commented, "We started the year with solid first quarter results despite increasing macroeconomic uncertainties. During the first quarter, we grew our total revenues by 49.6% year over year to RMB7,149.4 million, exceeding the high-end of our previous guidance. For now, the adverse impacts of the global COVID-19 pandemic to our operation have been relatively mild, as the demand for online entertainment content and engaging social media networks remained resilient. We are confident that our abundant cash reserves, efficient operations, and prudent investment approach have laid a solid foundation for our next phase of global growth and attractive shareholder returns."

### First Quarter 2020 Financial Results

#### NET REVENUES

Net revenues increased by 49.6% to RMB7,149.4 million (US\$1,009.7 million) in the first quarter of 2020 from RMB4,780.6 million in the corresponding period of 2019, primarily driven by an increase in live streaming revenues and the contribution from the consolidation of Bigo.

Live streaming revenues increased by 50.6% to RMB6,756.3 million (US\$954.2 million) in the first quarter of 2020 from RMB4,485.0 million in the

corresponding period of 2019, primarily attributable to the continued live streaming revenues growth in both Huya segment and Bigo segment.

Other revenues increased by 33.0% to RMB393.2 million (US\$55.5 million) in the first quarter of 2020 from RMB295.6 million in the corresponding period of 2019, primarily driven by the increase in advertising revenues from Bigo.

#### **COST OF REVENUES AND GROSS PROFIT**

Cost of revenues increased by 56.5% to RMB4,945.8 million (US\$698.5 million) in the first quarter of 2020 from RMB3,160.3 million in the corresponding period of 2019. Revenue-sharing fees and content costs increased to RMB3,549.4 million (US\$501.3 million) in the first quarter of 2020 from RMB2,524.7 million in the corresponding period of 2019 as a result of the increase in live streaming revenues of the Company. Bandwidth costs increased to RMB528.1 million (US\$74.6 million) in the first quarter of 2020 from RMB297.4 million in the corresponding period of 2019, as the overseas user base and time spent continued to expand following the consolidation of Bigo.

Gross profit increased by 36.0% to RMB2,203.6 million (US\$311.2 million) in the first quarter of 2020 from RMB1,620.3 million in the corresponding period of 2019. Gross margin was 30.8% in the first quarter of 2020, compared to 33.9% in the corresponding period of 2019. The gross margin contraction was primarily caused by the fact that Huya and Bigo segments had lower gross margins but contributed significantly greater portions of net revenues in the first quarter of 2020, compared to the corresponding period of 2019.

#### **OPERATING INCOME**

Operating expenses were RMB2,049.4 million (US\$289.4 million) in the first quarter of 2020, compared to RMB1,215.4 million in the corresponding period of 2019. Among the operating expenses, sales and marketing expenses increased to RMB1,038.8 million (US\$146.7 million) in the first quarter of 2020 from RMB 534.2 million in the corresponding period of 2019, primarily due to the Company's increased efforts in sales and marketing activities in overseas markets and the impact of depreciation and amortization related to the consolidation of Bigo. Research and development expenses increased to RMB722.2 million (US\$102.0 million) in the first quarter of 2020 from RMB 404.7 million in the corresponding period of 2019, mostly due to the increase in salaries caused primarily by the consolidation of Bigo.

Operating income was RMB186.4 million (US\$26.3 million) in the first quarter of 2020, compared to RMB473.6 million in the corresponding period of 2019. Operating margin was 2.6% in the first quarter of 2020, compared to 9.9% in the corresponding period of 2019, primarily due to the decrease in gross margin, the impact of depreciation and amortization related to the consolidation of Bigo and other overseas expansion initiatives.

Non-GAAP operating income<sup>7</sup> was RMB613.2 million (US\$86.6 million) in the first quarter of 2020, compared to RMB717.3 million in the corresponding period of 2019. Non-GAAP operating margin<sup>8</sup> was 8.6% in the first quarter of 2020, compared to 15.0% in the corresponding period of 2019.

#### **NET INCOME**

Net income attributable to controlling interest of JOYY Inc. was RMB386.7 million (US\$54.6 million) in the first quarter of 2020, compared to RMB3,120.4 million in the corresponding period of 2019. Net margin was 5.4% in the first quarter of 2020, compared to 65.3% in the corresponding period of 2019. The high net income attributable to controlling interest of JOYY Inc. and high net margin in the first quarter of 2019 were mainly due to the remeasurement gain of the Company's previously held interests in Bigo amounting to RMB2,669.3 million. The higher effective tax rate in the first quarter of 2020 was primarily due to the profit (loss) structure and the different effective tax rates of YY, Huya and Bigo segments. Particularly, the Company did not receive much benefit from losses incurred by Bigo as a majority of Bigo's business was subject to a low applicable tax rate in its jurisdiction.

Non-GAAP net income attributable to controlling interest of JOYY Inc. was RMB428.9 million (US\$60.6 million) in the first quarter of 2020, compared to RMB653.5 million in the corresponding period of 2019. Non-GAAP net margin<sup>9</sup> was 6.0% in the first quarter of 2020, compared to 13.7% in the corresponding period of 2019.

#### **NET INCOME PER ADS**

Diluted net income per ADS<sup>10</sup> was RMB4.49 (US\$0.63) in the first quarter of 2020, compared to RMB4.55 in the corresponding period of 2019. The high diluted net income per ADS in the first quarter of 2019 was mainly due to the remeasurement gain of the Company's previously held interests in Bigo amounting to RMB2,669.3 million.

Non-GAAP diluted net income per ADS<sup>11</sup> was RMB4.80 (US\$0.68) in the first quarter of 2020, compared to RMB9.32 in the corresponding period of 2019.

#### **BALANCE SHEET AND CASH FLOWS**

As of March 31, 2020, the Company had cash and cash equivalents, restricted cash and cash equivalents, short-term deposits, restricted short-term deposits and short-term investments of RMB26,567.1 million (US\$3,752.0 million). For the first quarter of 2020, net cash from operating activities was RMB373.7 million (US\$52.8 million).

#### **SHARES OUTSTANDING**

As of March 31, 2020, the Company had a total of 1,610.4 million common shares, or the equivalent of 80.5 million ADSs, outstanding.

#### **Business Outlook**

This forecast no longer takes the operating results of Huya into account as the Company no longer consolidates the operating results of HUYA Inc. For the second quarter of 2020, the Company expects net revenues to be between RMB5.00 billion and RMB5.15 billion, representing a year-over-year growth of 16.7% to 20.2%, excluding the revenue contribution from Huya in the same period of last year. This forecast considers the potential impact of the COVID-19 outbreak and reflects the Company's current and preliminary views on the market and operational conditions, which are subject to change, particularly as to the potential impact of the COVID-19 on the economy in China and elsewhere.

#### **Recent Developments**

On April 3, 2020, the Company announced that it had transferred 16,523,819 Class B ordinary shares of HUYA Inc. to Linen Investment Limited, a wholly-owned subsidiary of Tencent Holdings Limited ("Tencent") for an aggregate purchase price of approximately US\$262.6 million in cash, pursuant to Tencent's exercise of its option to purchase additional shares of Huya from the Company. The purchase price was determined based on the average closing prices of Huya's American depository shares in the last 20 trading days prior to the receipt of Tencent's written exercise notice by JOYY and

Huya in accordance with Huya's second amended and restated shareholders agreement dated March 8, 2018. As a result of the closing of the share transfer, Tencent increased its voting power in Huya to 50.1% on a fully-diluted basis, or 50.9% calculated based on the total issued and outstanding shares of Huya. Upon the completion of the share transfer, Huya Inc. ceased to be a subsidiary of the Company and the Company will account for the investment in Huya using the equity method. As a result, the Company no longer consolidates financial statements of Huya, starting from the second quarter of 2020. The financial information of Huya will be presented in discontinued operations and will not be presented as a separate segment starting from the second quarter of 2020.

The Company today announced that its board of directors has authorized to extend its existing share repurchase plan, as previously approved by the board of directors in August 2019, for another 12-month period upon its original expiry date under which the Company may repurchase up to US\$300 million of its shares between August 2019 and August 2021. The share repurchases may continue to be made from time to time in the open market at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations. JOYY's board of directors will review the share repurchase plan periodically, and may authorize adjustment of its terms and size. The Company expects to fund repurchases made under this plan from its existing funds. As of March 31, 2020, the Company had repurchased approximately US\$45.4 million of its shares.

#### **Conference Call Information**

The Company will hold a conference call on Wednesday, May 20, 2020, at 9:00 P.M. Eastern Time (or Thursday, May 21, 2020, at 9:00 A.M. Beijing Time) to discuss the financial results. Details for the conference call are as follows:

Event Title: JOYY's First Quarter 2020 Earnings Conference Call

Conference ID: #5179302

All participants must use the link provided below to complete the online registration process in advance of the conference call. Upon registering, each participant will receive a set of participant dial-in numbers, the Direct Event passcode, and a unique registrant ID by email.

PRE-REGISTER LINK:

<http://apac.directeventreg.com/registration/event/5179302>

A live and archived webcast of the conference call will also be available at the Company's investor relations website at <http://ir.yy.com/>.

The replay will be accessible through May 28, 2020, by dialing the following numbers:

United States: +1-646-254-3697

International: +61-2-8199-0299

Conference ID: #5179302

#### **Exchange Rate**

This press release contains translations of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of readers. Unless otherwise noted, all translations from Renminbi to U.S. dollars, in this press release, were made at a rate of RMB7.0808 to US\$1.00, the noon buying rate in effect on March 31, 2020 in the City of New York for cable transfers in Renminbi per U.S. dollar as certified for customs purposes by the Federal Reserve Bank of New York.

#### **About JOYY Inc.**

JOYY Inc. is a global social media platform. The Company's highly engaged users contribute to a vibrant social community by creating, sharing, and enjoying a vast range of entertainment content and activities. JOYY enables users to interact with each other in real time through online live media and offers users a uniquely engaging and immersive entertainment experience. JOYY owns YY Live, a leading live streaming social media platform in China. In addition, JOYY completed the acquisition of Bigo in March 2019. Bigo is a fast-growing global tech company. Headquartered in Singapore, Bigo owns Bigo Live, a leading global live streaming platform outside China; Likee, a leading global short-form video social platform; imo, a global video communication app and other social applications. JOYY has created an online community for global video and live streaming users. JOYY Inc. was listed on the NASDAQ in November 2012.

#### **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the business outlook and quotations from management in this announcement, as well as JOYY's strategic and operational plans, contain forward-looking statements. JOYY may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission ("SEC"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to fourth parties. Statements that are not historical facts, including statements about JOYY's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: JOYY's goals and strategies; JOYY's future business development, results of operations and financial condition; the expected growth of the online communication social platform market in China; the expectation regarding the rate at which to gain active users, especially paying users; JOYY's ability to monetize the user base; fluctuations in general economic and business conditions in China; the impact of the COVID-19 to JOYY's business operations and the economy in China and elsewhere generally; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in JOYY's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and JOYY does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

#### **Use of Non-GAAP Financial Measures**

The unaudited condensed consolidated financial information is prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). JOYY uses non-GAAP operating income, non-GAAP operating margin, non-GAAP net income attributable to controlling interest of JOYY Inc., non-GAAP net margin attributable to controlling interest of JOYY Inc., non-GAAP net income attributable to common shareholders of JOYY Inc., and basic and diluted non-GAAP net income per ADS, which are non-GAAP financial measures. Non-GAAP operating income is operating income excluding share-based compensation expenses, impairment of goodwill and investments, amortization of intangible assets from business acquisitions, and gain on disposal of subsidiaries and business. Non-GAAP operating margin is non-GAAP operating income as

a percentage of net revenues. Non-GAAP net income is net income excluding share-based compensation expenses, impairment of goodwill and investments, amortization of intangible assets from business acquisitions, gain on disposal of subsidiaries and business, gain on disposal of investments, gain (loss) on fair value change of investments, reconciling items on the share of equity method investments, fair value change on derivatives, interest expenses related to the convertible bonds' amortization to face value, and income tax effects of above non-GAAP reconciling items. Non-GAAP net income attributable to controlling interest of JOYY Inc. is net income attributable to controlling interest of JOYY Inc. excluding share-based compensation expenses, impairment of goodwill and investments, amortization of intangible assets from business acquisitions, gain on disposal of subsidiaries and business, gain on disposal of investments, gain (loss) on fair value change of investments, reconciling items on the share of equity method investments, fair value change on derivatives, interest expenses related to the convertible bonds' amortization to face value, income tax effects of above non-GAAP reconciling items and adjustments for non-GAAP reconciling items for the net (loss) income attributable to non-controlling interest shareholders. Non-GAAP net margin is non-GAAP net income attributable to controlling interest of JOYY Inc. as a percentage of net revenues. Non-GAAP net income attributable to common shareholders of JOYY Inc. is net income attributable to common shareholders of JOYY Inc. excluding share-based compensation expenses, impairment of goodwill and investments, amortization of intangible assets from business acquisitions, gain on disposal of subsidiaries and business, gain on disposal of investments, gain (loss) on fair value change of investments, reconciling items on the share of equity method investments, fair value change on derivatives, interest expenses related to the convertible bonds' amortization to face value, accretion, cumulative dividend and deemed dividend to subsidiaries' preferred shareholders and income tax effects of above non-GAAP reconciling items and adjustments for non-GAAP reconciling items for the net (loss) income attributable to non-controlling interest shareholders. After the non-GAAP reconciliation, non-GAAP net income attributable to controlling interests of JOYY Inc. is equal to the non-GAAP net income attributable to common shareholders of JOYY Inc. Basic and diluted non-GAAP net income per ADS is non-GAAP net income attributable to common shareholders of JOYY Inc. divided by weighted average number of ADS used in the calculation of basic and diluted net income per ADS. The Company believes that separate analysis and exclusion of the non-cash impact of above reconciling items adds clarity to the constituent parts of its performance. The Company reviews these non-GAAP financial measures together with GAAP financial measures to obtain a better understanding of its operating performance. It uses the non-GAAP financial measure for planning, forecasting and measuring results against the forecast. The Company believes that non-GAAP financial measure is useful supplemental information for investors and analysts to assess its operating performance without the non-cash effect of (i) share-based compensation expenses and amortization of intangible assets from business acquisitions, fair value change on derivatives, interest expenses related to the convertible bonds' amortization to face value, which have been and will continue to be significant recurring expenses in its business, (ii) impairment of goodwill and investments, gain on disposal of subsidiaries and business, gain on disposal of investments, gain (loss) on fair value change of investments, reconciling items on the share of equity method investments, and accretion, cumulative dividend and deemed dividend to subsidiaries' preferred shareholders, which may not be recurring in its business, and (iii) income tax expenses and non-GAAP adjustments for net (loss) income attributable to non-controlling interest shareholders, which are affected by above non-GAAP reconciling items. However, the use of non-GAAP financial measures has material limitations as an analytical tool. One of the limitations of using non-GAAP financial measures is that they do not include all items that impact the Company's net income for the period. In addition, because non-GAAP financial measures are not measured in the same manner by all companies, they may not be comparable to other similar titled measures used by other companies. In light of the foregoing limitations, you should not consider non-GAAP financial measure in isolation from or as an alternative to the financial measure prepared in accordance with U.S. GAAP.

The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, or as a substitute for, the financial information prepared and presented in accordance with U.S. GAAP. For more information on these non-GAAP financial measures, please see the table captioned "JOYY Inc. Reconciliation of GAAP and Non-GAAP Results" near the end of this release.

#### **Investor Relations Contact**

JOYY Inc.  
Matthew Zhao  
Maggie Yan  
Tel: +86 (20) 8212-0000  
Email: [IR@YY.com](mailto:IR@YY.com)

ICR, Inc.  
Jack Wang  
Tel: +1 (646) 915-1611  
Email: [IR@YY.com](mailto:IR@YY.com)

---

<sup>1</sup> Net income attributable to controlling interest of JOYY Inc., is net income less net (loss) income attributable to the non-controlling interest shareholders and the mezzanine equity classified as non-controlling interest shareholder.

<sup>2</sup> The high net income attributable to controlling interest of JOYY Inc. in the first quarter of 2019 was mainly due to the remeasurement gain of the Company's previously held interests in Bigo amounting to RMB2,669.3 million.

<sup>3</sup> Non-GAAP net income attributable to controlling interest of JOYY Inc. is a non-GAAP financial measure, which is defined as net income attributable to controlling interest of JOYY Inc. excluding share-based compensation expenses, impairment of goodwill and investment, amortization of intangible assets from business acquisitions, gain on disposal of subsidiaries and business, gain on disposal of investments, gain (loss) on fair value change of investments, reconciling items on the share of equity method investments which refer to those similar non-GAAP reconciling items of the Company, fair value change on derivatives, interest expenses related to the convertible bonds amortization to face value, income tax effects on non-GAAP adjustments and non-GAAP adjustments for net (loss) income attributable to non-controlling interest shareholders. These adjustments amounted to RMB42.2 million (US\$6.0 million) and reversal of RMB2,466.9 million in the first quarters of 2020 and 2019, respectively. Please refer to the section titled "Reconciliation of GAAP and Non-GAAP Results" for more details.

<sup>4</sup> Refers to mobile average monthly active users. Average mobile MAU for any period is calculated by dividing (i) the sum of the Company's mobile active users for each month of such period, by (ii) the number of months in such period.

<sup>5</sup> Refers to a registered user that has purchased virtual items on YY's platforms at least once during the period presented.

<sup>6</sup> Assuming that the acquisition of Bigo Inc had occurred on January 1, 2019, the pro forma live streaming revenues of Bigo segment would be RMB1,025.4 million and the live streaming revenue growth rate of Bigo will be 92.4% in the first quarter.

<sup>7</sup> Non-GAAP operating income is a non-GAAP financial measure, which is defined as operating income excluding share-based compensation expenses, amortization of intangible assets from business acquisitions, impairment of goodwill and investments and gain on disposal of subsidiaries and business. Please refer to the section titled "Reconciliation of GAAP and Non-GAAP Results" for details.

<sup>8</sup> Non-GAAP operating margin is a non-GAAP financial measure, which is defined as non-GAAP operating income as a percentage of net revenues. Please refer to the section titled "Reconciliation of GAAP and Non-GAAP Results" for details.

<sup>9</sup> Non-GAAP net margin is non-GAAP net income attributable to controlling interest of JOYY Inc. as a percentage of net revenues.

<sup>10</sup> ADS is American Depositary Share. Each ADS represents twenty Class A common shares of the Company. Diluted net income per ADS is net income attributable to common shareholders of JOYY Inc. divided by weighted average number of diluted ADS.

<sup>11</sup> Non-GAAP diluted net income per ADS is a non-GAAP financial measure, which is defined as non-GAAP net income attributable to common shareholders of JOYY Inc. divided by weighted average number of ADS used in the calculation of diluted net income per ADS. Please refer to the section titled "Reconciliation of GAAP and Non-GAAP Results" for details.

**JOYY INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(All amounts in thousands, except share, ADS and per ADS data)

|   | <b>December<br/>31,<br/>2019</b> | <b>March<br/>31,<br/>2020</b> | <b>March<br/>31,<br/>2020</b> |
|---|----------------------------------|-------------------------------|-------------------------------|
|   | RMB                              | RMB                           | US\$                          |
| <b>Assets</b>   |                                  |                               |                               |
| <b>Current assets</b>   |                                  |                               |                               |
| Cash and cash equivalents                                     | 3,893,538                        | 4,018,886                     | 567,575                       |
| Restricted cash and cash equivalents                          | 4,892                            | 4,892                         | 691                           |
| Short-term deposits   | 16,770,885                       | 16,338,279                    | 2,307,406                     |
| Restricted short-term deposits                                | 653,034                          | 303,018                       | 42,794                        |
| Short-term investments  | 5,622,189                        | 5,902,064                     | 833,531                       |
| Accounts receivable, net                                      | 762,018                          | 898,513                       | 126,894                       |
| Amounts due from related parties                              | 17,262                           | 38,372                        | 5,419                         |
| Financing receivables, net                                    | 105,344                          | 42,556                        | 6,010                         |
| Prepayments and other current assets                          | 970,807                          | 922,815                       | 130,327                       |
| <b>Total current assets</b>                                   | <b>28,799,969</b>                | <b>28,469,395</b>             | <b>4,020,647</b>              |
| <b>Non-current assets</b>                                     |                                  |                               |                               |
| Deferred tax assets   | 127,635                          | 162,048                       | 22,886                        |
| Investments   | 2,362,907                        | 2,999,788                     | 423,651                       |
| Property and equipment, net                                   | 2,256,360                        | 2,329,767                     | 329,026                       |
| Land use rights, net  | 1,736,544                        | 1,724,520                     | 243,549                       |
| Intangible assets, net  | 3,179,863                        | 3,039,279                     | 429,228                       |
| Right-of-use assets, net                                      | 275,607                          | 277,360                       | 39,171                        |
| Goodwill  | 12,947,192                       | 13,149,132                    | 1,857,012                     |
| Financing receivables, net                                    | 129,380                          | 129,380                       | 18,272                        |
| Other non-current assets                                      | 394,026                          | 408,745                       | 57,726                        |
| <b>Total non-current assets</b>                               | <b>23,409,514</b>                | <b>24,220,019</b>             | <b>3,420,521</b>              |
| <b>Total assets</b>   | <b>52,209,483</b>                | <b>52,689,414</b>             | <b>7,441,168</b>              |
| <b>Liabilities, mezzanine equity and shareholders' equity</b> |                                  |                               |                               |
| <b>Current liabilities</b>                                    |                                  |                               |                               |
| Accounts payable  | 124,551                          | 132,081                       | 18,653                        |
| Deferred revenue  | 1,343,308                        | 1,230,003                     | 173,710                       |
| Advances from customers                                       | 150,091                          | 141,108                       | 19,928                        |
| Income taxes payable  | 451,623                          | 472,801                       | 66,772                        |
| Accrued liabilities and other current liabilities             | 4,673,000                        | 4,271,030                     | 603,185                       |
| Amounts due to related parties                                | 222,281                          | 161,038                       | 22,743                        |

|                                       |                   |                   |                  |
|---------------------------------------|-------------------|-------------------|------------------|
| Lease liabilities due within one year | 115,564           | 131,473           | 18,568           |
| Short-term loans                      | 557,203           | 370,565           | 52,334           |
| <b>Total current liabilities</b>      | <b>7,637,621</b>  | <b>6,910,099</b>  | <b>975,893</b>   |
| <b>Non-current liabilities</b>        |                   |                   |                  |
| Convertible bonds                     | 5,008,571         | 5,190,612         | 733,054          |
| Lease liabilities                     | 162,779           | 156,184           | 22,057           |
| Deferred revenue                      | 240,541           | 244,366           | 34,511           |
| Deferred tax liabilities              | 264,639           | 274,783           | 38,807           |
| Other non-current liabilities         | 11,495            | 5,689             | 803              |
| <b>Total non-current liabilities</b>  | <b>5,688,025</b>  | <b>5,871,634</b>  | <b>829,232</b>   |
| <b>Total liabilities</b>              | <b>13,325,646</b> | <b>12,781,733</b> | <b>1,805,125</b> |

**JOYY INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)**  
(All amounts in thousands, except share, ADS and per ADS data)

|   | <b>December<br/>31,<br/>2019</b> | <b>March<br/>31,<br/>2020</b> | <b>March<br/>31,<br/>2020</b> |
|---|----------------------------------|-------------------------------|-------------------------------|
|   | RMB                              | RMB                           | US\$                          |
| <b>Mezzanine equity</b>   | 466,071                          | 483,634                       | 68,302                        |
| <b>Shareholders' equity</b>   |                                  |                               |                               |
| Class A common shares (US\$0.00001 par value; 10,000,000,000 and 10,000,000,000 shares authorized, 1,301,845,404 shares issued and 1,293,162,504 shares outstanding as of December 31, 2019; 1,303,271,424 shares issued and 1,283,903,148 shares outstanding as of March 31, 2020, respectively) | 80                               | 80                            | 11                            |
| Class B common shares (US\$0.00001 par value; 1,000,000,000 and 1,000,000,000 shares authorized, 326,509,555 and 326,509,555 shares issued and outstanding as of December 31, 2019 and March 31, 2020, respectively)  | 24                               | 24                            | 3                             |
| Treasury Shares (US\$0.00001 par value; 8,682,900 and 19,368,276 shares held as of December 31, 2019 and March 31, 2020, respectively)  | (168,072)                        | (320,858)                     | (45,314)                      |
| Additional paid-in capital  | 21,921,562                       | 22,189,916                    | 3,133,815                     |
| Statutory reserves  | 149,961                          | 149,961                       | 21,179                        |
| Retained earnings   | 10,272,122                       | 10,638,829                    | 1,502,492                     |
| Accumulated other comprehensive income  | 890,209                          | 1,191,898                     | 168,328                       |
| <b>Total JOYY Inc.'s shareholders' equity</b>   | <b>33,065,886</b>                | <b>33,849,850</b>             | <b>4,780,514</b>              |
| Non-controlling interests   | 5,351,880                        | 5,574,197                     | 787,227                       |
| <b>Total shareholders' equity</b> <sup>(1)</sup>  | <b>38,417,766</b>                | <b>39,424,047</b>             | <b>5,567,741</b>              |
| <b>Total liabilities, mezzanine equity and shareholders' equity</b>   | <b>52,209,483</b>                | <b>52,689,414</b>             | <b>7,441,168</b>              |

On January 1, 2020, the Company adopted ASC326, "Financial Instruments-Credit Losses" using modified-retrospective transition approach.  
(1) Following the adoption of this guidance, a cumulative-effect adjustment to shareholders' equity, amounting to RMB12.1 million, was recognized as of January 1, 2020.

**JOYY INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(All amounts in thousands, except share, ADS and per ADS data)

|   | <b>Three Months Ended</b>     |                                  |                               |                               |
|---|-------------------------------|----------------------------------|-------------------------------|-------------------------------|
|   | <b>March<br/>31,<br/>2019</b> | <b>December<br/>31,<br/>2019</b> | <b>March<br/>31,<br/>2020</b> | <b>March<br/>31,<br/>2020</b> |
|   | RMB                           | RMB                              | RMB                           | US\$                          |
| <b>Net revenues</b>   |                               |                                  |                               |                               |
| Live streaming  | 4,485,020                     | 7,146,572                        | 6,756,251                     | 954,165                       |
| Others  | 295,564                       | 471,587                          | 393,194                       | 55,530                        |
| <b>Total net revenues</b>   | 4,780,584                     | 7,618,159                        | 7,149,445                     | 1,009,695                     |
| Cost of revenues <sup>(1)</sup>   | (3,160,325 )                  | (5,101,009 )                     | (4,945,823 )                  | (698,484 )                    |
| <b>Gross profit</b>   | 1,620,259                     | 2,517,150                        | 2,203,622                     | 311,211                       |
| <b>Operating expenses<sup>(1)</sup></b>   |                               |                                  |                               |                               |
| Research and development expenses   | (404,736 )                    | (802,267 )                       | (722,222 )                    | (101,997 )                    |
| Sales and marketing expenses  | (534,236 )                    | (1,026,417 )                     | (1,038,800 )                  | (146,707 )                    |
| General and administrative expenses   | (276,424 )                    | (468,264 )                       | (288,342 )                    | (40,722 )                     |
| <b>Total operating expenses</b>   | (1,215,396 )                  | (2,296,948 )                     | (2,049,364 )                  | (289,426 )                    |
| Gain on disposal of subsidiaries and business   |                               | 82,699                           | -                             | -                             |
| Other income  | 68,688                        | 59,290                           | 32,137                        | 4,539                         |
| <b>Operating income</b>   | 473,551                       | 362,191                          | 186,395                       | 26,324                        |
| Other non-operating expenses  | -                             | -                                | (22,010 )                     | (3,108 )                      |
| Interest expense  | (6,219 )                      | (124,574 )                       | (124,515 )                    | (17,585 )                     |
| Interest income and investment income   | 148,289                       | 225,531                          | 200,133                       | 28,264                        |
| Foreign currency exchange gain (losses), net  | 1,333                         | (21,731 )                        | (13,404 )                     | (1,893 )                      |
| Gain on disposal of investments   | -                             | -                                | 108,903                       | 15,380                        |
| Gain on fair value change of investments  | 2,649,843                     | 26,670                           | 335,954                       | 47,446                        |
| Fair value change on derivatives  | -                             | (14,258 )                        | 10,346                        | 1,461                         |
| <b>Income before income tax expenses</b>  | 3,266,797                     | 453,829                          | 681,802                       | 96,289                        |
| Income tax expenses   | (123,971 )                    | (192,184 )                       | (182,012 )                    | (25,705 )                     |
| <b>Income before share of income (loss) in equity method investments, net of income taxes</b>   | 3,142,826                     | 261,645                          | 499,790                       | 70,584                        |
| Share of income (loss) in equity method investments, net of income taxes  | 7,156                         | 3,176                            | (13,104 )                     | (1,851 )                      |
| <b>Net income</b>   | 3,149,982                     | 264,821                          | 486,686                       | 68,733                        |
| Less: Net income attributable to the non-controlling interest shareholders and the mezzanine equity classified as non-controlling interest shareholders | 29,549                        | 92,024                           | 100,021                       | 14,126                        |
| <b>Net income attributable to controlling interest of JOYY Inc.</b>   | 3,120,433                     | 172,797                          | 386,665                       | 54,607                        |
| Less: Accretion of subsidiaries' redeemable convertible preferred shares to redemption value  | 9,365                         | 9,790                            | 9,705                         | 1,371                         |
| Cumulative dividend on subsidiary's Series A Preferred Shares   | 6,730                         | 7,036                            | 6,975                         | 985                           |
| <b>Net income attributable to common shareholders of JOYY Inc.</b>  | 3,104,338                     | 155,971                          | 369,985                       | 52,251                        |

**JOYY INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)**  
(All amounts in thousands, except share, ADS and per ADS data)

|   | <b>Three Months Ended</b>             |  |                                       |  |
|---|---------------------------------------|--|---------------------------------------|--|
|   | <b>March<br/>31,<br/>2019<br/>RMB</b> | <b>December<br/>31,<br/>2019<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>US\$</b> |
| <b>Net income per ADS</b>   |                                       |  |                                       |  |
| —Basic  | 44.93                                 | 1.95                                     | 4.63                                  | 0.65                                   |
| —Diluted  | 44.55                                 | 1.87                                     | 4.49                                  | 0.63                                   |
| Weighted average number of ADS used in calculating net income per ADS |                                       |  |                                       |  |
| —Basic  | 69,097,090                            | 79,917,791                               | 79,980,844                            | 79,980,844                             |
| —Diluted  | 69,640,885                            | 81,102,544                               | 81,410,241                            | 81,410,241                             |

(1) Live streaming revenues by geographical areas were as follows:

|         | <b>Three Months Ended</b>             |  |                                       |  |
|---------|---------------------------------------|--|---------------------------------------|--|
|         | <b>March<br/>31,<br/>2019<br/>RMB</b> | <b>December<br/>31,<br/>2019<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>US\$</b> |
| PRC     | 4,189,410                             | 5,701,605                                | 5,051,165                             | 713,361                                |
| Non-PRC | 295,610                               | 1,444,967                                | 1,705,086                             | 240,804                                |

(2) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

|                                     | <b>Three Months Ended</b>             |  |                                       |  |
|-------------------------------------|---------------------------------------|--|---------------------------------------|--|
|                                     | <b>March<br/>31,<br/>2019<br/>RMB</b> | <b>December<br/>31,<br/>2019<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>US\$</b> |
| Cost of revenues                    | 14,309                                | 30,733                                   | 26,529                                | 3,747                                  |
| Research and development expenses   | 70,607                                | 145,887                                  | 124,323                               | 17,558                                 |
| Sales and marketing expenses        | 1,976                                 | 4,647                                    | 4,493                                 | 635                                    |
| General and administrative expenses | 94,877                                | 73,195                                   | 85,252                                | 12,040                                 |

**JOYY INC.**  
**RECONCILIATION OF GAAP AND NON-GAAP RESULTS**  
(All amounts in thousands, except share, ADS and per ADS data)

|  | <b>Three Months Ended</b>             |  |                                       |  |
|--|---------------------------------------|--|---------------------------------------|--|
|  | <b>March<br/>31,<br/>2019<br/>RMB</b> | <b>December<br/>31,<br/>2019<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>RMB</b> | <b>March<br/>31,<br/>2020<br/>US\$</b> |
| Operating income   | 473,551                               | 362,191                                  | 186,395                               | 26,324                                 |
| Share-based compensation expenses                            | 181,769                               | 254,462                                  | 240,597                               | 33,980                                 |
| Impairment of goodwill and investments                       | -                                     | 52,334                                   | -                                     | -                                      |
| Gain on disposal of subsidiaries and business                | -                                     | (82,699)                                 | )                                     | -                                      |
| Amortization of intangible assets from business acquisitions | 62,000                                | 194,982                                  | 186,189                               | 26,295                                 |
| <b>Non-GAAP operating income</b>                             | <b>717,320</b>                        | <b>781,270</b>                           | <b>613,181</b>                        | <b>86,599</b>                          |



|  |                |                |                |               |
|--|----------------|----------------|----------------|---------------|
| Net income   | 3,149,982      | 264,821        | 486,686        | 68,733        |
| Share-based compensation expenses  | 181,769        | 254,462        | 240,597        | 33,980        |
| Impairment of goodwill and investments   | -              | 52,334         | -              | -             |
| Gain on disposal of subsidiaries and business  | -              | (82,699)       | -              | -             |
| Amortization of intangible assets from business acquisitions   | 62,000         | 194,982        | 186,189        | 26,295        |
| Gain on disposal of investments  | -              | -              | (108,903)      | (15,380)      |
| Gain on fair value change of investments <sup>(1)</sup>  | (2,649,843)    | (26,670)       | (335,954)      | (47,446)      |
| Reconciling items on the share of equity method investments <sup>(1)</sup>                           | (5,495)        | 2,060          | 2,433          | 344           |
| Fair value change on derivatives   | -              | 14,258         | (10,346)       | (1,461)       |
| Interest expenses related to the convertible bonds' amortization to face value                       | -              | 102,510        | 102,242        | 14,439        |
| Income tax effects on non-GAAP adjustments   | (16,996)       | (30,889)       | 21,095         | 2,979         |
| <b>Non-GAAP net income</b>   | <b>721,417</b> | <b>745,169</b> | <b>584,039</b> | <b>82,483</b> |
| <br>   |                |                |                |               |
| Net income attributable to common shareholders of JOYY Inc.  | 3,104,338      | 155,971        | 369,985        | 52,251        |
| Share-based compensation expenses  | 181,769        | 254,462        | 240,597        | 33,980        |
| Impairment of goodwill and investments   | -              | 52,334         | -              | -             |
| Gain on disposal of subsidiaries and business  | -              | (82,699)       | -              | -             |
| Amortization of intangible assets from business acquisitions   | 62,000         | 194,982        | 186,189        | 26,295        |
| Gain on disposal of investments  | -              | -              | (108,903)      | (15,380)      |
| Gain on fair value change of investments   | (2,649,843)    | (26,670)       | (335,954)      | (47,446)      |
| Reconciling items on the share of equity method investments  | (5,495)        | 2,060          | 2,433          | 344           |
| Fair value change on derivatives   | -              | 14,258         | (10,346)       | (1,461)       |
| Interest expenses related to the convertible bonds' amortization to face value                       | -              | 102,510        | 102,242        | 14,439        |
| Accretion, cumulative dividend and deemed dividend to subsidiaries' preferred shareholders           | 16,095         | 16,826         | 16,680         | 2,356         |
| Income tax effects on non-GAAP adjustments   | (16,996)       | (30,889)       | 21,095         | 2,979         |
| Non-GAAP adjustments for net loss (gain) attributable to the non-controlling interest shareholders   | (38,346)       | (52,381)       | (55,108)       | (7,783)       |
| <b>Non-GAAP net income attributable to controlling interest and common shareholders of JOYY Inc.</b> | <b>653,522</b> | <b>600,764</b> | <b>428,910</b> | <b>60,574</b> |
| <br>   |                |                |                |               |
| <b>Non-GAAP net income per ADS</b>   |                |                |                |               |
| —Basic   | 9.46           | 7.52           | 5.36           | 0.76          |
| —Diluted   | 9.32           | 6.70           | 4.80           | 0.68          |
| Weighted average number of ADS used in calculating Non-GAAP net income per ADS                       |                |                |                |               |
| —Basic   | 69,097,090     | 79,917,791     | 79,980,844     | 79,980,844    |
| —Diluted   | 69,640,885     | 91,529,644     | 91,837,341     | 91,837,341    |

(1) Gain (loss) on fair value change of equity investees' investments was reclassified to the Reconciling items on the share of equity method investments from Gain on fair value change of investments.

**JOYY INC.**  
**UNAUDITED SEGMENT REPORT**  
(All amounts in thousands, except share, ADS and per ADS data)

**Three Months Ended**  
**March 31, 2020**

|   | YY                | Huya              | Bigo                | Elimination <sup>(1)</sup> | Total               | Total             |
|---|-------------------|-------------------|---------------------|----------------------------|---------------------|-------------------|
|   | RMB               | RMB               | RMB                 | RMB                        | RMB                 | US\$              |
| <b>Net revenues</b>   |                   |                   |                     |                            |                     |                   |
| Live streaming  | 2,509,431         | 2,274,490         | 1,972,330           | -                          | 6,756,251           | 954,165           |
| Others  | 121,141           | 137,458           | 134,595             | -                          | 393,194             | 55,530            |
| <b>Total net revenues</b>   | <b>2,630,572</b>  | <b>2,411,948</b>  | <b>2,106,925</b>    | <b>-</b>                   | <b>7,149,445</b>    | <b>1,009,695</b>  |
| Cost of revenues <sup>(2)</sup>   | (1,540,085 )      | (1,937,145 )      | (1,468,593 )        | -                          | (4,945,823 )        | (698,484 )        |
| <b>Gross profit</b>   | <b>1,090,487</b>  | <b>474,803</b>    | <b>638,332</b>      | <b>-</b>                   | <b>2,203,622</b>    | <b>311,211</b>    |
| <b>Operating expenses<sup>(2)</sup></b>   |                   |                   |                     |                            |                     |                   |
| Research and development expenses   | (269,811 )        | (156,058 )        | (296,353 )          | -                          | (722,222 )          | (101,997 )        |
| Sales and marketing expenses  | (258,994 )        | (106,536 )        | (673,270 )          | -                          | (1,038,800 )        | (146,707 )        |
| General and administrative expenses   | (114,940 )        | (90,206 )         | (83,196 )           | -                          | (288,342 )          | (40,722 )         |
| <b>Total operating expenses</b>   | <b>(643,745 )</b> | <b>(352,800 )</b> | <b>(1,052,819 )</b> | <b>-</b>                   | <b>(2,049,364 )</b> | <b>(289,426 )</b> |
| Other income  | 14,710            | 11,327            | 6,100               | -                          | 32,137              | 4,539             |
| <b>Operating income (loss)</b>  | <b>461,452</b>    | <b>133,330</b>    | <b>(408,387 )</b>   | <b>-</b>                   | <b>186,395</b>      | <b>26,324</b>     |
| Other non-operating expenses  | (10,000 )         | (10,010 )         | (2,000 )            | -                          | (22,010 )           | (3,108 )          |
| Interest expenses   | (122,238 )        | -                 | (16,050 )           | 13,773                     | (124,515 )          | (17,585 )         |
| Interest income and investment income   | 127,592           | 85,740            | 574                 | (13,773 )                  | 200,133             | 28,264            |
| Foreign currency exchange losses, net   | (5,436 )          | (1,425 )          | (6,543 )            | -                          | (13,404 )           | (1,893 )          |
| Fair value change on derivatives  | 10,346            | -                 | -                   | -                          | 10,346              | 1,461             |
| Gain on disposal of investments   | 108,903           | -                 | -                   | -                          | 108,903             | 15,380            |
| Gain on fair value change of investments  | 333,794           | 2,160             | -                   | -                          | 335,954             | 47,446            |
| <b>Income (loss) before income tax expenses</b>   | <b>904,413</b>    | <b>209,795</b>    | <b>(432,406 )</b>   | <b>-</b>                   | <b>681,802</b>      | <b>96,289</b>     |
| Income tax (expenses) benefits  | (163,393 )        | (37,556 )         | 18,937              | -                          | (182,012 )          | (25,705 )         |
| <b>Income (loss) before share of loss in equity method investments, net of income taxes</b> | <b>741,020</b>    | <b>172,239</b>    | <b>(413,469 )</b>   | <b>-</b>                   | <b>499,790</b>      | <b>70,584</b>     |
| Share of loss in equity method investments, net of income taxes                             | (12,091 )         | (1,013 )          | -                   | -                          | (13,104 )           | (1,851 )          |
| <b>Net income (loss)</b>  | <b>728,929</b>    | <b>171,226</b>    | <b>(413,469 )</b>   | <b>-</b>                   | <b>486,686</b>      | <b>68,733</b>     |

(1) The elimination mainly consists of interest income and interest expenses generated from the loan between YY and Bigo segments.

(2) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

|                                     | Three Months Ended<br>March 31, 2020 |        |        |         |        |
|-------------------------------------|--------------------------------------|--------|--------|---------|--------|
|                                     | YY                                   | Huya   | Bigo   | Total   | Total  |
|                                     | RMB                                  | RMB    | RMB    | RMB     | US\$   |
| Cost of revenues                    | 2,732                                | 14,880 | 8,917  | 26,529  | 3,747  |
| Research and development expenses   | 20,398                               | 36,323 | 67,602 | 124,323 | 17,558 |
| Sales and marketing expenses        | 793                                  | 2,578  | 1,122  | 4,493   | 635    |
| General and administrative expenses | 36,768                               | 40,050 | 8,434  | 85,252  | 12,040 |

**JOYY INC.**  
**RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF UNAUDITED SEGMENT REPORT**  
(All amounts in thousands, except share, ADS and per ADS data)

|  | <b>Three Months Ended<br/>March 31, 2020</b> |                |                   |                |               |
|--|--|----------------|-------------------|----------------|---------------|
|  | <b>YY</b>                                    | <b>Huya</b>    | <b>Bigo</b>       | <b>Total</b>   | <b>Total</b>  |
|  | RMB  | RMB            | RMB               | RMB            | US\$          |
| Operating income (loss)  | 461,452                                      | 133,330        | (408,387 )        | 186,395        | 26,324        |
| Share-based compensation expenses  | 60,691                                       | 93,831         | 86,075            | 240,597        | 33,980        |
| Amortization of intangible assets from business acquisitions                   | -  | -              | 186,189           | 186,189        | 26,295        |
| <b>Non-GAAP operating income (loss)</b>  | <b>522,143</b>                               | <b>227,161</b> | <b>(136,123 )</b> | <b>613,181</b> | <b>86,599</b> |
| Net income (loss)  | 728,929                                      | 171,226        | (413,469 )        | 486,686        | 68,733        |
| Share-based compensation expenses  | 60,691                                       | 93,831         | 86,075            | 240,597        | 33,980        |
| Amortization of intangible assets from business acquisitions                   | -  | -              | 186,189           | 186,189        | 26,295        |
| Gain on disposal of investments  | (108,903 )                                   | -              | -                 | (108,903 )     | (15,380 )     |
| Gain on fair value change of investments                                       | (333,794 )                                   | (2,160 )       | -                 | (335,954 )     | (47,446 )     |
| Reconciling items on the share of equity method investments                    | 2,433  | -              | -                 | 2,433          | 344           |
| Fair value change on derivatives   | (10,346 )                                    | -              | -                 | (10,346 )      | (1,461 )      |
| Interest expenses related to the convertible bonds' amortization to face value | 102,242                                      | -              | -                 | 102,242        | 14,439        |
| Income tax effects on non-GAAP adjustments                                     | 44,747                                       | 540            | (24,192 )         | 21,095         | 2,979         |
| <b>Non-GAAP net income (loss)</b>  | <b>485,999</b>                               | <b>263,437</b> | <b>(165,397 )</b> | <b>584,039</b> | <b>82,483</b> |

**JOYY INC.**  
**UNAUDITED SEGMENT REPORT**  
(All amounts in thousands, except share, ADS and per ADS data)

|   | <b>Three Months Ended<br/>December 31, 2019</b> |                   |                     |                       |                     |                   |
|---|---|-------------------|---------------------|-----------------------|---------------------|-------------------|
|   | <b>YY(1)</b>                                    | <b>Huya</b>       | <b>Bigo</b>         | <b>Elimination(2)</b> | <b>Total</b>        | <b>Total</b>      |
|   | RMB   | RMB               | RMB                 | RMB                   | RMB                 | US\$              |
| <b>Net revenues</b>                           |   |                   |                     |                       |                     |                   |
| Live streaming                                | 3,161,700                                       | 2,346,141         | 1,638,731           | -                     | 7,146,572           | 1,026,541         |
| Others  | 184,708   | 121,329           | 165,550             | -                     | 471,587             | 67,739            |
| <b>Total net revenues</b>                     | <b>3,346,408</b>                                | <b>2,467,470</b>  | <b>1,804,281</b>    | <b>-</b>              | <b>7,618,159</b>    | <b>1,094,280</b>  |
| Cost of revenues <sup>(3)</sup>               | (1,842,255 )                                    | (2,000,909 )      | (1,257,845 )        | -                     | (5,101,009 )        | (732,714 )        |
| <b>Gross profit</b>                           | <b>1,504,153</b>                                | <b>466,561</b>    | <b>546,436</b>      | <b>-</b>              | <b>2,517,150</b>    | <b>361,566</b>    |
| <b>Operating expenses<sup>(3)</sup></b>       |   |                   |                     |                       |                     |                   |
| Research and development expenses             | (321,240 )                                      | (178,290 )        | (302,737 )          | -                     | (802,267 )          | (115,238 )        |
| Sales and marketing expenses                  | (299,985 )                                      | (118,324 )        | (608,108 )          | -                     | (1,026,417 )        | (147,436 )        |
| General and administrative expenses           | (245,533 )                                      | (96,367 )         | (126,364 )          | -                     | (468,264 )          | (67,262 )         |
| <b>Total operating expenses</b>               | <b>(866,758 )</b>                               | <b>(392,981 )</b> | <b>(1,037,209 )</b> | <b>-</b>              | <b>(2,296,948 )</b> | <b>(329,936 )</b> |
| Gain on disposal of subsidiaries and business | 82,699  | -                 | -                   | -                     | 82,699              | 11,879            |
| Other income                                  | 29,929  | 28,046            | 1,315               | -                     | 59,290              | 8,516             |

|  |            |           |            |           |            |           |
|--|------------|-----------|------------|-----------|------------|-----------|
| <b>Operating income (loss)</b>   | 750,023    | 101,626   | (489,458 ) | -         | 362,191    | 52,025    |
| Interest expenses  | (123,570 ) | -         | (15,282 )  | 14,278    | (124,574 ) | (17,894 ) |
| Interest income and investment income  | 150,749    | 88,346    | 714        | (14,278 ) | 225,531    | 32,396    |
| Foreign currency exchange (losses) gains, net  | (2,221 )   | 99        | (19,609 )  | -         | (21,731 )  | (3,121 )  |
| Fair value change on derivatives   | (14,258 )  | -         | -          | -         | (14,258 )  | (2,048 )  |
| Gain on fair value change of investments   | 26,670     | -         | -          | -         | 26,670     | 3,831     |
| <b>Income (loss) before income tax expenses</b>  | 787,393    | 190,071   | (523,635 ) | -         | 453,829    | 65,189    |
| Income tax (expenses) benefits   | (170,114 ) | (27,599 ) | 5,529      | -         | (192,184 ) | (27,606 ) |
| <b>Income (loss) before share of income (loss) in equity method investments, net of income taxes</b> | 617,279    | 162,472   | (518,106 ) | -         | 261,645    | 37,583    |
| Share of income (loss) in equity method investments, net of income taxes                             | 5,978      | (2,802 )  | -          | -         | 3,176      | 456       |
| <b>Net income (loss)</b>   | 623,257    | 159,670   | (518,106 ) | -         | 264,821    | 38,039    |

(1) In 2019 the segment of “YY Live” was renamed as “YY”.

(2) The elimination mainly consists of interest income and interest expenses generated from the loan between YY and Bigo segments.

(3) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

|                                     | <b>Three Months Ended<br/>December 31, 2019</b> |                     |                     |                      |                       |
|-------------------------------------|---|---------------------|---------------------|----------------------|-----------------------|
|                                     | <b>YY<br/>RMB</b>                               | <b>Huya<br/>RMB</b> | <b>Bigo<br/>RMB</b> | <b>Total<br/>RMB</b> | <b>Total<br/>US\$</b> |
| Cost of revenues                    | 7,189   | 14,806              | 8,738               | 30,733               | 4,415                 |
| Research and development expenses   | 38,211  | 36,369              | 71,307              | 145,887              | 20,955                |
| Sales and marketing expenses        | 917   | 2,640               | 1,090               | 4,647                | 667                   |
| General and administrative expenses | 35,433  | 28,370              | 9,392               | 73,195               | 10,514                |

**JOYY INC.**  
**RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF UNAUDITED SEGMENT REPORT**  
(All amounts in thousands, except share, ADS and per ADS data)

|  | <b>Three Months Ended<br/>December 31, 2019</b> |                     |                     |                      |                       |
|--|---|---------------------|---------------------|----------------------|-----------------------|
|  | <b>YY<br/>RMB</b>                               | <b>Huya<br/>RMB</b> | <b>Bigo<br/>RMB</b> | <b>Total<br/>RMB</b> | <b>Total<br/>US\$</b> |
| Operating income (loss)                                      | 750,023   | 101,626             | (489,458 )          | 362,191              | 52,025                |
| Share-based compensation expenses                            | 81,750  | 82,185              | 90,527              | 254,462              | 36,551                |
| Impairment of goodwill and investments                       | 52,334  | -                   | -                   | 52,334               | 7,517                 |
| Gain on disposal of subsidiaries and business                | (82,699 )                                       | -                   | -                   | (82,699 )            | (11,879 )             |
| Amortization of intangible assets from business acquisitions | -   | -                   | 194,982             | 194,982              | 28,007                |
| <b>Non-GAAP operating income (loss)</b>                      | 801,408   | 183,811             | (203,949 )          | 781,270              | 112,221               |
| Net income (loss)  | 623,257   | 159,670             | (518,106 )          | 264,821              | 38,039                |
| Share-based compensation expenses                            | 81,750  | 82,185              | 90,527              | 254,462              | 36,551                |
| Impairment of goodwill and investments                       | 52,334  | -                   | -                   | 52,334               | 7,517                 |

|  |                |                |                   |                |                |
|--|----------------|----------------|-------------------|----------------|----------------|
| Gain on disposal of subsidiaries and business                                  | (82,699 )      | -              | -                 | (82,699 )      | (11,879 )      |
| Amortization of intangible assets from business acquisitions                   | -              | -              | 194,982           | 194,982        | 28,007         |
| Gain on fair value change of investments                                       | (26,670 )      | -              | -                 | (26,670 )      | (3,831 )       |
| Reconciling items on the share of equity method investments                    | 2,060          | -              | -                 | 2,060          | 296            |
| Fair value change on derivatives   | 14,258         | -              | -                 | 14,258         | 2,048          |
| Interest expenses related to the convertible bonds' amortization to face value | 102,510        | -              | -                 | 102,510        | 14,725         |
| Income tax effects on non-GAAP adjustments                                     | 9,235          | -              | (40,124 )         | (30,889 )      | (4,437 )       |
| <b>Non-GAAP net income (loss)</b>  | <b>776,035</b> | <b>241,855</b> | <b>(272,721 )</b> | <b>745,169</b> | <b>107,036</b> |

**JOYY INC.**  
**UNAUDITED SEGMENT REPORT**  
(All amounts in thousands, except share, ADS and per ADS data)

**Three Months Ended  
March 31, 2019**

|   | <b>YY<sup>(1)</sup></b> | <b>Huya</b>       | <b>Bigo<sup>(2)</sup></b> | <b>Elimination<sup>(3)</sup></b> | <b>Total</b>        | <b>Total</b>      |
|---|-------------------------|-------------------|---------------------------|----------------------------------|---------------------|-------------------|
|   | <b>RMB</b>              | <b>RMB</b>        | <b>RMB</b>                | <b>RMB</b>                       | <b>RMB</b>          | <b>US\$</b>       |
| <b>Net revenues</b>   |                         |                   |                           |                                  |                     |                   |
| Live streaming  | 2,566,523               | 1,552,482         | 366,015                   | -                                | 4,485,020           | 668,289           |
| Others  | 186,733                 | 78,996            | 29,835                    | -                                | 295,564             | 44,040            |
| <b>Total net revenues</b>   | <b>2,753,256</b>        | <b>1,631,478</b>  | <b>395,850</b>            | <b>-</b>                         | <b>4,780,584</b>    | <b>712,329</b>    |
| Cost of revenues <sup>(4)</sup>   | (1,548,046 )            | (1,358,105 )      | (254,174 )                | -                                | (3,160,325 )        | (470,903 )        |
| <b>Gross profit</b>   | <b>1,205,210</b>        | <b>273,373</b>    | <b>141,676</b>            | <b>-</b>                         | <b>1,620,259</b>    | <b>241,426</b>    |
| <b>Operating expenses<sup>(4)</sup></b>   |                         |                   |                           |                                  |                     |                   |
| Research and development expenses   | (235,502 )              | (90,044 )         | (79,190 )                 | -                                | (404,736 )          | (60,308 )         |
| Sales and marketing expenses  | (266,317 )              | (78,164 )         | (189,755 )                | -                                | (534,236 )          | (79,604 )         |
| General and administrative expenses   | (163,364 )              | (85,811 )         | (27,249 )                 | -                                | (276,424 )          | (41,188 )         |
| <b>Total operating expenses</b>   | <b>(665,183 )</b>       | <b>(254,019 )</b> | <b>(296,194 )</b>         | <b>-</b>                         | <b>(1,215,396 )</b> | <b>(181,100 )</b> |
| Other income  | 58,066                  | 8,864             | 1,758                     | -                                | 68,688              | 10,235            |
| <b>Operating income (loss)</b>  | <b>598,093</b>          | <b>28,218</b>     | <b>(152,760 )</b>         | <b>-</b>                         | <b>473,551</b>      | <b>70,561</b>     |
| Interest expenses   | (6,219 )                | -                 | (1,395 )                  | 1,395                            | (6,219 )            | (927 )            |
| Interest income and investment income   | 94,745                  | 54,585            | 354                       | (1,395 )                         | 148,289             | 22,096            |
| Foreign currency exchange (losses) gain, net  | (965 )                  | (374 )            | 2,672                     | -                                | 1,333               | 199               |
| Gain on fair value change of investments  | 2,649,843               | -                 | -                         | -                                | 2,649,843           | 394,839           |
| <b>Income (loss) before income tax expenses</b>   | <b>3,335,497</b>        | <b>82,429</b>     | <b>(151,129 )</b>         | <b>-</b>                         | <b>3,266,797</b>    | <b>486,768</b>    |
| Income tax (expenses) benefits  | (110,380 )              | (18,968 )         | 5,377                     | -                                | (123,971 )          | (18,472 )         |
| <b>Income before share of (loss) income in equity method investments, net of income taxes</b> | <b>3,225,117</b>        | <b>63,461</b>     | <b>(145,752 )</b>         | <b>-</b>                         | <b>3,142,826</b>    | <b>468,296</b>    |
| Share of income (loss) in equity method investments, net of income taxes                      | 7,157                   | (1 )              | -                         | -                                | 7,156               | 1,066             |
| <b>Net income (loss)</b>  | <b>3,232,274</b>        | <b>63,460</b>     | <b>(145,752 )</b>         | <b>-</b>                         | <b>3,149,982</b>    | <b>469,362</b>    |

(1) In 2019 the segment of "YY Live" was renamed as "YY".

- (2) On March 4, 2019, JOYY completed the acquisition of Bigo. Therefore, Bigo's financial results from March 4, 2019 to March 31, 2019 were included in JOYY's consolidated financial statements.
- (3) The elimination mainly consists of interest income and interest expenses generated from the loan between YY and Bigo segments.
- (4) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

|                                     | <b>Three Months Ended<br/>March 31, 2019</b> |             |             |              |              |
|-------------------------------------|--|-------------|-------------|--------------|--------------|
|                                     | <b>YY</b>                                    | <b>Huya</b> | <b>Bigo</b> | <b>Total</b> | <b>Total</b> |
|                                     | RMB  | RMB         | RMB         | RMB          | US\$         |
| Cost of revenues                    | 7,224  | 4,020       | 3,065       | 14,309       | 2,132        |
| Research and development expenses   | 25,992                                       | 11,824      | 32,791      | 70,607       | 10,521       |
| Sales and marketing expenses        | 552  | 904         | 520         | 1,976        | 294          |
| General and administrative expenses | 38,194                                       | 51,078      | 5,605       | 94,877       | 14,137       |

**JOYY INC.**  
**RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF UNAUDITED SEGMENT REPORT**  
 (All amounts in thousands, except share, ADS and per ADS data)

|  | <b>Three Months Ended<br/>March 31, 2019</b> |                |                  |                |                |
|--|--|----------------|------------------|----------------|----------------|
|  | <b>YY</b>                                    | <b>Huya</b>    | <b>Bigo</b>      | <b>Total</b>   | <b>Total</b>   |
|  | RMB  | RMB            | RMB              | RMB            | US\$           |
| Operating income (loss)                                      | 598,093                                      | 28,218         | (152,760 )       | 473,551        | 70,561         |
| Share-based compensation expense                             | 71,962                                       | 67,826         | 41,981           | 181,769        | 27,084         |
| Amortization of intangible assets from business acquisitions | -  | -              | 62,000           | 62,000         | 9,238          |
| <b>Non-GAAP operating income (loss)</b>                      | <b>670,055</b>                               | <b>96,044</b>  | <b>(48,779 )</b> | <b>717,320</b> | <b>106,883</b> |
| Net income (loss)  | 3,232,274                                    | 63,460         | (145,752 )       | 3,149,982      | 469,362        |
| Share-based compensation expenses                            | 71,962                                       | 67,826         | 41,981           | 181,769        | 27,084         |
| Amortization of intangible assets from business acquisitions | -  | -              | 62,000           | 62,000         | 9,238          |
| Gain on fair value change of investments                     | (2,649,843 )                                 | -              | -                | (2,649,843 )   | (394,839 )     |
| Reconciling items on the share of equity method investments  | (5,495 )                                     | -              | -                | (5,495 )       | (819 )         |
| Income tax effects on non-GAAP adjustments                   | (7,479 )                                     | -              | (9,517 )         | (16,996 )      | (2,532 )       |
| <b>Non-GAAP net income (loss)</b>                            | <b>641,419</b>                               | <b>131,286</b> | <b>(51,288 )</b> | <b>721,417</b> | <b>107,494</b> |

Source: JOYY Inc.