

Chinese Stocks with "Going-global" Strategies has become the Spotlight of Investment

In recent years, an increasing number of Chinese enterprises has been adapting the "going-global" strategies in view of the enormous market opportunities. In particular, the fast-growing companies in various market segments such as entertainment, games, social networking, e-commerce fields are drawing market attention, namely Joyy, IGG, Newborn Town and Anker Innovations.

Currently, the total number of internet users worldwide has exceeded 4 billion, which comprise the Generation Z users. It is apparently a huge market with tremendous growth potential. The rising trend in the number of internet users have fueled the business growth of the companies in the entertainment, social networking and new consumption industries. As such, Chinese stocks with "going-global" strategies are becoming the new spotlight of investment.

I. Joyy Inc. (NASDAQ:YY)

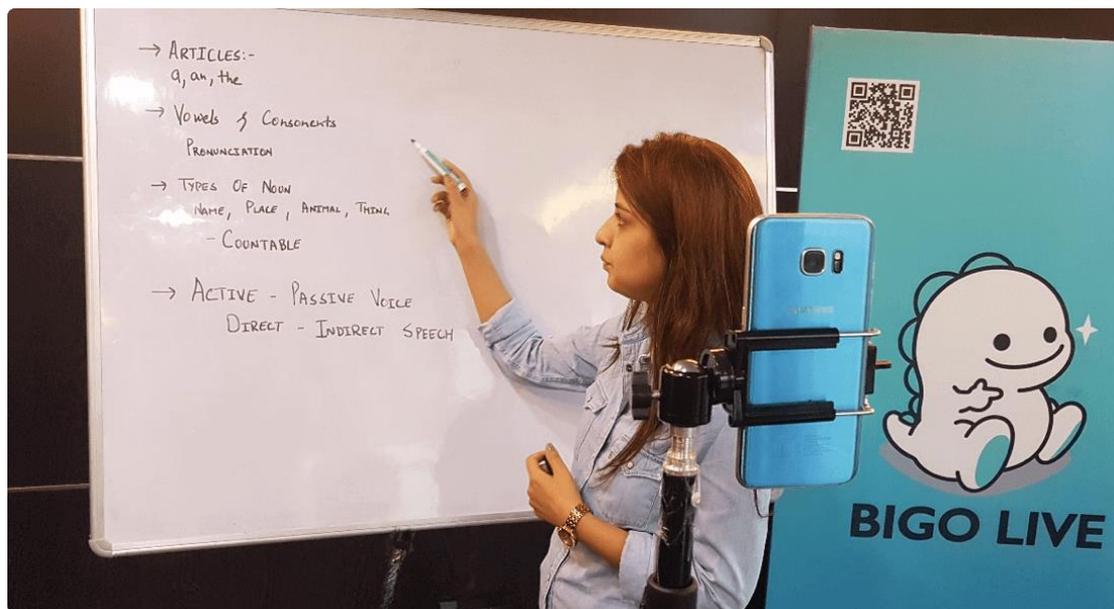
Going-global Concept Stock in the Entertainment industry

Joyy Inc. (NASDAQ:YY) owns popular apps such as Bigo Live, a global live-streaming social networking app, and Likee, a global short video platform. It is one of the most influential pan-entertainment companies with nearly 400 million users in over 150 countries and regions.

According to the published financials of fourth quarter of 2020, Joyy's overseas Monthly Active Users (MAU) of mobile terminal reached about 350 million, among which the users of Bigo Live reached 28.7 million, and the users of Likee reached 110 million, with a year-on-year growth of 119.0%. Furthermore, App Annie has named Bigo Live as the 6th highest-grossing non-game app worldwide in the first quarter of 2021.

In 2020, Joyy Inc. recorded revenue of RMB 13.23 billion, up 112% year on year, wherein the overseas business contributed about 90% of the revenue, which reached RMB 11.95 billion, up 112.3% year-on-year.

In 2020, people are forced to stay at home when the Covid-19 pandemic struck the world, which gave rise to the growth of live streaming and short videos. Adhering to the strategy of globalization and localization, the overseas business of Joyy burgeons.



II. IGG (HKSE: 00799)

Going-global Concept Stock of Game

The Covid-19 pandemic has catalyzed the development of the game industry. Chinese mobile game company IGG (HKSE: 00799) has been one of the beneficiaries.

IGG has subsidiaries in China, the United States, Canada and other countries. It was listed on the Hong Kong Stock Exchange on October 18, 2013. Its core product, *Lords Mobile*, was the pioneer AAA mobile game that combined real-time strategy with role-playing. It was officially released on September 27, 2017.

Lords Mobile is currently available in more than 100 countries and regions. It topped App Store's best-selling apps list in 11 countries and regions and ranked the top 10 in

49 countries and regions. It also performed well on Google Play, topping Google Play's best-selling apps list in 8 countries and regions and ranking top 10 in 62 countries and regions.



According to the financial report in 2020, IGG recorded revenue of USD 704 million, up 5.46% year-on-year, among which *Lords Mobile* made great significant achievements with a new record of USD 66 million monthly flow and product revenue of more than USD 600 million in 2020.

IGG has been priced at around HK\$10 to HK\$11, nearly a double comparing with HK\$5 one year ago. With the positive development in the overseas game industry, IGG has good investment value in the long run.

III. Newborn Town Inc. (HKSE: 09911)

Going-global Concept Stocks of Social Networking

Social distancing policies as a result of the uncontained epidemic has increased the demands for online interactions. Newborn Town Inc. (HKSE: 09911), an Internet company concentrating on global social networking businesses, is growing fast.

Newborn Town is one of the earliest Chinese companies to go global. With 10 years of experience in overseas market, the company has accumulated more than 1.2 billion users in more than 200 countries and regions. In late 2019, Newborn Town went listed on the main board of the Hong Kong Stock Exchange, known as "the first social networking going-global stock". During the IPO stage, the company was oversubscribed more than 1400 times, and was addressed as the "Oversubscription King" of 2019 by Hong Kong media.

Newborn Town has created diversified audio and video social networking products, including video social networking platform Yiyo, live-streaming social networking platform MICO, voice-chat social networking platform YoHo, etc. In the first quarter of 2021, the average MAU of the company's social apps reached about 16.58 million, with a quarter-on-quarter growth of 25.75%.

According to public information, the social networking products of Newborn Town have become the leading social platforms in the Middle East, Southeast Asia, South Asia and North America, and are exploring the markets of Europe, Japan and South Korea.



In terms of operating figures, Newborn Town has disclosed the unaudited financials of the first quarter of 2021. It was estimated to range from RMB 504 to 544 million, a year-on-year growth of over 470%. With the strong financial performance in the last

three quarters, it is expected that the company's annual revenue will make a great leap forward this year.

Recently, MSCI, an American financial company publishing indexes, has added Newborn Town into the MSCI China Small Cap Index, which will further enhance the reputation and stock liquidity of Newborn Town in the international capital market.

IV. Anker Innovations (SZSE: 300866)

Going-global Concept Stocks of E-commerce

Anker Innovations (SZSE: 300866), founded in 2011, is one of the largest consumer electronics brands going global in China. It focuses on the research and development and sales of smart accessories and smart hardware. The company was listed in August 2020, with a total market value of more than RMB 60 billion.

The company began to develop its own brand products from the early stage, and has achieved a higher profit level and turnover efficiency than some listed companies. The brand has gained a leading share in North America, Europe, Japan, the Middle East and other regions, and ranked first in the market share of charging products in North America.

Currently, products such as mobile power supply, charging cables and wireless speakers of Anker Innovations are among the best-selling products on Amazon for years. Amazon has accounted for 93.4% of Anker Innovations's online sales.

The financial report showed that the revenue of Anker Innovations in 2020 reached RMB 9.353 billion, with an annual growth of 40.54%, among which the revenue of the fourth quarter was RMB 3.334 billion, with an annual growth of 58%. It is believed that the company will record continuous growth in revenue.

Anker Innovations is building a diversified portfolio of intelligence innovation products, other than two major brands, namely Eufy and Nebula. The new products are becoming the new growth point of the business.



With the increasing popularity of smart home and third-party fast charger accessories, the company, as a leading cross-border B2C consumer electronics brand, is expected to fully grasp the opportunity for development.

Conclusion

Going overseas for the sake of expansion has become the current and future direction of many Chinese Internet companies. Revisiting the above four Chinese "going-global concept stocks": Joyy Inc., with its core product Bigo Live, plays a leading role in the field of global live-streaming entertainment. IGG, with popular products such as *Lords Mobile* in hand, continues to stand out in the global gaming industry. Newborn Town, with 10 years of experience in overseas market, keeps expanding its global business of social networking. Anker Innovations, with intelligent innovation as the second growth curve, further increases market share.

Chinese stocks with "going-global" strategies have demonstrated forward-looking vision and perseverance in exploring the world market. They also achieved excellent financial performance based on their solid knowledge and analysis of the market needs. In the foreseeable future, it is believed that they will have greater improvement and promising investment prospect.