
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F**

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2024.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number: 001-35729

JOYY INC.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

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(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading symbol(s)	Name of Exchange on Which Registered
American depositary shares (each representing 20 Class A common shares, par value US\$0.00001 per share)	JOYY	The Nasdaq Stock Market LLC
Class A common shares, par value US\$0.00001 per share*		The Nasdaq Stock Market LLC

* Not for trading, but only in connection with the listing on The Nasdaq Stock Market LLC of the American depositary shares ("ADSs").

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report. 714,663,197 Class A common shares, par value US\$0.00001 per share, and 326,509,555 Class B common shares, par value US\$0.00001 per share, were outstanding as of December 31, 2024.

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, references in this annual report on Form 20-F to:

- “active user” and “mobile active user” for any period is measured by the number of registered user accounts (as defined below) that have had log-on activity at least once during the given period;
- “BIGO” refers to our core business segment which primarily includes our social entertainment platforms Bigo Live, Likee and imo and advertising platform Bigo Ads. “All other” refers to our remaining business segment which primarily includes our social entertainment platform Hago, our smart commerce platform Shopline, and certain audio live streaming platforms;
- “MAU,” “monthly active user” and “mobile monthly active user” for any period is calculated by dividing (i) the sum of active users for each month of such period by (ii) the number of months in such period;
- “paying user” for any period means a registered user account that has purchased virtual items or other products and services on Bigo Live, Likee or imo at least once during the period. A paying user is not necessarily a unique user, however, as a unique user may set up multiple paying user accounts on our platforms. Thus, the number of paying users referred to in this annual report may be higher than the number of unique users who are purchasing virtual items or other products and services;
- “registered user account” means a user account that (i) has been registered on one of our social entertainment platforms (primarily Bigo Live, Likee, imo and Hago), and (ii) has had log-on activity at least once since registration. Each individual user may have more than one registered user account;
- “US\$,” “U.S. dollars,” “\$,” and “dollars” refer to the legal currency of the United States;
- “S\$” are to Singapore dollars, the legal currency of Singapore;
- “RMB” and “Renminbi” refer to the legal currency of mainland China; and
- “we,” “us,” “our company,” “the Company,” “our” and “JOYY” refer to JOYY Inc., a Cayman Islands company, its subsidiaries, and, in the context of describing our operations and consolidated financial statements, also include the variable interest entities, or the VIEs, and their subsidiaries.

Our reporting currency is U.S. dollars since a majority of our revenues and expenses are denominated in U.S. dollars.

On November 16, 2020, we entered into definitive agreements with affiliates of Baidu, Inc. (Nasdaq: BIDU; HKEX: 9888), or Baidu. Pursuant to these agreements, as amended on February 7, 2021, Baidu would acquire YY Live, JOYY’s video-based entertainment live streaming business in mainland China, including the YY mobile app, the YY.com website and the YY PC app, among others. The sale had been substantially completed as of February 8, 2021, with certain remaining matters including necessary regulatory approvals, and we have ceased consolidation of YY Live’s business since then. On February 25, 2025, we entered into additional agreements with Baidu and closed the sale of YY Live to Baidu for an aggregate price of approximately US\$2.1 billion in cash, including approximately US\$1.86 billion received in February 2021 and approximately US\$240 million received on February 25, 2025.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “is expected to,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements about:

- our growth strategies;
- our ability to retain and increase our user base and expand our product and service offerings;
- our ability to monetize our platforms;
- our future business development, results of operations and financial condition;
- competition from companies in a number of industries, including companies that provide social entertainment, advertising, and smart commerce solutions;
- expected changes in our revenues and certain cost or expense items;
- global economic, political, social and business conditions and their impact on the markets where we operate;
- our expectations regarding the effects of existing and developing laws and regulations across different markets where we operate;
- our ability to comply with evolving laws and regulations applicable to our businesses;
- expected growth and trends of the markets where we operate;
- our ability to incorporate emerging technologies, including AI, and their applications to our business, and/or to upgrade our existing technologies;
- our ability to expand and/or enhance our global localized operational network;
- our expectations concerning relationships with third parties;
- our expectations regarding our dividend policy and share repurchase program, including future amounts of dividends and share repurchases; and
- assumptions underlying or related to any of the foregoing.

You should thoroughly read this annual report and the documents that we refer to herein with the understanding that our actual future results may be materially different from and/or worse than what we expect. Other sections of this annual report, including “Item 3. Key Information—D. Risk Factors” and “Item 5. Operating and Financial Review and Prospects,” discuss factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements we make as predictions of future events. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Our Holding Company Structure

JOYY Inc. is a Cayman Islands holding company that does not have substantive operations of its own. Investors in JOYY Inc. are not acquiring equity interest in any operating company but instead are acquiring interest in a Cayman Islands holding company. We conduct the majority of our business through our subsidiaries in Singapore, the United States, the United Kingdom, and other jurisdictions. As a result, JOYY Inc.'s ability to pay dividends depends upon dividends paid by our subsidiaries, which is subject to restrictions imposed by the applicable laws and regulations of the relevant jurisdictions. We currently operate in several key markets across the globe, including North America, Europe, the Middle East, Southeast Asia, and others.

We conduct a portion of our operations in mainland China, which accounted for 19.7%, 15.3% and 10.4% of our total net revenues for the years ended December 31, 2022, 2023 and 2024, respectively. Due to legal restrictions in mainland China on foreign investment in certain internet-related business, value-added telecommunication services and other-related businesses, we operate these businesses in mainland China through the VIEs, with which we have entered into contractual arrangements. For more details of these contractual arrangements, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—VIE Structure and the Contractual Arrangements." For the condensed consolidating schedule of financial information of JOYY Inc., the VIEs, the primary beneficiaries of the VIEs, and other equity subsidiaries, see "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Financial Information Related to the Variable Interest Entities." For risks related to the VIE structure, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the Jurisdictions Where We Operate—We are subject to risks related to our corporate structure in mainland China."

We have established stringent controls and procedures for cash flows within our organization. Each transfer of cash between our Cayman Islands holding company and our subsidiaries, the VIEs or their subsidiaries is subject to internal approval. For details of the cash and asset flows through our organization, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Cash and Asset Flows Through Our Organization."

A. Reserved

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

An investment in our ADSs is subject to a number of risks, including risks related to our business and industry, risks related to doing business in the jurisdictions where we operate, and risks related to our ADSs. The following summarizes some, but not all, of these risks. Please carefully consider all of the information discussed in “Item 3. Key Information—D. Risk Factors” in this annual report for a more thorough description of these and other risks.

Risks Related to Our Business and Industry

- We are subject to risks associated with operating in a rapidly developing industry and an evolving market.
- If we fail to effectively manage our growth or implement our business strategies, our business and results of operations may be materially and adversely affected.
- Our current businesses have a limited operating history, and you should consider our prospects in light of the risks and uncertainties which early-stage companies in evolving industries globally may be exposed to or encounter, including possible volatility in the trading prices of our ADSs.
- We generate a substantial majority of our revenues from live streaming services. If our live streaming revenues decline in the future, our results of operations may be materially and adversely affected.
- We may face significant risks related to the content, information, communications and other activities on our platforms.
- The revenue model for each of our live streaming and our membership program may not remain effective, which may affect our ability to retain existing users and attract new users and materially and adversely affect our business, financial condition and results of operations.
- We generate a portion of our revenues from online advertising. If we fail to attract more advertisers to our platforms or if advertisers are less willing to advertise with us, our revenues may be adversely affected.
- We generate a portion of our revenues from smart commerce solutions. If we fail to attract and retain merchants or to improve the functionality of our smart commerce solutions in a timely manner, our revenues, business, financial condition and results of operations may be adversely affected.
- Changes in global or regional economic, geopolitical or social conditions, as well as changes in government policies, could materially and adversely affect our business, financial condition and results of operations.
- Our business is subject to complex and evolving laws and regulations across the globe regarding cybersecurity, information security, privacy and data protection. Many of these laws and regulations are subject to change and uncertain interpretation, and any failure or perceived failure to comply with these laws and regulations could result in claims, changes to our business practices, negative publicity, legal proceedings, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.
- We face competition in several major aspects of our business. If we fail to compete effectively, we may lose users, advertisers and merchants which could materially and adversely affect our business, financial condition and results of operations.
- We use third-party services and technologies in connection with our business, and any disruption to the provision of these services and technologies to us could result in adverse publicity and a slowdown in the growth of our users, which could materially and adversely affect our business, financial condition and results of operations.

Risks Related to Doing Business in the Jurisdictions Where We Operate

- We are subject to the risks of doing business globally.
- We have limited experience in international markets. If we fail to meet the challenges presented by our increasingly globalized operations, our business, financial condition and results of operations may be materially and adversely affected.
- We face risks and uncertainties to comply with the laws, regulations and rules in various aspects in multiple jurisdictions across the globe. Failure to comply with such applicable laws, regulations and rules may subject our global operations to strict scrutiny by local authorities, which in turn may materially and adversely affect our globalized operations.
- Fluctuations in currency exchange rates may adversely affect our operational and financial results, which we report in U.S. dollars.
- Our operations in mainland China are subject to complex and evolving laws and regulations.
- We are subject to risks related to our corporate structure in mainland China.

Risks Related to Our ADSs

- The trading prices of our ADSs are likely to be volatile, which could result in substantial losses to investors.
- We may be named as a defendant in putative shareholder class action lawsuits and may be subject to the SEC or third-party investigations which could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation.
- We believe that we were a passive foreign investment company, or PFIC, for United States federal income tax purposes for the taxable year ended December 31, 2024, and we will likely be a PFIC for the current taxable year and possibly for future taxable years, which could subject United States holders of our ADSs or Class A common shares to significant adverse United States income tax consequences.
- Our dual class common share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A common shares and ADSs may view as beneficial.

Risks Related to Our Business and Industry

We are subject to risks associated with operating in a rapidly developing industry and an evolving market.

Many of the elements of our business are unique, evolving and relatively unproven. Our business and prospects depend on continuing development of the online social entertainment and smart commerce solution industries around the world. The market for our services is rapidly developing and evolving, and is subject to significant challenges. The success of our business heavily relies on the size and engagement level of our user base, and our ability to successfully monetize our user base and products and services. Developing and integrating new content and services could be expensive and time-consuming, and our efforts in those aspects may not yield the benefits we expect to achieve in a timely manner, or at all. We cannot assure you that we will continue to succeed in the industries in which we operate or that these industries will continue to grow.

As users are facing a growing number of entertainment or smart commerce solution options that directly or indirectly compete with online social entertainment and smart commerce solution services that we offer, these services may not maintain or see increases in their current popularity. Growth of the online social entertainment and smart commerce solution industries is affected by numerous factors, such as quality, user experience, technological innovations, development of internet and internet-based services, regulatory environment, and macroeconomic environment. If the services that we offer lose their popularity due to changing social trends and consumer preferences, or if the global online social entertainment or smart commerce solution market does not grow as quickly as expected, our results of operation and financial condition may be materially and adversely affected.

If we fail to effectively manage our growth or implement our business strategies, our business and results of operations may be materially and adversely affected.

We believe that our continued growth will depend on our ability to develop new sources of revenue, increase monetization, attract new users, retain and expand paying users, encourage additional purchases by our paying users, continue developing innovative products, services and technologies in response to user demand, increase brand awareness through marketing and promotional activities, react to changes in user access to and use of the internet, expand into new market segments, integrate new devices, platforms and operating systems, develop new advertising and promotion methods, attract new advertisers and retain existing advertisers, attract new merchants, retain and increase revenues from existing merchants, and take advantage of any growth in the relevant markets. We cannot assure you that we will achieve any of the above or achieve any of the above in a cost-effective manner.

To manage our growth and maintain profitability, we anticipate that we will need to continue to implement, from time to time, a variety of new and upgraded operational and financial systems, procedures and controls on an as-needed basis. We will also need to further expand, train, manage and motivate our workforce and manage our relationships with users, performers, third-party game developers, advertisers, media platforms, merchants, app developers, payment processors, shipping companies and other business partners. All of these endeavors involve risks and will require substantial management efforts and skills and significant additional expenditures. We cannot assure you that we will be able to effectively manage our growth or implement our future business strategies, and failure to do so may materially and adversely affect our business and results of operations.

Our current businesses have a limited operating history, and you should consider our prospects in light of the risks and uncertainties which early-stage companies in evolving industries globally may be exposed to or encounter, including possible volatility in the trading prices of our ADSs.

Our current businesses have a limited operating history upon which to evaluate their viability and sustainability. We acquired BIGO, our core business segment, in 2019, and obtained control over Shopline in 2022. We have a relatively short history operating these businesses. Therefore, our recent results of operations may not provide a meaningful basis for evaluating our business, financial performance and future prospects. We may not be able to achieve similar growth rates in future periods as we had witnessed historically. Accordingly, you should not rely on our results of operations for any prior periods as an indication of our future performance. We may again incur net losses and experience adverse impact on our results of operations brought on by our new businesses in the future and you should consider our prospects in light of the risks and uncertainties which early-stage companies in evolving industries globally with limited operating history may be exposed to or encounter, including risks associated with being a public company with global business operations. See “—Risks Related to Our ADSs—The trading prices of our ADSs are likely to be volatile, which could result in substantial losses to investors.”

Although our core business segment BIGO has started to generate profit since 2021, the consolidation of Shopline’s financial results starting from September 6, 2022 adversely affected our financial results as Shopline has been incurring net losses and may continue to have similar impact on our results of operations in the future. In 2023 and 2024, our All other segment (which includes Shopline) recognized sizable net operating losses, despite consistent net operating incomes achieved by the BIGO segment.

Our profitability is also affected by other factors beyond our control, such as the continual development of the industries in which we operate in multiple countries, changes in the macroeconomic and regulatory environment or competitive dynamics and our inability to respond to these changes in a timely and effective manner. We may incur significant costs and expenses in many aspects of our business, such as sales and marketing expenses to acquire users, merchants or advertisers and raise our brand awareness, as well as research and development costs to update existing services, launch new services, and rising bandwidth costs to support our social entertainment and smart commerce solution functions, grow our user base and generally expand our business operations. The continued success of our business depends on our ability to identify which services will appeal to our user base and to offer such services on commercially acceptable terms. Our ability to finance our planned expansion also depends in part on our ability to convert active users into paying users and increase the average revenue per paying user, or ARPU, and successfully compete in a very competitive market. We may incur net losses in the future.

We generate a substantial majority of our revenues from live streaming services. If our live streaming revenues decline in the future, our results of operations may be materially and adversely affected.

A substantial majority of our revenues are generated from live streaming services, membership subscription fees and advertisement. For the year ended December 31, 2024, revenues from live streaming constituted 79.9% of our total net revenues. While we have been exploring and diversifying our revenue streams, we expect that the majority of our revenues will continue to be contributed from live streaming services in the near future. Any decline in live streaming revenues may materially and adversely affect our results of operations. See “—The revenue model for each of our live streaming and our membership program may not remain effective, which may affect our ability to retain existing users and attract new users and materially and adversely affect our business, financial condition and results of operations.”

We may face significant risks related to the content, information, communications and other activities on our platforms.

Our live streaming, short video and video communication platforms enable users to exchange information, generate and distribute content, advertise products and services, conduct business and engage in various other online activities. However, because a majority of the communications on our platforms are conducted in real time, we are unable to verify the sources of all information posted thereon or examine the content generated by users before it is posted. Despite our dedication to implementing and maintaining an effective content moderation system, there can be no assurance that it will be effective at all times in preventing misconduct by our platform users. In addition, we continually work to enhance the effectiveness of our content moderation system to fulfil our social responsibilities, but such efforts may negatively affect our business operations as the system may misjudge our users’ normal conduct and affect their experience on our platform, which could lead to a decrease in the number of our mobile active users and paying users and a decrease in our revenues, among other things. For a description of how content can be accessed on or through our platforms, and what measures we take to lessen the likelihood that we will be held liable for the nature of such content, see “Item 4. Information on the Company—B. Business Overview—Technology,” “Item 4. Information on the Company—B. Business Overview—Intellectual Property,” and “—Risks Related to Our Business and Industry—We have been and may be subject to intellectual property infringement, misappropriation or other claims or allegations in multiple jurisdictions, which could result in our payment of substantial damages, penalties and fines, removal of relevant content from our website, removal of relevant application from application store platform, or seeking license arrangements which may not be available on commercially reasonable terms.”

Because we do not have full control over how and what users will use our platform to communicate, our platform may be misused by individuals or groups of individuals to engage in immoral, disrespectful, fraudulent or illegal activities. Even though we seek to detect on a timely basis spam accounts through which illegal or inappropriate content is streamed or posted or illegal or fraudulent activities are conducted, there is no guarantee that such incidents would not occur. Media reports and internet forums have covered some of these incidents, which have in some cases generated negative publicity about our platforms and brand. For example, Bigo Live was temporarily removed from the Google Play Store and the iOS App Store in December 2024, which may be partly attributable to some negative media reports in late 2024. Bigo Live was soon reinstated on the Google Play Store in December 2024 and on the iOS App Store in early January 2025. We have implemented enhanced content moderation measures aiming to detect and block in a timely manner illegal or inappropriate content and illegal or fraudulent activities conducted through the misuse of our platforms, but such measures may not prevent all such content from being broadcasted or posted or activities from being carried out. If we fail to promptly and effectively manage and discipline such misconduct or misuse, it may adversely impact our brand image, result in our apps being removed from third-party app stores, and materially harm our business, financial condition, and results of operations. Moreover, as we have limited control over real-time and offline behavior of our users, to the extent such behavior is associated with our platforms, our ability to protect our brand image and reputation may be limited. Our business and the public perception of our brand may be materially and adversely affected by misuse of our platforms. In addition, if any of our users suffers or alleges to have suffered physical, financial or emotional harm following contact initiated on our platforms or after watching unsettling or inappropriate content that our content monitoring system fails to filter out, we may face civil lawsuits or other liabilities initiated by the affected viewer, or governmental or regulatory actions against us. In response to allegations of illegal or inappropriate activities conducted through our platforms or any negative media coverage about us, government authorities may intervene and hold us liable for non-compliance with relevant laws and regulations concerning the dissemination of information on the internet and subject us to administrative penalties or other sanctions, such as requiring us to restrict or discontinue some of the features and services provided on our website and mobile application, or even revoke our licenses or permits to provide internet content service. We endeavor to ensure all users are compliant with relevant regulations, but we cannot guarantee that all users will comply with all the relevant laws and regulations. Therefore, we may be subject to investigations or subsequent penalties if content displayed on our platform is deemed to be illegal or inappropriate under relevant laws and regulations. As a result, our business may suffer and our user base, revenues and profitability may be materially and adversely affected.

In addition, it is possible that users may engage in illegal, obscene or incendiary conversations or activities, including the publishing of inappropriate, infringing or illegal content on our platforms that may be deemed unlawful. If any content on our platforms is considered or deemed illegal, obscene, infringing or incendiary, or if appropriate licenses and third-party consents have not been obtained, allegations or claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or based on other theories. We have occasionally been fined for certain inappropriate materials placed by third parties on our platforms, and may be subject to similar fines and penalties in the future. We also may face liability for copyright or trademark infringement, fraud, and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through or published on our platforms. Defending any such actions could be costly and involve significant time and attention of our management and other resources. If jurisdictional authorities in various regions find that we have not adequately managed the content on our platforms, or if any of our platforms fails to comply with any of such provisions, they may impose legal sanctions on us, including, interviews held by relevant cyberspace authorities, warnings, information update suspension, and in serious cases, suspending or revoking the licenses necessary to operate our platforms, restriction from engaging in internet information services, online behavior restrictions or industry bans.

As our global operations continue to expand, we face significant challenges to ensure the content and communications on our platform are compliant with local jurisdiction's regulatory framework and social environment, many of which could be substantially different from each other due to the differences in, among others, the legal system, political environment, culture and religion. Such differences may impose more stringent requirements and restrictions to the content we presented. In addition, the regulatory framework for live streaming, short video or video communication, advertising and smart commerce solution business is still developing and remains uncertain in several countries where we have operations, including, but not limited to, countries and regions such as Saudi Arabia, Indonesia, India and mainland China. New laws and regulations may also be adopted from time to time to address new issues that come to the government authorities' attention. Considerable uncertainties still exist with respect to the interpretation and implementation of existing and future laws and regulations governing our business activities in these areas. In addition, we may be required to impose more stringent content monitoring measures, be in compliance with relevant content regulatory regime, obtain relevant licenses or permits or renew or expand the coverage of our existing licenses, and we cannot assure you that we will be able to timely obtain or maintain all the required licenses or permits or make any necessary filings applicable in the future, or comply with other relevant regulatory requirements. If we fail to obtain, hold or maintain any of the required licenses or permits or make the necessary filings on time or at all, or fail to comply with other regulatory requirements, we may be subject to various penalties, including fines, discontinuation restriction of our operations as well as reputation damage. Cultural differences may also impose additional challenges to our efforts in content control. Therefore, such different and possibly more stringent regulatory and cultural environments may increase the risk exposure to our daily operations in multiple jurisdictions across the globe. We have experienced incidents in the past where our application was temporarily suspended in certain markets due to inappropriate content being displayed on our platform. We have also received claims in connection with intellectual property infringement and entered into settlement or license agreements with third parties or are in the process of negotiating such agreements with third parties to resolve such claims. Such incidents or similar incidents related to our failure to comply with laws, regulations and rules in multiple jurisdictions across the globe could materially and adversely affect our business, results of operations, global reputation and global growth efforts. Requirements of entering into license or settlement agreements may also significantly increase our costs of operations and adversely affect our business results. In addition, each jurisdiction may have a different regulatory framework, implementation and enforcement for live streaming, short video or video communication business and smart commerce solution business, which may substantially increase our compliance costs to obtain, maintain or renew requisite licenses and permits or fulfill any required administrative procedures.

The revenue model for each of our live streaming and our membership program may not remain effective, which may affect our ability to retain existing users and attract new users and materially and adversely affect our business, financial condition and results of operations.

We offer live streaming services to our users through multiple platforms using a virtual items-based revenue model whereby users can make real-time broadcast to share life moments, show their talents, interact and send virtual gifts, and enjoy fun live sessions with people worldwide. We have generated, and expect to continue to generate, a substantial majority of our live streaming revenues using this revenue model. Our live streaming business has experienced significant growth in recent years, but we cannot assure you that we will continue to achieve a similar growth rate in the future, as the user demand for this service may change, decrease substantially or dissipate, or we may fail to anticipate and serve user demands effectively.

We may not be able to continue to successfully implement the virtual items-based revenue model for live streaming, as users may not be able to develop new relationships in the community, or popular performers, channel owners, and famous professional game teams may leave our platforms and we may be unable to attract new talent that can attract users or cause such users to increase the amount of time spent engaging and money spent on purchasing virtual items on our platforms. In addition, certain content on our live streaming platforms, such as certain online games owned by or licensed to certain gaming companies or publishers, may not continue to be available to our users for live streaming purposes. Failure to keep our users engaged in the live streaming service may result in reducing average revenue per user and the number of paying users, which may adversely affect our financial condition and results of operations.

Furthermore, under our current arrangements with certain talent performers, agencies, channel owners and famous professional game teams, we share with them a portion of the revenues we derive from the sales of virtual items on our live streaming platform. This revenue-sharing arrangement incentivizes these partners to collaborate with us, but it could also limit our profit growth. Unfavorable changes in the terms of our partnership with key talent performers, agencies and channel owners could materially and adversely affect our financial condition and results of operations.

In addition, we offer an online concert platform to music performers and platform users. We also continue to cultivate professionally-curated user generated content and professionally generated content as well as introducing more e-sports content on our platforms. However, if our users decide to access live streaming content provided by our current or future competitors, our business, financial condition and results of operations could be materially and adversely affected.

Users may also purchase time-based virtual items from us, such as the membership subscription service with the designation of Noble Members for themselves. We offer a range of privileges and benefits, such as virtual items exclusively available to members, dedicated customer services specialist and priority entrance to certain live performances. However, we may not be able to further build or maintain our membership base in the future for various reasons. For example, if we fail to continue to provide innovative products and services that are attractive to members, we may not be able to retain them, and our business, financial condition and results of operations could be adversely affected.

We generate a portion of our revenues from online advertising. If we fail to attract more advertisers to our platforms or if advertisers are less willing to advertise with us, our revenues may be adversely affected.

We generate a portion of our revenues from online advertising. Our advertising revenues partly depend on the continual development of the online advertising industry and advertisers' allocation of budgets to internet advertising. In addition, companies that decide to advertise or promote online may utilize more established methods or channels for online advertising, such as more established internet portals or search engines, over advertising on our platforms. Our ability to increase our online advertising revenues and our profitability and prospects can be influenced by numerous other factors, including: (i) growth and trends of the global online advertising market; (ii) our ability to grow our user base and user engagement, particularly for our products that deliver advertisement impressions; (iii) our ability to capture and retain a sufficient share of that market; (iv) our ability to expand our advertiser base into new markets; (v) our ability to improve the effectiveness of advertising on our platforms and enhance our content recommendation algorithms; (vi) our ability to recruit, train and retain talented employees to support our online advertising business; (vii) changes to the content or application of third-party policies that limit our ability to deliver, target, or measure the effectiveness of advertising, including changes by mobile operating system and browser providers such as Apple and Google; and (viii) the pricing of our advertising services.

We offer advertising services substantially through contracts entered into with advertisers, third-party advertising agencies, and third-party apps where the advertisements can be displayed (which we refer to as our network partners), and by way of displaying advertisements or providing promotions integrated into the programs, shows or other content offered on our platforms or our network partners' properties. Advertisers frequently seek to collaborate with multiple advertising service providers and distribute advertisements across various channels. As a result, we face intense competition not only from online platforms and mobile service providers, but also from traditional advertising channels. Some of our competitors have greater resources, stronger online presence and more operating experience in advertising industry than we do. If we fail to deliver advertising services in an effective manner, or if advertisers believe that our platforms do not deliver sufficient returns compared to our competitors, they may decide to discontinue their collaboration with us. We cannot assure you that we will be able to retain existing advertisers, advertising agencies or network partners or attract new advertisers, advertising agencies or network partners. Since our arrangements with third-party advertising agencies typically involve one-year framework agreements, these advertising arrangements may be easily amended or terminated without incurring liabilities. If we fail to retain existing advertisers, advertising agencies and network partners or attract new advertisers, advertising agencies or network partners, or any of our current advertising methods or promotion activities become less effective, our business, financial condition and results of operations may be adversely affected.

We generate a portion of our revenues from smart commerce solutions. If we fail to attract and retain merchants or to improve the functionality of our smart commerce solutions in a timely manner, our revenues, business, financial condition and results of operations may be adversely affected.

We generate a portion of our revenues from smart commerce SaaS (software-as-a-service) offerings with Shoptine, our smart commerce platform. Our ability to increase this revenue stream largely depends on the effectiveness of our efforts towards merchant acquisition and retention. Our ability to acquire and retain merchants can be influenced by multiple factors. For example, we compete for merchants with other smart commerce platforms. Some of our current or potential competitors have, and may in the future continue to have, greater resources and access to a larger merchant base. Our ability to acquire and retain merchants may also be negatively affected by reduced merchant spending levels, decreased consumer expenditure, and competitive pricing pressure. The level of merchant activities may be influenced by macroeconomic conditions that are beyond our control. Any disruptions to or worsening of the macroeconomic conditions in the markets where we operate, including as a result of increased tariffs or other government policies, may negatively affect consumer expenditure, merchants' sales volume, and in turn their willingness to use our solutions. As our merchants may decide not to continue or renew their subscriptions after expiration for reasons out of our control, we cannot assure you that we will be able to sustain consistent merchant growth or maintain our existing merchant base. If we fail to attract new merchants and retain existing merchants, our revenues will be adversely affected.

Driven by constant technology innovations, the smart commerce industry is rapidly evolving, as merchants continually adjust to changing customer needs. Our business growth depends on our ability to understand and predict merchant demands and provide smart commerce services that meet their expectations. However, we cannot assure you that we will be able to accurately identify and address merchants' increasing and diversifying demands. Even if we do, the development of smart commerce technologies requires significant investments, and we may not have sufficient resource or financing to improve the functionality of our offerings. If we fail to enhance and update our smart commerce platforms and related solutions in a timely manner, or at all, our revenues, business, financial condition and results of operations could be adversely affected.

Changes in global or regional economic, geopolitical or social conditions, as well as changes in government policies, could materially and adversely affect our business, financial condition and results of operations.

We have businesses in diverse global markets and are subject to risks associated with doing business internationally. Our business, financial condition and results of operations may be influenced to a significant degree by economic, geopolitical and social conditions, and government policies related to the markets where we operate. A general slowdown in the global economy, increased volatility, or inflation could adversely affect our business, financial condition and results of operations. Changes in consumer behavior due to adverse economic conditions may also negatively impact us as such developments could lead to a decrease in consumer spending and reduction in demand for our products and services, which may adversely affect our business, financial condition, results of operation or competitive position.

In recent years, the U.S. government has implemented policies restricting international trade and investment, such as tariffs, export controls, economic or trade sanctions, restrictions on outbound investment, and foreign investment filing and approval requirements. These actions may materially and adversely affect international trade, global financial markets, and the stability of the global economic condition. On April 2, 2025, President Trump announced that the United States would impose a 10% tariff on most countries, effective on April 5, 2025, and individualized higher tariff rates on countries with which the United States has proportionately large trade deficits in goods. Various economies that were affected by the increased U.S. tariffs have imposed or may impose higher tariffs on goods from the United States. In particular, China has responded by increasing tariffs on U.S. goods and adopting other counter-measures. After President Trump announced a 90-day pause on the individualized higher tariff rates for countries other than China, it is unclear how this situation will develop. As of the date of this annual report, there is still a high degree of uncertainty surrounding U.S. tariff policy, how it will be implemented, and how other countries will react to it. It also remains uncertain whether increased tariffs and trade tensions will create further disruptions and uncertainties to the international trade and lead to a downturn to the global economy. Furthermore, escalating tensions between the United States and China could lead to additional U.S. policies targeting China-associated companies, potentially including delisting from U.S. stock exchanges. Although we are a global company with limited operations in China, we cannot rule out the possibility of being affected by these U.S. policies, given the uncertainties associated with such policies and their implementation and the broad discretion of U.S. authorities, including the potential for misperceptions.

The economies in different markets generally differ in many respects, including the level of government involvement, level of development, growth rate, regulation of foreign exchange, government policy on public order and allocation of resources. In some of the markets where we operate, governments continue to play a significant role in regulating industry development by imposing industrial policies. Some governments also exercise significant discretion over the economic growth and public order in their respective jurisdictions through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and providing preferential treatment to particular industries or companies. Governmental actions to manage inflation and other policies and regulations have often involved, among other measures, price regulations, currency devaluations, capital management and limits on imports. Our business, financial condition and results of operations may be adversely affected by changes in government policies or regulations, such as exchange rates and exchange regulation policies, inflation rates, interest rates, tariff and inflation management policies, price management policies, import duties and restrictions, liquidity of domestic capital and lending markets, electricity rationing tax policies, including royalty, tax increases and retroactive tax claims, and other political, diplomatic, social and economic developments in or affecting the markets where we operate.

Economic growth in the various markets where we operate has been uneven, both geographically and among various sectors of the economy. Any adverse changes in economic conditions in the markets where we operate or neighboring regions, or in the policies of the governments or of the laws and regulations in each respective market could have a material adverse effect on the overall economic growth of those markets. Such developments could adversely affect our business, financial condition and results of operations, lead to a reduction in demand for our products and services, and adversely affect our competitive position.

Some of the markets where we operate have experienced, and may in the future experience, geopolitical and social instability, including strikes, demonstrations, protests, marches, other types of civil disorder, war or armed conflict, refugee migration or other types of unrests. For example, the ongoing geopolitical tensions related to Russia's actions in Ukraine, resulting sanctions imposed by the United States and other countries and retaliatory actions taken by Russia in response to such sanctions have resulted in significant disruptions to supply chains, logistics, and business activities globally. We cannot predict the duration or outcome of these events and actions or whether future developments would have any material adverse impact on our business. These and other instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or the business activities of our ecosystem participants, or affect our ability to expand or retain our user base.

In addition, governments or government agencies in any of the markets where we operate could censor, ban or block access to our services, mobile applications, platforms and/or the internet generally for various reasons, including political tensions and wars between countries, content restrictions, national security, data protection or regulatory concerns. For example, the Indian government has previously blocked our apps in the local market. Users generally need to access the internet and/or app stores to access, download or use our services and mobile applications. If governments either directly or indirectly block, limit or otherwise restrict us from publishing or making available our products and services to users, block, limit or restrict our users from accessing our products, services or mobile applications, prevent us from onboarding new users, prevent data transfers to or from certain markets or services, or take similar actions against us, our business could be negatively impacted, and we could experience loss or slower growth of our user base, financial loss, and our reputation may be adversely affected. Further, any government actions taken against our service providers, partners or other third-party intermediaries on which our business relies could cause our products and services to become unavailable for extended periods of time or even indefinitely.

Governments or government agencies may take legislative, executive, administrative or other measures or implement policies to regulate foreign investments, including applying heightened scrutiny and imposing additional requirements, prohibitions and restrictions on investments made by companies that meet certain criteria. Companies may be evaluated based on (i) their place of incorporation or country of origin, (ii) the place of incorporation, country of origin, or nationality of their shareholders and/or beneficial owners, and (iii) where the companies have employees or service providers, store data or develop or provide their products and services. Any changes in foreign investment restrictions in the markets where we operate may affect our ability to operate and maintain our business in these markets. In the event of such restrictions, we may face additional legal and regulatory compliance costs and risks, lose investments we have made and/or exit such markets, our users may develop a negative perception of us, and our business, financial condition and results of operations could be negatively affected.

Our business is subject to complex and evolving laws and regulations across the globe regarding cybersecurity, information security, privacy and data protection. Many of these laws and regulations are subject to change and uncertain interpretation, and any failure or perceived failure to comply with these laws and regulations could result in claims, changes to our business practices, negative publicity, legal proceedings, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

We operate in several key markets across the globe. Our business generates and processes a large quantity of data. We face risks inherent in handling and protecting large volume of data. In particular, we face a number of challenges relating to data from transactions and other activities on our platforms, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior or improper use by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, storage, transfer, disclosure and security of personal information, including any requests from regulatory and government authorities relating to these data.

In general, we expect that data security and data protection compliance will receive greater attention and focus from regulators globally, as well as attract continued or greater public scrutiny and attention going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, we could become subject to penalties, including fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

Legal developments in Europe have created compliance uncertainty regarding the processing of personal data. For example, the General Data Protection Regulation, or GDPR, which came into application in the European Union, or EU, on May 25, 2018, applies to all of our activities conducted from an establishment in the EU or related to products and services that we offer to EU users. We may be considered in violation of the GDPR and thus be required to adopt additional measures in the future. If we fail to comply with the requirements stipulated by the GDPR in a timely manner, or at all, we may be subject to significant penalties and fines, which may in turn adversely affect our business, reputation, financial condition and operating results. The privacy requirements and expectations created by the GDPR are stricter than certain other regions. On December 22, 2023, the regulation on harmonized rules on fair access to and use of data, officially known as the EU's Data Act (Regulation (EU) 2023/2854), was published in the EU's Official Journal. This regulation sets up new rules on who can access and use data generated in the EU across all economic sectors. It lays down rules on business-to-business and business-to-customer data access, establishes a ban on unfair contractual terms on data sharing, and introduce restrictions to non-EU governmental access and international transfers of non-personal data by requiring providers of data processing services to take technical, organizational and legal measures to prevent unlawful access and transfers.

Additionally, California enacted legislation that has been dubbed the first “GDPR-like” law in the United States. Known as the California Consumer Privacy Act, it created new individual privacy rights for consumers (as that word is broadly defined in the law) and places increased privacy and security obligations on entities handling personal data of consumers or households. The California Consumer Privacy Act, which came into effect on January 1, 2020, requires covered companies to provide new disclosures to California consumers, and provides such consumers new ways to opt-out of certain sales of personal information. The California Consumer Privacy Act provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Furthermore, the enactment of the California Consumer Privacy Act and other state privacy laws has prompted a wave of similar legislative developments in other states in the United States, which has resulted in a patchwork of overlapping but different state laws, with potentially greater penalties and more rigorous compliance requirements relevant to our business. While state laws continue to change rapidly, there has also been discussion in U.S. Congress of a new comprehensive federal data protection law. Such state laws and potential federal laws may increase our compliance costs and potential liability.

On February 28, 2024, the Biden administration issued Executive Order 14117 on “Preventing Access to Americans’ Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern.” The order seeks to prohibit and restrict certain data transactions involving the transfer of U.S. sensitive personal data between U.S. persons and covered countries of concern or covered persons. Covered countries of concern are defined to include China, and covered persons are defined to include companies owned by, controlled by or subject to the jurisdiction or direction of a country of concern. Since we conduct a portion of our operations in China, we cannot assure you that we will not be deemed to be a covered person. To the extent that we become subject to the order, we may incur substantial costs to ensure our compliance.

Under Personal Data Protection Act 2012 of Singapore, as amended from time to time, when an organization collects personal data, it must procure the individual’s consent to the collection, use and disclosure of his/her personal data. Individuals have clearly defined rights, such as the right to access their personal data, request information on how their personal data has been used, and correct any inaccuracies in the personal data held by the organization. The organization should designate a Data Protection Officer for this purpose. Indonesia, Vietnam and Malaysia also enacted legislation providing protection on personal data, the general principles of which are substantially similar. For details, see “Item 4. Information on the Company—B. Business Overview—Regulations in Multiple Jurisdictions Where We Operate—Regulations on Data Privacy and Protection.” Furthermore, we may also be subject to the Information Technology Act 2000 of India, which primarily provides for (i) civil liability to compensate for wrongful loss or gain to any person arising from negligence in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information that we possess, deal with or handle in our computer systems, networks, databases and software, and (ii) criminal punishment if, in the course of performing a contract, a service provider discloses personal information without the consent of the person concerned or is in breach of a lawful contract and does so with the intention to cause, or knowing it is likely to cause, wrongful loss or wrongful gain. As our global expansion evolves, we may incur additional costs for the compliance with these legislations and be exposed to additional risks and challenges in our ordinary course of business. Also, we may, from time to time, be subject to data protection regulations from additional jurisdictions, which may impose additional and more stringent requirements.

For our operations in mainland China, the regulatory and enforcement regime of mainland China with regard to data security and data protection is evolving and may be subject to different interpretations or significant changes. Moreover, different mainland China regulatory bodies, including the Standing Committee of the National People’s Congress, the Ministry of Industry and Information Technology, or the MIIT, the CAC, the Ministry of Public Security and the State Administration for Market Regulation, or the SAMR, have enforced data privacy and protections laws and regulations with varying standards and applications. See “Item 4. Information on the Company—B. Business Overview—Regulations in Multiple Jurisdictions Where We Operate—Regulations on Data Privacy and Protection—Data and Privacy Protection—mainland China” and “Item 4. Information on the Company—B. Business Overview—Regulations in Multiple Jurisdictions Where We Operate—Regulations on Overseas Listing by Domestic Companies—mainland China.” Many of the data-related legislations of mainland China are relatively new and certain concepts thereunder remain subject to interpretation by the regulators. If any data that we possess belongs to data categories that are subject to heightened scrutiny, we may be required to adopt stricter measures for protection and management of such data. In general, compliance with the existing laws and regulations of mainland China, as well as additional laws and regulations that mainland China regulatory bodies may enact in the future, related to data security and personal information protection, may be costly and result in additional expenses to us, and subject us to negative publicity, which could harm our reputation and business operations. There are also uncertainties with respect to how such laws and regulations will be implemented and interpreted in practice.

We make statements about our use and disclosure of personally identifiable information through our privacy policy, information provided on our internet platform and press statements. Any failure by us to comply with these public statements or with international privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others. In addition to reputational impacts, penalties could include ongoing audit requirements and significant legal liability. None of the data security measures can provide absolute security, and losses or unauthorized access to or releases of confidential information, in particular personally identifiable information, may still occur, which could materially and adversely affect our reputation, financial condition and operating results.

From time to time, concerns may be expressed about whether our products, services, or processes compromise the privacy of users, customers, and others. Concerns about our practices with regard to the collection, use, disclosure, or security of personally identifiable information or other privacy related matters, even if unfounded, could damage our reputation and adversely affect our operating results.

We face competition in several major aspects of our business. If we fail to compete effectively, we may lose users, advertisers and merchants which could materially and adversely affect our business, financial condition and results of operations.

We face competition in several major aspects of our business in each market where we operate, particularly from companies that provide social media, advertising and smart commerce solution services. Some of our competitors may have longer operating histories, significantly larger user bases, more established brand recognition, and significantly greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining users, merchants and advertisers. In addition, competitors in some areas of our business may be able to develop products and services better received by users or merchants, or may be able to respond more quickly and effectively than we can to new or evolving opportunities, technologies, regulations or user trends. Some competitors may be able to leverage a stronger financial position to adopt more aggressive pricing policies and offer more attractive terms to our users, merchants or business partners.

Our competitors primarily include global short video platforms such as TikTok, and live streaming platforms such as Twitch in certain regions. We also compete for online advertising revenues with other internet companies that sell online advertising services globally, such as AppLovin. We also face competition from companies that provide smart commerce solutions for merchants, such as Shopify. We may offer new products and services, develop new features and functionality of our platforms or enhance existing ones, which may subject us to increased or additional competition. We may also periodically change or remove new features and functionality, optimize our operational efficiency and increase monetization efforts, which may not be well received and lead to a decrease in the number of users on our platforms. We may also face potential protectionist policies, political measures or regulatory challenges that are more supportive of local players in such markets, which may, among other things, hinder our ability to compete effectively in such markets.

If we are not able to effectively compete in any of our lines of business, our overall user base and level of user engagement may decrease, which could reduce our paying users or make us less attractive to advertisers or merchants. We may be required to spend additional resources to further increase our brand recognition and promote our products and services, and such additional spending could adversely affect our profitability. Furthermore, we are currently involved in certain legal disputes with our competitors. We do not believe our competitors' claims against us are of merit or material. However, these disputes and potential future disputes with competitors may result in negative publicity to us, regardless of the veracity or outcome of the disputes. They may harm our reputation or brand image and in turn stall the growth of or even lead to reductions in the number of our users, advertisers, and merchants in the affected markets. Any measures we take in response to such disputes may be expensive, time-consuming and disruptive to our operations and divert our management's attention.

Our competitors may unilaterally decide to adopt a wide range of measures targeted at us, including possibly designing their products to negatively impact our operations, such as sending virus-like programs to attack elements of our platforms. Some competitors may also make their applications incompatible with ours, effectively requiring users to either stop using our competitors' products or uninstall our products, leading to a reduction in our number of users.

We use third-party services and technologies in connection with our business, and any disruption to the provision of these services and technologies to us could result in adverse publicity and a slowdown in the growth of our users, which could materially and adversely affect our business, financial condition and results of operations.

Our business depends upon services provided by, and relationships with, third parties. For example, we primarily rely on third-party application distribution channels, such as the iOS App Store and the Google Play Store, to allow users to download and access our applications and games. In the past, some of our apps have been temporarily taken down from some of these distribution channels. If our third-party distribution channels voluntarily or involuntarily suspend their services to us, including taking down or removing our applications in response to government actions or other legal actions or pursuant to their own policies, and we are unable to arrange for alternative measures in a timely manner or at all, our users will have difficulties accessing our applications or making payments for our products and services. Consequently, we may lose users temporarily or permanently, and our business and results of operations could be materially and adversely affected. Additionally, if we are unable to retain or attract popular talents such as performers, channel managers, professional game players, commentators and hosts for our live streaming platform or if these talents cannot draw fans or participants, our results of operations may be adversely affected. Also, if channel owners are unable to reach or maintain mutually satisfactory cooperation arrangements with the performers on their channels on our live streaming platform, we may lose popular performers and our business and operations may be adversely affected. Furthermore, if we are unable to obtain or retain rights to host popular online games or popular in-game virtual items, or if we are required to share a bigger portion of our revenues with third-party game developers, we could be required to devote greater resources and time to obtain hosting rights for new games and applications from other parties, and our results of operations may be impacted. In addition, some third-party software we use in our operations are currently publicly available without charge. If the owner of any such software decides to charge users or no longer makes the software publicly available, we may need to incur significant cost to license the software, find replacement software or develop alternative software. If we are unable to find or develop replacement software at a reasonable cost, or at all, our business and operations may be adversely affected.

Some of the services offered by us run on a complex network of servers located in and maintained by third-party data centers and our overall network relies on broadband connections provided by third-party operators. We expect this dependence on third parties to continue. The networks maintained and services provided by such third parties are vulnerable to damage or interruption, which could impact our results of operations. See “—System failure, interruptions and downtime can result in adverse publicity for our products and result in net revenue losses, a slowdown in the growth of our registered user accounts and a decrease in the number of our active users. If any of these system disruptions occurs, our business, financial condition and results of operations may be materially and adversely affected.”

Furthermore, we generate a majority of our online advertising revenues through agreements entered into with various third-party advertising agencies that represent advertisers. We do not have long-term cooperation agreements or exclusive arrangements with these agencies and they may elect to direct business opportunities to other advertising service providers. If we fail to retain and enhance our business relationships with these third-party advertising agencies, we may suffer from a loss of advertisers and our business and results of operations may be materially and adversely affected.

In addition, we sell a significant portion of our products and services through third-party online payment systems, and we rely on global banking and financial services to process our operational cashflows. If any third-party online payment system suffers from security breaches, users may lose confidence in such payment systems and refrain from purchasing our virtual items online, in which case our results of operations would be negatively impacted. If any third-party online payment system or global bank voluntarily or involuntarily suspends its services to us, it may have a material adverse effect on our business, financial condition and results of operations. See “—The security of operations of, and fees charged by, third-party online payment platforms may have a material adverse effect on our business and results of operations.” Failure to timely collect our receivables from these third parties whose billing and payment systems we use and third-party payment processors may adversely affect our cash flows. Our third-party payment processors may from time to time experience cash flow difficulties. Consequently, they may delay their payments to us or fail to pay us at all. Any delay in payment or inability of current or potential third-party payment processors to pay us may significantly harm our cash flow and results of operations.

We exercise no control over the third parties with whom we have business arrangements. If such third parties increase their prices, fail to provide their services effectively, terminate their service or agreements or discontinue their relationships with us, we could suffer service interruptions, reduced revenues or increased costs, any of which may have a material adverse effect on our business, financial condition and results of operations.

We may not be successful in adopting, implementing or incorporating new technologies, such as artificial intelligence, into our product offerings.

Technology is essential to our business success. We have integrated artificial intelligence, or AI, and data analytics into all critical aspects of our services and broader business operations. However, new technologies may evolve quickly, with AI technologies undergoing significant development recently. We may not be successful in adopting, implementing or incorporating new technologies effectively into our product offerings, and we may not be able to adopt new technologies as effectively as our competitors.

In addition, our AI-related services may subject us to new or enhanced regulatory requirements, including additional governmental or regulatory scrutiny. The regulations governing AI technologies are relatively new and rapidly evolving. A number of jurisdictions where we operate have implemented new regulations relating to AI technologies, such as the EU Artificial Intelligence Act signed by European Union legislators in June 2024. The interpretation and implementation of the existing laws also remain uncertain with respect to the application of AI. We may not be able to identify all new regulations or new interpretation and implementation of existing regulations that are applicable to our use of AI and other technologies across the multiple jurisdictions where we operate, or do so in a timely manner. Nor can we assure you that we can always ensure compliance with these evolving regulations, or that we will not incur significant expenses in doing so. In addition, although we have established comprehensive content moderation systems to closely monitor any compliance issues under the applicable laws and regulations, we cannot assure you that we will not incur liabilities due to our current or future adoption of AI and other technologies. Failure to comply with applicable laws and regulations could adversely affect our business, reputation, financial condition and results of operations.

We have granted employee stock awards in the past and expect to continue to do so in the future. We recognize share-based compensation expenses in our consolidated statements of operations in accordance with the relevant rules under U.S. GAAP, which have had and may continue to have a material and adverse effect on our results of operations.

We have adopted several share incentive plans and granted share-based compensation awards pursuant to the plans, including share options, restricted shares and restricted share units, to various employees, key personnel and other non-employees to incentivize performance and align their interests with ours. As of March 31, 2025, options to purchase 8,074,500 Class A common shares, 3,772,706 restricted shares and 42,504,985 restricted share units were outstanding under our share incentive plans. As a result of these grants and potential future grants, we had incurred in the past and expect to continue to incur significant share-based compensation expenses in the future. The amount of these expenses is based on the fair value of the share-based awards. We account for compensation costs for certain share-based compensation awards granted in the past using a graded-vesting method and recognize expenses in our consolidated statements of operations in accordance with the relevant rules under U.S. GAAP. The expenses associated with share-based compensation materially increased our net losses or reduced our net income in the past, and may reduce our net income in the future. In addition, any additional securities issued under share-based compensation schemes will dilute the ownership interests of our shareholders, including holders of our ADSs. However, if we limit the scope of the share-based compensation schemes, we may not be able to attract or retain key personnel who expect to be compensated by options, restricted shares or restricted share units.

The number of mobile active users we have may fluctuate and we may fail to attract more paying users, which may materially and adversely affect our revenues growth, results of operations and financial condition.

The number of our mobile monthly active users across various platforms of ours may fluctuate significantly from time to time. The number of our mobile monthly active users may vary significantly from quarter to quarter due to a variety of factors, including, but not limited to, (i) overall consumer demand for online entertainment services such as live streaming; (ii) our ability to attract and attain users; (iii) seasonality in activity level of our users; (iv) our spending on sales and marketing and other operating activities to grow and expand our operations; (v) timing of promotional and marketing activities; (vi) change of our business strategy, such as launching new services or products, or expanding into new markets, or discontinuing services in certain markets, or discontinuing certain products; (vii) competitors' entry into or exiting from our markets; (viii) any disruption to the provision of third-party services and technologies in connection with our operations, such as internet network, third-party application distribution channels, or payment channels; and (ix) government regulations, policies, actions or restrictions globally and in markets where we operate. If we are unable to attract new users and retain them as active users and convert non-paying active users into paying users, the numbers of our active users and paying users may further fluctuate and our growth prospects, results of operations and financial condition may be materially and adversely affected.

We may not be able to keep our users highly engaged, which may reduce our monetization opportunities and materially and adversely affect our revenues, profitability and prospects.

Our success depends on our ability to maintain and grow our user base and keep our users highly engaged. In order to attract and retain users and remain competitive, we must continue to innovate our products and services, implement new technologies and functionalities and improve the features of our platforms in order to entice users to use our products and services more frequently and for longer durations.

The internet industry is characterized by constant changes, including rapid technological evolution, continual shifts in customer demands, frequent introductions of new products and services and constant emergence of new industry standards and practices. Thus our success will depend, in part, on our ability to respond to these changes on a cost-effective and timely basis; failure to do so may cause our user base to shrink and user engagement level to decline and our results of operations would be materially and adversely affected. For example, our plan to more broadly support mobile-live broadcasting across our live streaming platform and retain the ability to offer high quality delivery of voice and video data may cause us to incur significant additional costs and may not succeed.

Due to the intensified competitions among audio and video-based social entertainment platforms, users may leave us for competitors' platforms more quickly than in other online sectors. A decrease in the number of our active users may reduce the diversity and vibrancy of our platforms' online ecosystem and affect our user-generated channels, which may in turn reduce our monetization opportunities and have a material and adverse effect on our business, financial condition and results of operations.

We cannot assure you that our platforms will continue to be sufficiently popular with our users to offset the costs incurred to operate and expand it. Our sales and marketing expenses may significantly increase in the future, which could have an adverse effect on our results of operations. Failure to maintain or grow our user base in a cost-effective manner, or at all, and keep our users highly engaged would materially and negatively affect our results of operations.

Spammers and malicious applications may affect user experience, which could reduce our ability to attract users and advertisers and materially and adversely affect our business, financial condition and results of operations.

Spammers may use our platforms to send targeted and untargeted spam messages to users, which may affect user experience. As a result, our users may use our products and services less or stop using them altogether. In spamming activities, spammers typically create multiple user accounts for the purpose of sending spam messages. Although we attempt to identify and delete accounts created for spamming purposes, we may not be able to effectively eliminate all spam messages from our platforms in a timely fashion. Any spamming activities could have a material and adverse effect on our business, financial condition and results of operations.

System failure, interruptions and downtime can result in adverse publicity for our products and result in net revenue losses, a slowdown in the growth of our registered user accounts and a decrease in the number of our active users. If any of these system disruptions occurs, our business, financial condition and results of operations may be materially and adversely affected.

We rely on technology and internet infrastructure, data center and cloud service providers, and telecommunication networks in the markets where we operate. Although we seek to reduce the possibility of disruptions or other outages, our services may be disrupted by problems with our own technology and system, such as malfunctions in our software or other facilities and network overload. Our systems may be vulnerable to damage or interruption from telecommunication failures, power loss, computer attacks or viruses, earthquakes, floods, fires, terrorist attacks, geopolitical events, and similar events. We have experienced system failures for some operations and we have subsequently updated our system. However, we cannot assure you that there will be no similar technical failures in the future. Parts of our system are not fully redundant, and our disaster recovery planning may not be sufficient for all eventualities. Despite any precaution we may take, the occurrence of a natural disaster or other unanticipated problems at our hosting facilities could result in lengthy interruptions in the availability of our products and services. Any interruption in the ability of our users to use our products and services could reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead users to seek alternative forms of online social interactions.

Our servers that process user payments experience some downtime on a regular basis, which may negatively affect our brand and user perception of the reliability of our systems. Any scheduled or unscheduled interruption in the ability of users to use our payment systems could result in an immediate, and possibly substantial, disruption to our business operations, loss of revenues, and damage to our reputation. Furthermore, in the event of disruptions or failures of, or other problems with, the fixed telecommunications networks of telecommunications operators, or if such operators otherwise fail to provide such services, we cannot assure you that these operators and providers will not take measures that could degrade or disrupt, as well as restrict or prohibit the use of their lines for our businesses.

Our users may use our products or services for critical transactions and communications, especially business communications. As a result, any system failures could result in damage to such users' businesses. These users could seek significant compensation from us for their losses. Even if unsuccessful, this type of claim would likely be time consuming and costly for us to address.

We have limited control over the prices of the services provided by telecommunication service providers and may have limited access to alternative networks or services. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected. Furthermore, if internet access fees or other charges to internet users increase, our user traffic may decline and our business may be harmed.

The respective number of our registered user accounts, active users and paying users may overstate the number of unique individuals who register to use our products and services, log on to our platforms, purchase virtual items or other products and services on our platforms, respectively, and may therefore lead to an inaccurate interpretation of our average revenue per paying user metric and of our business operations by our management and by investors, and may affect advertisers' decisions on the amount spent on advertising with us.

While BIGO users who make fund withdrawal requests are required to provide full name, date of birth and identity information, users are otherwise not required or obligated to undergo real-name verification under the currently valid regulations. Therefore, we cannot and do not track the number of unique paying users. Instead, we track the number of registered user accounts, active users and paying users. We calculate certain operating metrics in the following ways: (a) the number of registered user accounts is the cumulative number of accounts on our social entertainment platforms that, by the end of the relevant period, had log-on activity at least once after registration, (b) the number of active users is measured by the number of registered user accounts that have had log-on activities at least once during the relevant period, and (c) the number of paying users is measured by the number of registered user accounts that have purchased virtual items or other products and services on our platforms at least once during the relevant period. The actual number of unique individual users, however, is likely to be lower than that of registered user accounts, active users and paying users, potentially significantly, for three primary reasons:

- First, each individual user may register more than once and therefore have more than one account, and sign onto each of these accounts during a given period. For example, a user may (a) create separate accounts for community and personal use and log onto each account at different times for different activities or (b) if he or she lost his or her original username or password, he or she can simply register again and create an additional account.
- Second, we experience irregular registration activities such as the creation of a significant number of improper user accounts by a limited number of individuals, which may be in violation of our policies, including for the purpose of clogging our network or posting spam to our channels. We believe that some of these accounts may also be created for specific purposes such as to increase the number of votes for certain performers in various contests, but the number of registered user accounts, paying users and active users do not exclude user accounts created for such purposes.
- Third, we have limited ability to validate or confirm the accuracy of information provided during the user registration process to ascertain whether a new user account created was actually created by an existing user who is registering duplicative accounts. Thus, the respective number of our registered user accounts, active users and paying users may overstate the number of unique individuals who register on our platforms, sign onto our platforms, purchase virtual items or other products and services on our platforms, respectively, which may lead to an inaccurate interpretation of our average revenue per paying user metric.

In addition, we may be unable to track whether we are successfully converting registered users or active users into paying users since we do not track the number of unique individuals or operate our platforms on a real-name basis. If the growth in the number of our registered user accounts, active users or paying users is lower than the actual growth in the number of unique individual registered, active or paying users, our user engagement level, sales and our business may not grow as quickly as we expect, and advertisers may reduce the amount spent on advertising with us, which may harm our business, financial condition and results of operations. In addition, such overstatement may cause inaccurate evaluation of our business operations by our management and by investors, which may also materially and adversely affect our business and results of operations.

Concerns about collection and use of personal data could damage our reputation and deter current and potential users from using our products and services, which could lead to lower revenues.

Concerns about our practices with regard to the collection, use or disclosure of personal information or other privacy-related matters, even if unfounded, could damage our reputation and operating results. We apply strict management and protection for any information provided by users and, under our privacy policy, without our users' prior consent, we will not provide any of our users' personal information to any unrelated third party. While we strive to comply with our privacy guidelines as well as all applicable data protection laws and regulations, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, and could damage our reputation. User and regulatory attitudes towards privacy are evolving, and future regulatory or user concerns about the extent to which personal information is used or shared with advertisers or others may adversely affect our ability to share certain data with advertisers, which may limit certain methods of targeted advertising. Concerns about the security of personal data could also lead to a decline in general internet usage, which could lead to lower registered, active or paying user numbers on our platforms. A significant reduction in registered, active or paying user numbers could lead to lower revenues, which could have a material and adverse effect on our business, financial condition and results of operations.

The security of operations of, and fees charged by, third-party online payment platforms may have a material adverse effect on our business and results of operations.

Currently, we sell almost all of our products and services to our users through third-party online payment systems. In all these online payment transactions, secured transmission of confidential information such as customers' credit card numbers and personal information over public networks is essential to maintain consumer confidence.

We do not have control over the security measures of our third-party online payment vendors, and security breaches of the online payment systems that we use could expose us to litigation and possible liability for failing to secure confidential customer information and could, among other things, damage our reputation and the perceived security of all of the online payment systems that we use. If a well-publicized internet or mobile network security breach were to occur, users concerned about the security of their online financial transactions may become reluctant to purchase our virtual items even if the publicized breach did not involve payment systems or methods used by us. In addition, there may be billing software errors that would damage customer confidence in these online payment systems. If any of the above were to occur and damage our reputation or the perceived security of the online payment systems we use, we may lose paying users and users may be discouraged from purchasing our services, which may have a material adverse effect on our business.

In addition, there are currently only a limited number of third-party online payment systems. If any of these major payment systems decides to cease to provide services to us, or significantly increase the percentage they charge us for using their payment systems for our virtual items and other services, our results of operations may be materially and adversely affected.

Our core values of focusing on user experience and satisfaction first and acting for the long-term may conflict with the short-term operating results of our business, and also negatively impact our relationships with advertisers or other third parties.

One of our core values is to focus on user experience and satisfaction, which we believe is essential to our success and serves the best, long-term interests of our company and our shareholders. Therefore, we have made, and may make in the future, significant investments or changes in strategy that we think will benefit our users, even if our decision negatively impacts our operating results in the short term. In addition, this philosophy of putting our users first may also negatively impact our relationships with advertisers or other third parties, and may not result in the long-term benefits that we expect, in which case the success of our business and operating results could be harmed.

Our strategic alliances, investments or acquisitions may have a material and adverse effect on our business, reputation and results of operations. There can be no assurance that the anticipated benefits of our strategic alliances, investments or acquisitions could be realized

We may enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffers negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, if appropriate opportunities arise, we may acquire and/or invest in additional assets, products, technologies or businesses that are complementary to our existing business. Past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. The integration of previously independent businesses is a complex, costly and time-consuming process, and may result in material unanticipated problems, expenses, liabilities, competitive responses, and diversion of management's attention.

Also, there can be no assurance that we can achieve the intended objectives or anticipated benefits by such strategic investments or acquisitions. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets, exposure to potential unknown liabilities of the acquired business and decrease in our gross and net margins as a result of the consolidation of the financial results of the acquired business. To the extent that significant amortization expenses related to intangible assets are applicable, we are required to test our intangible assets, goodwill and our strategic investments for impairment annually or more frequently whenever events or changes indicate that they may be impaired. We may also incur investment loss or impairment charges to acquired businesses and assets. For example, in 2024, we recorded goodwill impairment charges of US\$454.9 million. The impairment was primarily attributable to goodwill associated with our prior acquisitions, mainly driven by lower valuations amid current market conditions. If our strategic investments are implemented ineffectively or impacted by unforeseen negative economic or market conditions or other factors, we may not realize the full anticipated benefits of the investments. Our failure to meet the challenges involved in realizing the anticipated benefits of the strategic investments could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations.

Moreover, the costs of identifying and consummating acquisitions may be significant. In addition to possible shareholders' approval, we may also have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased delay and costs. Furthermore, we may be subject to negative public perception as a result of those strategic investments or acquisition and be viewed negatively by our users, investors and financial markets in general. The market value of our investments or acquisitions may also fluctuate, particularly in volatile markets, which may adversely affect our results of operations and financial condition.

Registered trademarks, purchased internet search engine keywords and registered domain names of third parties that are similar to our trademarks, brands or domain names could cause confusion to our users, divert online customers away from our products and services or harm our reputation.

Competitors and other third parties may register trademarks or domain names that are similar to our trademarks or domain names or purchase keywords that are confusingly similar to our brands or websites in internet search engine advertising programs and in the header and text of the resulting sponsored links or advertisements in order to divert potential customers from us to their websites. Preventing such activity is inherently difficult. If we are unable to prevent such activity, competitors and other third parties may continue to drive potential online customers away from our platforms to competing, irrelevant or potentially offensive platforms, which could harm our reputation and cause us to lose revenue.

We have been and may be subject to intellectual property infringement, misappropriation or other claims or allegations in multiple jurisdictions, which could result in our payment of substantial damages, penalties and fines, removal of relevant content from our website, removal of relevant application from application store platform, or seeking license arrangements which may not be available on commercially reasonable terms.

Third party owners or right holders of patents, copyrights, trademarks, trade secrets and website content may assert intellectual property infringement, misappropriation or other claims against us. Our success depends, in part, on our ability to develop and commercialize our platforms without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our platforms are infringing, misappropriating or otherwise violating third-party intellectual property rights and such third parties may bring claims alleging such infringement, misappropriation or violation. In addition, content generated through our platforms, including real-time content, may also potentially cause disputes regarding content ownership or intellectual property rights. For example, we could face copyright infringement claims with respect to songs performed live, recorded or made accessible and online games being streamed live, recorded or made accessible on our audio and video-based social entertainment platforms. Separately, as our business expands in global landscape, the costs of carrying out these procedures and obtaining authorization and licenses for the growing content on our platforms and to use such content in multiple jurisdictions into which we may expand our operations may increase, which may potentially have material and adverse effects on our results of operations.

The validity, enforceability and scope of protection of intellectual property rights in internet-related industries are uncertain and still evolving. Considering the nature of our business, we have been subject to infringement claims and may continue to be subject to such infringement claims, including with respect to alleged content infringement or software copyright infringement, from time to time. We cannot predict the outcome of the legal proceedings of such nature. Also, these legal proceedings may be expensive, time-consuming and disruptive to our operations and divert our management's attention. There can be no assurance that we will prevail in these legal proceedings and we cannot assure you that no intellectual property claims or lawsuits will be initiated by other companies in the future. In addition, if any third party complains to an application store platform, alleging that we have infringed upon such third party's intellectual property rights, our applications may be temporarily removed from such platform, which could negatively affect our operational and/or financial results.

We have implemented procedures to reduce the likelihood that we may use, develop or make available any content or applications without the proper licenses or necessary third-party consents; such procedures include requiring performers, channel owners and users to acknowledge and agree that they would not perform or upload copyrighted content without proper authorization and that they will indemnify us for any relevant copyright infringement claims. However, these procedures may not be effective in preventing unauthorized posting or use of copyrighted content on our platforms or the infringement of third-party rights. Specifically, such acknowledgments and agreements by performers, channel owners and users are not enforceable against third parties who may nevertheless file claims of copyright infringement against us. Furthermore, individual performers or channel owners who generate content on our platform that may infringe copyrights of third parties may not be easily traceable, if at all, by a plaintiff who may then choose to file a claim against us, and these individual performers and channel owners may not have resources to fully indemnify us, if at all, for any such claims. We cannot assure you that we will not become subject to other intellectual property claims and lawsuits in the jurisdictions where we have presence, including the United States, by virtue of our ADSs being listed on the Nasdaq Global Select Market, the ability of users to access our platforms in the United States and other jurisdictions, the performance of songs and other contents which are subject to copyright and other intellectual property laws of multiple jurisdictions, the ownership of our ADSs by investors in the United States and other jurisdictions, or the extraterritorial application of laws by courts in any other jurisdiction or otherwise. In addition, as a publicly-listed company, we may be exposed to increased risk of litigation.

If an infringement claim brought against us under the jurisdictional laws is successful, we may be required to pay substantial statutory penalties or other damages and fines, remove relevant content from our platforms, face injunctive relief or enter into license agreements which may not be made on commercially reasonable terms or at all. We currently have a U.S. patent portfolio, and our competitors and other third parties may now or in the future have significantly larger and more mature patent portfolios than we have. Litigation or other claims against us also subject us to adverse publicity which could harm our reputation and affect our ability to attract and retain users, including channel owners, singers and other performers, which could materially and adversely affect the popularity of our platforms and therefore, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may not be able to successfully halt the operations of platforms that aggregate our data as well as data from other companies, including social networks, or “copycat” platforms that have misappropriated our data in the past or may misappropriate our data in the future. Those platforms may also lure away some of our users or advertisers or reduce our market share, causing material and adverse effects on our business operations.

From time to time, third parties have misappropriated our data through scraping our platforms, robots or other means and aggregated this data on their platforms with data from other companies. In addition, historically “copycat” platforms or client applications had misappropriated data on our platforms, implanted Trojan viruses in user PCs or mobiles to steal user data from our mobile applications and attempted to imitate our brand or the functionality of our platforms. When we became aware of such platforms, we employed technological and legal measures in an attempt to halt their operations. However, we may not be able to detect all such misappropriation in a timely manner and, even if we could, technological and legal measures may be insufficient to stop all such misappropriation. In those cases, our available remedies may not be adequate to protect us against such misappropriation. Regardless of whether we can successfully enforce our rights against these third parties, any measures that we may take could require significant financial or other resources from us. Those third parties may also lure away some of our users or advertisers or reduce our market share, causing material and adverse effects to our business operations.

We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, service marks, patents, domain names, trade secrets, proprietary technologies and similar intellectual property as critical to our success, and we rely on trademark and patent law, trade secret protection and confidentiality and license agreements with our employees and others to protect our proprietary rights. However, the steps we take to obtain, maintain, protect and enforce our intellectual property rights may be inadequate. We will not be able to protect our intellectual property rights if we are unable to obtain such intellectual property rights, or enforce our rights or if we do not detect unauthorized use of our intellectual property rights. If we fail to protect our intellectual property rights adequately, our competitors may gain access to our proprietary technology and develop and commercialize substantially identical products, services or technologies, and our business, financial condition, results of operations or prospects may be harmed. In addition, defending our intellectual property rights may entail significant expense.

We operate in many different markets. It is often difficult to obtain, maintain and enforce intellectual property rights in certain developing countries as compared with developed countries with more robust legal systems. Patents, trademarks and service marks may be invalidated, circumvented, or challenged. Trade secrets are difficult to protect, and our trade secrets may be leaked or otherwise become known or be independently discovered by others. Moreover, no assurance can be given that confidential agreements will be effective in controlling access to, distribution, use, misuse, misappropriation, reverse engineering or disclosure of our proprietary information, know-how and trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform capabilities. Confidentiality agreements may be breached, and we may not have adequate remedies for any breach. Even where adequate, relevant laws exist, it may not be possible to obtain swift and equitable enforcement of such laws, or to obtain enforcement of a court judgment or an arbitration award delivered in another jurisdiction, and accordingly, we may not be able to effectively protect our intellectual property rights or enforce agreements in certain jurisdictions. Policing any unauthorized use of our intellectual property is difficult and costly and the steps we have taken may be inadequate to prevent the misappropriation of our technologies. Given the potential cost, effort, risks and downsides of obtaining patent protection, in some cases we have not and do not plan to apply for patents or other forms of formal intellectual property protection for certain key technologies. If some of these technologies are later proven to be important to our business and are used by third parties without our authorization, especially for commercial purposes, our business and competitive position may be harmed. Patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our platforms are or become available. For example, as we have expanded our business in multiple regions across the globe, we may be unable to register and obtain exclusive rights to use our trademarks in certain jurisdictions. As we expand our international activities, our exposure to unauthorized copying and use of our platforms will likely increase.

Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and if such defenses, counterclaims or countersuits are successful, we could lose valuable intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management’s attention and resources, could delay further sales or the implementation of our platforms, impair the functionality of our platforms, delay introductions of our platforms, result in our substituting inferior or more costly technologies into our platforms or damage our reputation.

As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies, which could have a material and adverse effect on our business operations, financial condition and results of operations.

Generally, registered patents are subject to finite terms in various jurisdictions, which may vary from jurisdictions to jurisdictions as to the specific time period, term extension and other regulatory maintenance requirements. For example, in the United States and Singapore, once a patent is granted, it will be protected for twenty years from the date of application filing. The same twenty-year period also applies to patents for invention in Vietnam and invention patents in Thailand, while the valid period for patents for utility in Vietnam and design patents in Thailand is ten years. In mainland China, the valid period of utility model patent right and design patent right is ten years and fifteen years, respectively, and is not extendable. Currently, we have patent applications pending in multiple regions across the globe, but we cannot assure you that we will be granted patents pursuant to our pending applications or will be granted patents based on patent applications we may file in other jurisdictions. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented or invalidated in the future. The rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. Further, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others will bar us from licensing and from exploiting any patents that issue from our pending applications. Numerous U.S. and patents issued in other regions and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation and subject to patent infringement lawsuits if we expand our operations into such jurisdictions. Finally, in addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

If we fail to maintain and enhance our brands or to effectively promote our products and acquire new users, advertisers or merchants, or if we incur excessive expenses in these efforts, our business, results of operations and prospects may be materially and adversely affected.

We believe that maintaining and enhancing our brands is of significant importance to the success of our business. Well-recognized brands are important to increasing the number of users and the level of engagement of our users and enhancing our attractiveness to advertisers and merchants. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position.

As we expand in the future, we may conduct various marketing and brand promotion activities using various methods to continue promoting our brands. We cannot assure you, however, that these activities will be successful or that we will be able to achieve the brand promotion effect we expect. In addition, any negative publicity in relation to our products or services, regardless of its veracity, could harm our brands and reputation.

We have sometimes received, and expect to continue to receive, complaints from users or third parties regarding the quality of the products and services we offer. Negative publicity or public complaints may harm our reputation and affect our ability to attract new users and retain existing users. If these complaints are not addressed properly, our reputation and our market position could be significantly harmed, which may materially and adversely affect our business, results of operations and prospects.

Our business depends substantially on the continuing efforts of our executive officers and key employees, and our business operations may be severely disrupted if we lose their services.

Our future success depends substantially on the continued efforts of our executive officers and key employees. If one or more of our executive officers or key employees were unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. In addition, some of our executive officers and key employees hold the equity interests in the variable interest entities in mainland China. If any of these executive officers and key employees terminates their services with us, we have the contractual right to appoint designees to hold the variable interest entities' equity interests. However, our business may be severely disrupted, our financial condition and results of operations may be materially and adversely affected and we may incur additional expenses to recruit, train and retain personnel. If any of our executive officers or key employees joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. Each of our executive officers and key employees has entered into an employment agreement and a non-compete agreement with us. However, such non-compete agreement may not be fully enforceable under applicable laws. If any dispute arises between our executive officers and key employees and us, we cannot assure you that we would be able to enforce these non-compete agreements.

If we are unable to attract, train and retain qualified personnel, our business may be materially and adversely affected.

Our future success depends, to a significant extent, on our ability to attract, train and retain qualified personnel, particularly management, technical and marketing personnel with expertise in the internet industry; inability to do so may materially and adversely affect our business. Since the internet industry is characterized by high demand and intense competition for talent, we cannot assure you that we will be able to attract or retain qualified staff or other highly skilled employees. As we have limited experience operating our current businesses, our ability to train and integrate new employees into our operations may not meet the growing demands of our business which may materially and adversely affect our ability to grow our business and hence our results of operations.

We may be exposed to cyber security risk.

Computer hackers, governments or cyber terrorists may attempt to penetrate our network security and our website. Unauthorized access to our proprietary business information or customer data may be obtained through break-ins, sabotage, breach of our secure network by an unauthorized party, computer viruses, computer denial-of-service attacks, employee theft or misuse, breach of the security of the networks of our third-party providers, or other misconduct. Because the techniques used by computer programmers who may attempt to penetrate and sabotage our network security or our website change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. It is also possible that unauthorized access to customer data may be obtained through inadequate use of security controls by customers. We would suffer economic and reputational damages if a technical failure of our systems or a security breach compromises our user data, including identification or contact information, although there has not been any compromise in the past. Any disruption to our computer systems could have a material adverse effect on our on-site operations and ability to retain and attract users.

Our results of operations are subject to fluctuations due to seasonality and other factors.

We experience seasonality in our business, reflecting seasonal fluctuations in internet usage. As a result, comparing our operating results on a period-to-period basis may not be meaningful. There could be fluctuations and changes in overall consumer demand for our products and services in certain markets in general or during certain months and holidays. For example, online user numbers tend to be lower during the holidays and celebrations in different cultures (including, but not limited to, Independence Day, Ramadan, Lunar New Year, etc.), which negatively affects our cash flow for those periods. We may also experience a slight decrease of active users during Christmas and ending with the New Year's Day. Historically, excluding the impact of COVID-19, our revenues from advertising have followed the same general seasonal trend throughout the year with the first quarter of the year being the weakest quarter and the fourth quarter being the strongest. Additionally, a portion of our e-commerce revenues correlate with the gross merchandise value (GMV) that merchants facilitate through our smart commerce solution platform. Our merchants tend to process more GMV during the fourth quarter due to holiday season.

Other factors may also cause our revenue, profits and other operating results to vary significantly from quarter to quarter, such as (i) timing of marketing campaigns and promotional activities we conduct from time to time; (ii) timing of new products and services releases and monetization rates of our products and services or content enhancements in different markets; (iii) increases in sales and marketing and other operating expenses; (iv) macroeconomic conditions including recessionary fears or rising inflation and their effect on consumer spending; (v) geopolitical conditions; and (vi) business strategy changes.

As a result, our operating results in future quarters or years may fall below the expectations of securities analysts and investors. In such event, the trading price of our ADSs would likely be materially and adversely affected.

We face risks associated with our investments.

We currently invest a portion of our capital in long-term and short-term investments. Our long-term investments mainly consisted of investment in equity method investees, equity investments with readily determinable fair values and equity investments without readily determinable fair values, and our short-term investments mainly consisted of financial products issued by commercial banks with a variable interest rate indexed to the performance of underlying assets and a maturity date within one year when purchased. These investments may earn yields substantially lower than anticipated, and any failure to realize the benefits we expected from these investments may materially and adversely affect our business and financial results. Any change in securities prices and market conditions could lead to volatility in the fair value of our investments accounted for at fair value, which could further impact our financial condition and results of operations and may also impact our ability to dispose of these investments at favorable prices. We may also suffer losses from these long-term and short-term investments, which could adversely affect our results of operations and financial condition. Further, we may be adversely affected by a crisis in the banking industry. If banks and financial institutions enter receivership or become insolvent in the future and a portion of our cash or cash equivalents and/or short-term investments is held in such banks and financial institutions, our ability to access our existing cash and cash equivalents and/or short-term investments may be impacted, which could have a material adverse effect on our business and financial condition.

If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence in our company and the market price of our ADSs may be adversely affected.

The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, adopted rules requiring most public companies to include a management report on such company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, when a company meets the SEC's criteria, an independent registered public accounting firm must report on the effectiveness of the company's internal control over financial reporting.

Our management have concluded that our internal control over financial reporting was effective as of December 31, 2024. Our independent registered public accounting firm has issued an audit report, which has concluded that we maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024. However, we cannot assure you that in the future our management or our independent registered public accounting firm will not identify material weaknesses during the Section 404 of the Sarbanes-Oxley Act audit process or for other reasons. In addition, because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. As a result, if we fail to maintain effective internal control over financial reporting or should we be unable to prevent or detect material misstatements due to error or fraud on a timely basis, investors could lose confidence in the reliability of our financial statements, which in turn could harm our business, results of operations and negatively impact the market price of our ADSs, and harm our reputation. Furthermore, we have incurred and expect to continue to incur considerable costs and to use significant management time and the other resources in an effort to comply with Section 404 and other requirements of the Sarbanes-Oxley Act.

Unauthorized third-party platforms may sell virtual items we offer for free on our platforms, which may affect our revenue-generating opportunities and exert downward pressure on the prices we charge for our virtual items.

We, from time to time, offer virtual items free of charge to attract users or encourage user participation in channels. Some of our users may sell or purchase such free virtual items through unauthorized third-party sellers in exchange for real currency. For example, fans of a performer may pay other users to send flowers or gifts the latter have accumulated on our platforms to the performer, in order to show support and raise the popularity ranking of the performer of their choice. These unauthorized transactions are usually arranged on third-party platforms which we do not and are unable to track or monitor. Accordingly, these unauthorized purchases and sales from third-party sellers may affect our revenue-generating opportunities and may impede our revenue and profit growth by, among other things, reducing the revenues we could have generated and exerting downward pressure on the prices we charge for our virtual items.

We have limited business insurance coverage, so that any uninsured occurrence of business disruption may result in substantial costs to us and the diversion of our resources, which could have an adverse effect on our results of operations and financial condition.

Insurance products available in some emerging markets in which we operate currently are not as extensive as those offered in more developed economies. We may not have sufficient insurance coverage for business liabilities or disruptions. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured occurrence may disrupt our business operations, require us to incur substantial costs and divert our resources, which could have an adverse effect on our results of operations and financial condition.

We face risks related to geopolitical events, natural disasters, health epidemics, and other outbreaks, which could significantly disrupt our operations.

Our business could be adversely affected by the effects of epidemics. In recent years, there have been outbreaks of epidemics globally. Our business operations could be disrupted if one of our employees is suspected of having contracted the H1N1 flu, avian flu, Ebola, COVID-19 or another epidemic, since it could require our employees to be quarantined and/or our offices to be disinfected. Our results of operations could be adversely affected to the extent that the outbreak has any negative impact on the global economy in general and the global mobile internet and gaming industries in particular.

We are also vulnerable to natural disasters and other calamities. It is possible that we may be unable to recover certain data in the event of a server failure. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services on our platform.

Non-compliance on the part of third parties with which we conduct business could restrict our ability to maintain or increase our number of users or the level of traffic to our platforms.

Our business partners may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may disrupt our business. Although we conduct a rigid review of legal formalities and certifications before entering into contractual relationship with other businesses such as third-party game developers, e-commerce merchants and landlords, we cannot be certain whether such third party has or will infringe any third parties' legal rights or violate any regulatory requirements. We regularly identify irregularities or non-compliance in the business practices of any parties with whom we pursue existing or future cooperation and we cannot assure you that any of these irregularities will be corrected in a prompt and proper manner. The legal liabilities and regulatory actions on our commercial partners may affect our business activities and reputation and in turn, our results of operations. We may also be adversely affected for intellectual property infringement, product related claims, consumer protection deficiencies, or regulatory violations resulting from e-commerce merchants who use our e-commerce services.

In addition, we allow providers of some online services to establish channels on our platforms. The online service providers and the producers of content on our platforms may be required to meet specific qualifying standards, evidenced by approvals, permits or certificates, and to comply with various requirements when conducting business. We cannot predict if any non-compliance on the part of such commercial partners may cause potential liabilities to us and in turn disrupt our operations.

Risks Related to Doing Business in the Jurisdictions Where We Operate

We are subject to the risks of doing business globally.

We maintain our operations in multiple jurisdictions across the globe, and may in the future continue expanding, or seek to expand, our operations to additional jurisdictions. The global operation and expansion plan exposes us to international political, legal and economic risks, which are fluid and unpredictable. Our ability to maintain good operation in multiple countries and regions may be adversely affected by changes in international and local laws, regulations and government policies such as those related to investment, taxation, import and export tariffs, environmental regulations, land use rights, intellectual property, currency controls, network security and other matters. Many, if not all of the above-mentioned risks also apply to our operations in multiple jurisdictions across the globe where we operate or seek to operate. If any of these risks were to occur, our business, financial condition and results of operations could be materially and adversely affected by any of the risks above. For example, in recent years, there have been increased tariffs and trade tensions, and it is uncertain whether such tensions will continue to escalate. Protectionist government policies may reduce the level of international trade and negatively affect our business operations. See “—Risks Related to Our Business and Industry—Changes in global or regional economic, geopolitical or social conditions, as well as changes in government policies, could materially and adversely affect our business, financial condition and results of operations.”

We cannot guarantee that we will be able to successfully carry out our global expansion strategy. We will face certain risks inherent in doing business globally, including, but not limited to, difficulties in developing, staffing and simultaneously managing global operations as a result of distance, language and cultural differences; challenges in formulating effective local sales and marketing strategies targeting users from various jurisdictions and cultures, who have a diverse range of preferences and demands; challenges in identifying appropriate local business partners and establishing and maintaining good working relationships with them; challenges in recruiting and retaining talented and capable management and employees in various markets; challenges in obtaining and maintaining sufficient intellectual property protection and rights in various jurisdictions; dependence on local platforms in marketing our international products and services in multiple regions across the globe; challenges in selecting suitable geographical regions for international business; political or social unrest or economic instability; compliance with applicable laws and regulations in multiple regions across the globe and unexpected changes in laws or regulations, including, but not limited to, investment restrictions and ownership requirements; exposure to different tax jurisdictions that may subject us to greater fluctuations in our effective tax rate and potentially adverse tax consequences; and increased costs associated with doing business in multiple jurisdictions across the globe.

As we operate in multiple jurisdictions across the globe, economic, political and social conditions of certain jurisdictions may represent unique features, as compared to other jurisdictions, in many aspects. With our subsidiaries incorporated in multiple jurisdictions across the globe, our business, financial condition, results of operations and prospects in those jurisdictions may be influenced to a significant degree by local political, economic and social conditions. Also, the economies in emerging markets generally differ from the economies of most developed countries in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange, government policy on public order and allocation of resources. The government authorities of certain jurisdictions have significant oversight over the conduct of our business in those jurisdictions and may influence our local operations. These government authorities have published and may continue to publish new policies that significantly affect certain industries and we cannot rule out the possibility that they will in the future release regulations or policies that directly or indirectly affect our industry or require us to comply with more stringent regulatory requirements in order for us continue our local operations, which could result in a material adverse change in our operation in such jurisdictions and/or the value of our ADSs. Therefore, investors of our company face potential uncertainty from actions taken by the governmental authorities in markets in which we operate. If we cannot timely and effectively manage such challenge, it may place significant strain on our management and resources to keep balance among the jurisdictions where we operate, which may adversely affect our business, financial condition and results of operations.

We have limited experience in international markets. If we fail to meet the challenges presented by our increasingly globalized operations, our business, financial condition and results of operations may be materially and adversely affected.

We have limited experience in international markets and we expect to enter into and expand our operations in international markets. Our businesses have footprint around the world, primarily including North America, Europe, the Middle East and Southeast Asia. Global expansion is a key growth strategy for us, which exposes us to a number of risks, including:

- compliance with applicable laws and regulations in multiple jurisdictions, including, but not limited to, internet content provider licenses and other applicable licenses or governmental authorizations;

- policies that increase restrictions on our ability to invest in certain jurisdictions, especially in the telecommunication and internet sectors;
- challenges in identifying appropriate local business partners and establishing and maintaining good working relationships with them. Our business partners primarily include popular talents and their agencies, third parties that promote our platform and applications and third parties that provide us technology support;
- challenges in obtaining and maintaining sufficient intellectual property protection and rights;
- challenges in commercializing our platforms in international markets without infringing, misappropriating or otherwise violating the intellectual property rights of third parties;
- challenges in formulating effective marketing strategies targeting users from various jurisdictions and cultures, who have a diverse range of preferences and demands;
- lack of acceptance of our product and service offerings, and challenges of localizing our offerings to appeal to local tastes;
- challenges in replicating or adapting our company policies and procedures to operating environments that are different from each other, including technology infrastructure;
- challenges in meeting local advertiser demands as well as online marketing practices and conventions;
- differences in user and advertiser reception and perception of our applications internationally;
- challenges in managing compliance with local labor regulations and risks associated with labor dispute across different jurisdictions;
- fluctuations in currency exchange rates;
- increased competition with local players in different markets and sub-markets;
- political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism;
- exposure to different tax jurisdictions that may subject us to greater fluctuations in our effective tax rate and assessments in multiple jurisdictions on various tax-related assertions, including transfer pricing adjustments and permanent establishment;
- recruitment and retention of talented and capable management and employees in various markets;
- challenges of maintaining efficient and consolidated internal systems, including information technology infrastructure, and of achieving customization and integration of these systems;
- compliance with privacy laws and data security laws, including heightened restrictions and barriers on the transfer of data between different jurisdictions;
- regulatory regime and business practices that essentially favors the domestic companies, such as imposing restrictions on foreign ownership, which could, among other things, give rise to competitive disadvantage for us and hinder our ability to execute our business strategies;
- actions by local governments or others to restrict access to our products and services or to cause us to discontinue our operations in a particular market, regardless of whether these actions are taken for political, security or other reasons; and

- increased costs associated with doing business in multiple jurisdictions.

There is no assurance we will be able to manage these risks and challenges as we continue to grow our international businesses. Failure to manage these risks and challenges could negatively affect our ability to expand our international and cross-border businesses and operations as well as materially and adversely affect our business, financial condition and results of operations.

We face risks and uncertainties to comply with the laws, regulations and rules in various aspects in multiple jurisdictions across the globe. Failure to comply with such applicable laws, regulations and rules may subject our global operations to strict scrutiny by local authorities, which in turn may materially and adversely affect our globalized operations.

We operate in several key markets across the globe and our revenue is diversified across multiple markets. As we expand our operations in additional emerging markets and regions, we may have to take efforts to comply with the local legal requirements and markets conditions. Such efforts may include, among others, adapting our business models or operations to the local markets and engaging specialized professionals for compliance purpose. Our global operations and expansion efforts may result in increased costs and are subject to various risks, including difficulties in obtaining licenses, permits or other applicable governmental authorizations, content control from local authorities, uncertain enforcement of intellectual property rights, potential claims of intellectual property infringement, the complexity of compliance with laws and regulations and cultural differences. Compliance with applicable laws, regulations and rules related to matters that are central to our business, including those related to live streaming services, advertising, online gaming, virtual items, communications, internet services, e-commerce, content restrictions, data privacy, data usage, data transfer, data processing, data storage, data retention and protection, anti-corruption laws, employment and labor laws, intellectual property, anti-money laundering, protection of minors, national security, economic or other trade prohibitions or sanctions, foreign investment and currency control regulations, increases the costs and risk exposure of doing business in multiple jurisdictions across the globe including North America, Europe, the Middle East, and Southeast Asia, among others. Laws and regulations and their enforcement vary from jurisdiction to jurisdiction and are often evolving, unclear or inconsistent with other applicable laws. In some cases, compliance with the laws and regulations of one country could violate the laws and regulations of another country. Additionally, as we operate across multiple markets across the globe, we are more likely to be exposed to international political tension, which may inevitably adversely affect our business and operating results. See “—Risks Related to Our Business and Industry—Changes in global or regional economic, geopolitical or social conditions, as well as changes in government policies, could materially and adversely affect our business, financial condition and results of operations.” As our globalized operations evolve, we cannot assure you that we are able to fully comply with the legal requirements of each jurisdiction and successfully adapt our business models to local market conditions. Due to the complexity involved in our global business expansion, we cannot assure you that we are in compliance with all local laws or regulations, including regulatory control, license requirements, or that our existing licenses will be successfully renewed or expanded to cover all of our areas of operations. If we fail to properly and timely address those risks and challenges, our business that are not compliant with the local regulations may be subject to penalties, rectification, suspension of business and/or platform shutdown.

Fluctuations in currency exchange rates may adversely affect our operational and financial results, which we report in U.S. dollars.

We operate in multiple markets, which exposes us to the effects of fluctuations in currency exchange rates as we report our financials and key operational metrics in U.S. dollars. Appreciation of the U.S. dollars against the local currencies used by our paying users may reduce their demand for our services, which may negatively impact our results of operations. While a majority of our revenues and expenses are denominated in U.S. dollars, some of our expenses and revenues are denominated in various other currencies, such as Euro, Singapore dollars, Renminbi, Japanese yen, Indonesian rupiah, Vietnamese dong, Thai baht, Malaysian ringgit, Turkish lira, among other currencies. We generally incur expenses for employee compensation and other operating expenses in the local currencies in the markets in which we operate. Therefore, fluctuations in the exchange rates among the various currencies that we use could cause fluctuations in our operational and financial results. Our expenses may become higher and our revenue and operating metrics may become lower than would be the case if exchange rates were stable or if we were operating and reporting in one currency. Movements in currency exchange rates may have a material adverse effect on our results of operations, which may cause our financial and operational metrics reported in U.S. dollars to be not fully representative of our underlying business performance. Because fluctuations in the value of the local currencies are not necessarily correlated, our results of operations in any period may be adversely affected by such volatility. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk.”

We may enter into derivatives transactions and incur relevant costs from time to time to manage our exposure to exchange rate risk. Such derivatives transactions, while intended to be non-speculative, are designed to protect us against increases or decreases in exchange rates, but not both. If we have entered into derivatives transactions to protect against, for example, decreases in the value of a local currency and such local currency instead increases in value, we may incur financial losses. Such losses could materially and adversely affect our financial condition and results of operations.

If we are classified as a tax resident of certain jurisdictions for income tax purposes, such classification could result in unfavorable tax consequences to us and our shareholders or ADS holders.

Certain jurisdictions in which we conduct business have adopted tax laws and regulations that impose income tax or other adverse tax consequences on foreign enterprises if they are deemed to be tax residents of such jurisdictions. The tax resident status is generally subject to determination by the local tax authorities, and there can be uncertainties with such determination. If the tax authorities of a certain jurisdiction other than Cayman Islands determine that we are a tax resident there for income tax purposes, we could be subject to tax on our worldwide income or other adverse tax consequences, which could materially reduce our net income. In addition, our shareholders (including our ADS holders) may be subject to tax on gains realized on the sale or other disposition of ADSs or ordinary shares or on the dividends we pay to them. Any such tax may reduce the returns on your investment in the ADSs or ordinary shares.

Under the Singapore Income Tax Act, a company established outside Singapore but whose governing body, being the board of directors, usually exercises de facto control and management of its business in Singapore could be considered a tax resident in Singapore. However, such control and management of the business should not be deemed to be in Singapore if physical board meetings are mainly conducted outside of Singapore. Where board resolutions are passed in the form of written consent signed by the directors each acting in their own jurisdictions, or where the board meetings are held by teleconference or videoconference, it is possible that the place of de facto control and management will be considered to be where the majority of the board are located when they sign such consent or attend such conferences.

We believe that we are not a Singapore tax resident for Singapore income tax purposes. However, our tax residence status is subject to determination by the Inland Revenue Authority of Singapore, and uncertainties remain with respect to the interpretation of the term “control and management” for the purposes of the Singapore Income Tax Act. If the Inland Revenue Authority of Singapore determines that we are a Singapore tax resident for Singapore income tax purposes, the portion of our single company income on an unconsolidated basis that is received or deemed by the Singapore Income Tax Act to be received in Singapore, where applicable, may be subject to Singapore income tax at the prevailing tax rate of 17% before applicable income tax exemptions or relief, where Bigo Technology Pte. Ltd., or Bigo Singapore, is entitled to enjoy the beneficial tax rate of 5% as the incentive for the years 2018 through 2027. If we are regarded as a Singapore tax resident, any dividends received or deemed received by us in Singapore from subsidiaries located in a foreign jurisdiction with a rate of income tax or tax of a similar nature of no more than 15% may generally be subject to additional Singapore income tax where there is no other applicable tax treaty between such foreign jurisdiction and Singapore. Income is considered to have been received in Singapore when it is: (i) remitted to, transmitted or brought into Singapore; (ii) applied in or towards satisfaction of any debt incurred in respect of a trade or business carried on in Singapore; or (iii) applied to purchase any movable property that is brought into Singapore. In addition, as Singapore does not impose withholding tax on dividends declared by Singapore resident companies, if we are considered a Singapore tax resident, dividends paid to the holders of our common shares and ADSs will not be subject to withholding tax in Singapore. Regardless of whether or not we are regarded as a Singapore tax resident, holders of our common shares or the ADSs who are not Singapore tax residents would generally not be subject to Singapore income tax on gains derived from the disposal of our common shares or the ADSs if such shareholders do not maintain a permanent establishment in Singapore, to which the disposition gains may be effectively connected, and the entire process (including the negotiation, deliberation, execution of the acquisition and sale, etc.) leading up to the actual acquisition and sale of the ADSs or our common shares is performed outside of Singapore. For Singapore resident shareholders, if the gain from disposal of our common shares or the ADSs is considered by the Inland Revenue Authority of Singapore as income in nature, such gain will generally be subject to Singapore income tax, and not taxable in Singapore if the gain is considered by the Inland Revenue Authority of Singapore as capital gains in nature. See “Item 10. Additional Information—Taxation—Singapore Taxation.”

If our preferential tax treatments are revoked or become unavailable or if the calculation of our tax liability is successfully challenged by the relevant tax authorities, we may be required to pay tax, interest and penalties in excess of our tax provisions, and our financial condition and results of operations could be materially and adversely affected.

According to the applicable provisions under Singapore law, corporations that are engaging in new high-value-added projects, expanding or upgrading their operations, or undertaking incremental activities after their pioneer period may apply for their profits to be taxed at a reduced rate of 5%, at minimum, for an initial period of up to ten years. The total tax relief period for each qualifying project or activity is subject to a maximum of 40 years (inclusive of the post-pioneer relief period previously granted, if applicable). Bigo Singapore was approved for such preferential tax treatment, enabling it to enjoy the preferential tax rate of 5% with the valid period from 2018 to 2022. Bigo Singapore renewed its qualification in 2022 and is entitled to continue to enjoy such preferential tax treatment from 2023 to 2027. However, if Bigo Singapore fails to maintain its qualification for preferential tax treatments, its applicable enterprise income tax rate may increase to the applicable standard tax rate, which could materially and adversely affect our financial condition and results of operations.

Furthermore, there can be no assurance that our effective tax rate will not increase over time as a result of changes in corporate income tax rates or other changes in the tax laws in the jurisdictions in which we operate. Any changes in tax laws could have an adverse impact on our financial results. For example, the Organization for Economic Cooperation and Development's 2021 announcement of the Inclusive Framework on Base Erosion and Profit Shifting, along with the Pillar Two Model Rules establishing a global minimum tax of 15% for large multinational corporations, further complicates the tax landscape. Subsequent to this announcement, various administrative guidelines have been released. Several tax jurisdictions have either implemented legislation to adopt elements of the Pillar Two Model Rules, commencing in 2024 with additional components to follow in subsequent years, or have outlined intentions to do so in the future. We will continually assess the implications of such legislative changes in the jurisdictions where we operate. Given the uncertainties surrounding the rules and their implementations, our results of operation and financial condition may be materially and adversely affected.

Our operations in mainland China are subject to complex and evolving laws and regulations.

We conduct a portion of our operations in mainland China, which accounted for 19.7%, 15.3% and 10.4% of our total net revenues for the years ended December 31, 2022, 2023 and 2024, respectively. These operations are subject to complex and evolving laws and regulations of mainland China to the extent applicable.

The legal system of mainland China is based on written statutes and prior court decisions have limited value as precedents. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights in mainland China. However, since mainland China's administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the legal system of mainland China is based in part on government policies and internal rules (some of which are not published in a timely manner or at all). As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, could materially and adversely affect our business and impede our ability to continue our operations.

Specifically with respect to the internet industry, the mainland China government has adopted extensive regulations. These internet-related regulations are relatively new and evolving, and their interpretation involves uncertainty. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violations of applicable laws and regulations. Permits, licenses or operations held by some of our subsidiaries or the variable interest entities may be subject to challenge, or we may fail to obtain permits or licenses that may be deemed necessary for our operations or we may not be able to renew certain permits or licenses. As of the date of this annual report, our subsidiaries and the variable interest entities in mainland China have obtained the requisite licenses and permits from the mainland China's government authorities that are material for the continuing business operations in mainland China, including, among others, the Internet Culture Operation License, the Value-added Telecommunications Business Operation License (ICP License), the Radio and Television Program Production and Operating Permit and the License for Online Transmission of Audio-Visual Programs. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant mainland China's government authorities, we may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future. Furthermore, new laws, regulations or policies may be promulgated or announced that will regulate internet activities, and additional licenses may be required for our operations in mainland China as a result. If our operations in mainland China do not comply with these new regulations after they become effective, or if we fail to obtain any licenses required under these new laws and regulations, we could be subject to penalties.

In addition, the China Securities Regulatory Commission, or the CSRC, promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures, and five relevant guidelines in early 2023. The Overseas Listing Trial Measures regulate both direct and indirect overseas offering and listing by domestic company in mainland China by adopting a filing-based regulatory regime. Given the interpretation and implementation of the Overseas Listing Trial Measures and our operations in mainland China, we cannot rule out the possibility that we may be required to file with the CSRC in connection with our future offerings and listings outside mainland China should we pursue any. It remains unclear as to how mainland China regulations may further evolve, how mainland China's governmental authorities will regulate overseas listing in general and whether we will be required to obtain any specific regulatory approvals from, or complete any filing or review procedures with, the CSRC, the Cyberspace Administration of China, or the CAC, or any other mainland China governmental authorities for our operations and future offerings outside mainland China. If we fail to obtain the relevant approval or complete other filing or review procedures for our operations and/or any future offshore offering or listing, we may face sanctions by the CSRC, the CAC or other regulatory authorities of mainland China, which may include warnings, fines, suspension of business to rectify, revocation of licenses, cancellation of filings, shutdown of our platform or even criminal liability, limitations on our operating privileges in mainland China, restrictions on or prohibition of the payments or remittance of dividends by our subsidiaries in mainland China, restrictions on or delays to our future financing transactions outside mainland China, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs.

Our subsidiaries and the variable interest entities in mainland China are subject to other restrictions and risks in their operations. For example, they are subject to restrictions on paying dividends or making other payments to us, which may to some extent restrict our ability to satisfy our liquidity requirements and to distribute dividends to our shareholders. Failure to comply with mainland China laws and regulations regarding the mergers and acquisitions of domestic enterprises by foreign investors, offshore investment activities by mainland China residents, direct investment and loans by offshore companies to domestic companies, or registration requirements for employee stock ownership plans or share option plans may restrict our cross border investment activities, limit our subsidiary's ability to make distributions or pay dividends or affect our ownership structure, or subject the mainland China participants in our share incentive plans or us to fines and other legal or administrative sanctions. Providers of certain generative artificial intelligence services are required to conduct security assessment and complete certain filings, and if we fail to comply with this requirement, some of our websites in mainland China may face potential shutdown. Furthermore, as we issue virtual currency to users on our platforms currently operated in mainland China, we may be subject to requirements from the mainland China authorities to obtain relevant approvals or licenses, cease the virtual currency issuance or change our current business model in mainland China, and certain penalties. In addition, some of our lease agreements in mainland China may lack proper registration and some leased properties may lack appropriate title certificates, potentially in violation of local regulations or affecting the validity of the leases. If our subsidiaries or the variable interest entities in mainland China fail to comply with the applicable regulatory requirements in their operations, we may face penalties and our ability to continue to conduct operations in mainland China may be affected.

We are subject to risks related to our corporate structure in mainland China.

Laws and regulations of mainland China prohibit or restrict foreign investment in certain internet-related business, value-added telecommunication services, internet cultural services, audio-visual program transmission services and other-related businesses. Accordingly, we operate these businesses in mainland China through the variable interest entities, the structure of which is used to provide investors with exposure to foreign investment in companies based in mainland China where laws and regulations prohibit or restrict direct foreign investment in certain operating companies, and rely on contractual arrangements among our subsidiaries and the variable interest entities in mainland China as well as their shareholders to direct the business operations of the variable interest entities. Revenues contributed by the variable interest entities and their subsidiaries accounted for 19.8%, 13.3% and 9.9% of our total net revenues for the year ended December 31, 2022, 2023 and 2024, respectively.

If the mainland China government deems that our corporate structure and the contractual arrangements between our subsidiaries in mainland China and the variable interest entities do not comply with mainland China laws or regulations, or if these laws or regulations or interpretations of existing laws or regulations change in the future, we could be subject to severe penalties, including fines, income confiscation, revocation or suspension of licenses, restrictions on operations, and the restructuring or shutting down of our platforms and our business operations currently operated in mainland China. In addition, if the imposition of any of these penalties causes us to lose the rights to direct the activities of the variable interest entities or our right to receive their economic benefits, we would no longer be able to consolidate such entities. Substantial uncertainties exist with respect to the interpretation and implementation of the PRC foreign investment related laws and regulations and how they may impact the viability of our current corporate structure, corporate governance and business operations in mainland China. We may not be able to fully repay our indebtedness, and our shares may decline significantly in value, if we are unable to assert our contractual control rights over the assets of the variable interest entities. Our holding company in the Cayman Islands, the variable interest entities, and investors of our company face uncertainty about potential future actions by the mainland China government that could affect the enforceability of the contractual arrangements with the variable interest entities and, consequently, significantly affect the financial performance of the variable interest entities and our company as a group.

Based on understanding of current laws, rules and regulations of mainland China of our PRC counsel, Fangda Partners, our current ownership structure for our business operations, the ownership structure of our subsidiaries in mainland China and the variable interest entities, the contractual arrangements among our subsidiaries in mainland China, the variable interest entities and their shareholders, as described in this annual report on Form 20-F, are in compliance with existing laws, rules and regulations of mainland China. However, we were further advised by Fangda Partners that there is substantial uncertainty regarding the interpretation and application of current or future laws and regulations of mainland China and these laws or regulations or interpretations of these laws or regulations may change in the future. Furthermore, the relevant government authorities have broad discretion in interpreting these laws and regulations. Accordingly, we cannot assure you that mainland China government authorities will not ultimately take a view contrary to the opinion of our PRC counsel.

In addition, we rely on contractual arrangements with the variable interest entities and their shareholders for some of our operation in mainland China, which may not be as effective as direct ownership. If the variable interest entities and their shareholders fail to perform their obligations under these contractual arrangements, we may have to resort to litigation or other legal proceedings to enforce our rights, which may be time-consuming, unpredictable, expensive and damaging to our operations and reputation. The shareholders of the variable interest entities may have potential conflicts of interest with us, and if any such conflicts of interest are not resolved in our favor, our business may be materially and adversely affected. Furthermore, we may lose the ability to use and enjoy assets held by the variable interest entities that are important to the operation of our business if such entities go bankrupt or become subject to a dissolution or liquidation proceeding. Our ability to enforce the equity pledge agreements between us and the variable interest entities' shareholders may be subject to limitations based on laws and regulations of mainland China.

Our contractual arrangements with the variable interest entities may also result in adverse tax consequences to us. We may be subject to adverse tax consequences if the mainland China tax authorities were to determine that the contracts between us and the variable interest entities were not on an arm's length basis and therefore constitute a favorable transfer pricing arrangement.

Risks Related to Our ADSs

The trading prices of our ADSs are likely to be volatile, which could result in substantial losses to investors.

The trading prices of our ADSs ranged from US\$27.88 to US\$42.88 in 2024. The trading prices of our ADSs are likely to continue to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, such as the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of other companies in the global online entertainment or smart commerce solution industries or with business operations located mainly in the same markets as ours. The sale of a significant number of the ADSs, common shares or other equity securities in the public market, or the perception that such sales may occur, could also materially and adversely affect the market price of our ADSs. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of certain companies' securities after their offerings, including companies in internet, social networking or smart commerce solution businesses, may affect the attitudes of investors toward other companies listed in the United States in the same sector, which consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting or other practices at other companies may also negatively affect the attitudes of investors towards companies in the same sector or in the same market in general, including us, regardless of whether we have engaged in such practices. Furthermore, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market and industry fluctuations may adversely affect the market price of our ADSs.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile due to specific factors, including the following:

- variations in our net revenues, earnings and cash flow;
- guidance or other projections we may provide to the public, including any changes or failure to meet any guidance or other projections;
- announcements of share repurchase, dividends or any other capital usage plans;
- announcements of new investments, acquisitions, strategic partnerships, or joint ventures;
- announcements of new services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- downgrades, suspension or termination of coverage by industry or securities analysts that publish research or reports on us;
- changes in the number of our registered or active users;
- fluctuations in the number of paying users, merchants or other operating metrics;
- failure on our part to realize monetization opportunities as expected;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities or the perception that such sales may occur;
- inclusion in or removal from certain stock indexes;
- detrimental negative publicity about us, our competitors or our industry;

- potential litigation, government policies, restrictions or actions, or regulatory proceedings or changes;
- volatility in the stock market;
- changing trends in the economy, interest rate hikes or other interest rate-related decisions; and
- general political, economic, or market conditions, or other events or factors, including those resulting from geopolitical tensions, tariffs and trade disputes, war, incidents of terrorism, pandemics, and other disruptive external events, or responses to those events.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

We may be named as a defendant in putative shareholder class action lawsuits and may be subject to the SEC or third-party investigations which could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation.

We may be subject to class actions, and if we are, we cannot assure you that we will not be held liable. In addition, there can be no assurance that our insurance carriers will cover all or part of the defense costs, or any liabilities that may arise from these matters. Even if the allegations against us may ultimately be proven to be groundless, we may have to utilize a significant portion of our cash resources and divert management's attention from the day-to-day operations of our company, all of which could harm our business. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial results. In addition, we may be subject to further due diligence and investigations conducted by competent third-party advisors or regulatory authorities. We cannot predict or provide any assurance as to the timing, outcome or consequences of such reviews and investigations, and we have incurred and may continue to incur significant expenses related to legal, accounting, and other professional services in connection with matters relating to or arising from such reviews and investigations.

We believe that we were a passive foreign investment company, or PFIC, for United States federal income tax purposes for the taxable year ended December 31, 2024, and we will likely be a PFIC for the current taxable year and possibly for future taxable years, which could subject United States holders of our ADSs or Class A common shares to significant adverse United States income tax consequences.

We will be classified as a "passive foreign investment company," or "PFIC" for United States federal income tax purposes for any taxable year, if either (a) 75% or more of our gross income for such year consists of certain types of "passive" income or (b) 50% or more of the value of our assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. Although the law in this regard is unclear, we treat the variable interest entities as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their operating results in our consolidated financial statements.

Based on the market price of our ADSs and the nature and composition of our assets (in particular the retention of substantial amounts of cash, deposits and investments), we believe that we were a PFIC for United States federal income tax purposes for the taxable year ended December 31, 2024, and we will likely be a PFIC for our current taxable year unless the market price of our ADSs increases and/or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of active income.

If we are classified as a PFIC in any taxable year, a U.S. holder (as defined in “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations”) will generally be subject to reporting requirements and may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the ADSs or Class A common shares and on the receipt of distributions on the ADSs or Class A common shares to the extent such gain or distribution is treated as an “excess distribution” under the United States federal income tax rules. Further, if we are classified as a PFIC for any year during which a U.S. holder holds our ADSs or Class A common shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or Class A common shares. Alternatively, U.S. holders of PFIC shares can sometimes avoid the rules described above by making certain elections, including a “mark-to-market” election or electing to treat a PFIC as a “qualified electing fund.” However, U.S. holders will not be able to make an election to treat us as a “qualified electing fund” because, even if we were to be or become a PFIC, we do not intend to comply with the requirements necessary to permit U.S. holders to make such election. Each U.S. holder is urged to consult its tax advisor concerning the United States federal income tax considerations relating to the ownership and disposition of our ADSs or Class A common shares if we are treated as a PFIC for our current taxable year or any future taxable year (including the possibility of making a “mark-to-market” election and the unavailability of an election to treat us as a qualified electing fund). For more information see “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”

Our dual class common share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A common shares and ADSs may view as beneficial.

Our common shares are divided into Class A common shares and Class B common shares. Holders of Class A common shares are entitled to one vote per share, while holders of Class B common shares are entitled to ten votes per share, voting together as one class on all matters requiring a shareholders’ vote and which are voted upon by way of a poll. Each Class B common share is convertible into one Class A common share at any time by the holder thereof. Class A common shares are not convertible into Class B common shares under any circumstances. Upon any sale, pledge, transfer or assignment or disposition of Class B common shares by a holder thereof to any person or entity that is not an affiliate of such holder, such Class B common shares will be automatically and immediately converted into an equal number of Class A common shares. In addition, if at any time, Messrs. David Xueling Li, Jun Lei and their affiliates collectively own less than 5% of the total number of the issued and outstanding Class B common shares, each issued and outstanding Class B common share will be automatically and immediately converted into one Class A common share, and we will not issue any Class B common shares thereafter. Furthermore, if at any time more than 50% of the ultimate beneficial ownership of any holder of Class B common shares (other than our founders or our founders’ affiliates) changes, each such Class B common share will be automatically and immediately converted into one Class A common share.

Due to the disparate voting powers attached to these two classes of common shares, as of March 31, 2025, Mr. David Xueling Li and his respective affiliates, held 86.1% of the total voting power of our company and have considerable influence over all matters requiring a shareholders’ vote, including election of directors and significant corporate transactions, such as a merger or sale of our company or our assets. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A common shares and ADSs may view as beneficial.

Our existing shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders, which may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their securities.

As of March 31, 2025, Mr. David Xueling Li, our co-founder and director, and his affiliates, held 86.1% of the total voting power. Mr. David Xueling Li has substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of any contemplated sale of our company and may reduce the price of our ADSs. In addition, Mr. Li could violate the terms of his non-compete or employment agreements with us or his legal duties by diverting business opportunities from us, resulting in our loss of corporate opportunities. These actions may take place even if they are opposed by our other shareholders.

Additionally, Mr. Jun Lei, one of our major shareholders who beneficially owned 11.9% of our outstanding shares as of March 31, 2025, has delegated the voting rights of the shares that he holds in our company to Mr. Li. Mr. Lei is active in making investments in internet companies in mainland China and currently holds direct and indirect interests in Xiaomi and other entities that may have businesses competing with ours. Xiaomi Corporation (HKEX: 1810) is an internet company with smartphones and smart hardware connected by an IoT platform at its core, which also offer online performance and live broadcasting services. Mr. Lei may, in the future, acquire additional interests in businesses that directly or indirectly compete with some of our lines of business or that are our suppliers or customers. Furthermore, Mr. Lei may pursue acquisitions or make further investments in our industries which may conflict with our interests. For more information regarding the beneficial ownership of our company by our principal shareholders, see “Item 6. Directors, Senior management and Employees—E. Share Ownership.”

Our reputation and the trading price of our ADSs may be negatively affected by negative media reports, other adverse publicity or detrimental conduct against us or our products.

Adverse publicity concerning alleged fraudulence on our reported user metrics and authenticity on our revenues and cash balances could harm our reputation and cause the trading price of our ADSs to decline and fluctuate significantly. We were previously the subject of an unfavorable short seller report, which led the trading price of our ADSs to decline sharply and resulted in the filing of a shareholder class action lawsuit against us and certain of our directors and officers. Although we have publicly refuted the erroneous and misleading statements regarding us in this short seller report, we may still continue to be the target of adverse publicity and detrimental conduct against us, including complaints, anonymous or otherwise, to regulatory agencies regarding our operations, accounting, revenues and regulatory compliance.

Additionally, negative media reports and allegations against us or our products may be posted on the Internet by any person or entity which identifies itself or on an anonymous basis. We may be subject to government or regulatory investigation or inquiries, or shareholder lawsuits, as a result of such third-party conduct and may be required to incur significant time and substantial costs to defend ourselves. Our reputation may also be negatively affected as a result of the public dissemination of allegations or malicious statements about us, which in turn may materially and adversely affect the trading price of our ADSs.

Techniques employed by short sellers may drive down the market price of our listed securities.

Short selling is the practice of selling securities that a seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. Short sellers hope to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as short sellers expect to pay less in that purchase than they received in the sale. As it is in short sellers’ interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions and allegations regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Much of the scrutiny and negative publicity on the target companies has centered on allegations of lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

We were, and may in the future be, the subject of unfavorable allegations made by short sellers. If and when we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we may have to utilize a significant portion of our resources to investigate such allegations and/or defend ourselves, including in connection with class actions or regulatory enforcement actions derivative of such allegations. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short sellers by principles of freedom of speech, applicable federal or state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming and could divert management's attention from the day-to-day operations of our Company. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact the market price of our securities and our business operations.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our ADSs, the market price for our ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of our ADSs could adversely affect their market price.

Sales of substantial amounts of our ADSs in the public market, or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. Our ADSs are freely tradable by persons other than our affiliates without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act. In addition, common shares subject to our outstanding share-based awards, including options, restricted shares and restricted share units, are eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements, Rules 144 and 701 under the Securities Act. We may also issue additional options in the future which may be exercised for additional common shares and additional restricted shares and restricted share units which may vest. As of March 31, 2025 we had 707,930,276 Class A common shares (excluding 609,910,188 outstanding restricted shares and treasury Class A common shares held by entities controlled by us) and 326,509,555 Class B common shares outstanding. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs.

Our articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our common shares and ADSs.

Our articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our common shares, in the form of ADSs or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our common shares and ADSs may be materially and adversely affected.

Our currently effective memorandum and articles of association provide that the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) is the exclusive judicial forum within the U.S. for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, which could limit the ability of holders of our Class A common shares, the ADSs or other securities to obtain a favorable judicial forum for disputes with us, our directors and officers, the depositary, and potentially others.

Our currently effective memorandum and articles of association provide that the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) is the exclusive forum within the United States for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, regardless of whether such legal suit, action, or proceeding also involves parties other than our company. The enforceability of similar federal court choice of forum provisions in other companies' organizational documents has been challenged in legal proceedings in the United States, and it is possible that a court could find this type of provision to be inapplicable or unenforceable. If a court were to find the federal choice of forum provision contained in our currently effective memorandum and articles of association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. If upheld, the forum selection clause in our currently effective memorandum and articles of association may limit a security-holder's ability to bring a claim against us, our directors and officers, the depositary, and potentially others in his or her preferred judicial forum, and this limitation may discourage such lawsuits. Holders of our shares or the ADSs will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder pursuant to the exclusive forum provision in the currently effective memorandum and articles of association.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands with limited liability. Our corporate affairs are governed by our amended and restated memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, shareholders of a Cayman Islands company may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Unlike many jurisdictions in the United States, Cayman Islands law does not generally provide for shareholder appraisal rights on an approved arrangement and reconstruction of a company. This may make it more difficult for you to assess the value of any consideration you may receive in a merger or consolidation or to require that the offeror gives you additional consideration if you believe the consideration offered is insufficient. Moreover, holders of our ADSs are not entitled to appraisal rights under Cayman Islands law. ADS holders that wish to exercise their appraisal or dissentient rights must convert their ADSs into our Class A common shares by surrendering their ADSs to the depositary and paying the ADS depositary fee.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (except our memorandum and articles of association, special resolutions passed by our shareholders, and our register of mortgages and charges) or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our existing articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Judgments obtained against us by our shareholders may not be enforceable in our home jurisdiction.

We are a Cayman Islands exempted company and a majority of our assets are located outside of the United States. In addition, a significant majority of our current directors and officers are nationals and residents of countries other than the United States and most of their assets are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the United States federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of mainland China may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

The Cayman Islands courts are unlikely:

- to recognize or enforce against us or our directors or officers judgments of courts of the United States based upon the civil liability provisions of U.S. securities laws; and
- in original actions brought in the Cayman Islands to impose liabilities against us or our directors or officers, that are predicated on certain civil liability provisions of U.S. securities laws so far as the liabilities imposed by those provisions are penal in nature. Although there is no statutory recognition in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will, at common law, recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without reexamination of the merits of the underlying disputes based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the liquidated sum for which such judgment has been given, provided that such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final and conclusive, (iv) is not in respect of taxes, a fine or penalty; (v) is not inconsistent with a Cayman Islands judgment in respect of the same matter, (vi) is not impeachable on the grounds of fraud and was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the United States courts under the civil liability provisions of the securities laws if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD; and
- certain audit committee independence requirements in Rule 10A-3 of the Exchange Act.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the Nasdaq Global Select Market. Press releases relating to financial results and material events are also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC are less extensive and less timely as compared to that required to be filed with the SEC by United States domestic issuers. As a Cayman Islands company listed on the Nasdaq Global Select Market, we are subject to the Nasdaq Global Select Market corporate governance requirements. However, the Nasdaq Global Select Market permit a foreign private issuer like us to follow certain corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq Global Select Market corporate governance requirements.

We relied on the exemption available to foreign private issuers to the requirement that a majority of our board of directors as well as each member of the compensation committee and the corporate governance and nominating committee be an independent director. Currently, among our six directors, Ms. Ting Li, Mr. David Xueling Li, and Mr. Qin Liu are not independent directors, and Mr. David Xueling Li and Mr. Qin Liu serve on our compensation committee and corporate governance and nominating committee, respectively. We also relied on home country practice exemption and did not hold an annual general meeting of shareholders within one year after the end of our fiscal year-end or solicit proxies or provide proxy statements for all meetings of shareholders and provide copies of proxy solicitation to Nasdaq. See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers—Share Incentive Plans” for more information. If we continue to rely on the above and other exemptions available to foreign private issuers in the future, our shareholders may be afforded less protection than they otherwise would under the Nasdaq Global Select Market corporate governance requirements applicable to U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a United States domestic issuer.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct how the Class A common shares which are represented by your ADSs are voted.

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of our ADSs, you do not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You are only able to exercise the voting rights which are carried by the underlying Class A common shares represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will vote the underlying Class A common shares represented by your ADSs in accordance with your instructions. You are not able to directly exercise your right to vote with respect to the underlying Class A common shares represented by your ADSs unless you withdraw such shares from the depositary and become the registered holder of such shares prior to the record date for the general meeting. Under our memorandum and articles of association, the minimum notice period required for convening a general meeting is at least ten clear days. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the underlying Class A common shares represented by your ADSs and become the registered holder of such shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our articles of association, our directors may close our register of members (subject to compliance with Nasdaq Global Select Market rules) or, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying Class A common shares represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying Class A common shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the underlying Class A common shares represented by your ADSs are to be voted and you may have no legal remedy if the underlying Class A common shares represented by your ADSs are not voted as you requested. The depositary for our ADSs will give us a discretionary proxy to vote our Class A common shares represented by your ADSs if you do not vote at shareholders’ meetings, except in limited circumstances, which could adversely affect your interests.

Under the deposit agreement for the ADSs, if you do not vote, the depository will give us a discretionary proxy to vote our Class A common shares represented by your ADSs at shareholders' meetings unless:

- we have failed to timely provide the depository with notice of meeting and related voting materials;
- we have instructed the depository that we do not wish a discretionary proxy to be given;
- we have informed the depository that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that if you do not vote at shareholders' meetings, you cannot prevent our Class A common shares represented by your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our common shares are not subject to this discretionary proxy.

You may not receive dividends or other distributions on our common shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

The depository of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on Class A common shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A common shares your ADSs represent. However, the depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depository may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depository may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, common shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, common shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our common shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depository. However, the depository may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depository may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depository needs to maintain an exact number of ADS holders on its books for a specified period. The depository may also close its books in emergencies, and on weekends and public holidays. The depository may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depository are closed, or at any time if we or the depository thinks that it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement. As a result, you may be unable to transfer your ADSs when you wish to.

We cannot guarantee that our share repurchase program will be fully consummated. Share repurchases and dividend payments could also increase the volatility of the trading price of our ADSs and will diminish our cash reserves.

In November 2023, our board of directors authorized the continued use of the unutilized quota under the pre-existing share repurchase program of approximately US\$530 million, for a 12-month period starting from the end of November 2023. In August 2024, our board of directors authorized the further extension of this share repurchase program for another 12-month period under which we may repurchase up to US\$400 million of our shares until the end of November 2025. In March 2025, our board of directors approved a new share repurchase program under which we are authorized to repurchase up to US\$300 million of our shares until the end of 2027, which is effective immediately upon approval and replaced the previous plan that was extended in August 2024. Although our board of directors has authorized a currently effective share repurchase program, the program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares. The specific timing and amount of any share repurchases, and the specific timing and amount of any future dividend payments, will depend on prevailing share prices, general economic and market conditions, company performance, and other considerations. We cannot guarantee that the repurchase program will be fully consummated. The repurchase program and future dividend payments could affect the trading price of our ADSs and increase volatility, and any announcement of a termination of the repurchase program or dividend payments, may result in a decrease in the trading price of our ADSs. In addition, repurchase programs and future dividend payments will diminish our cash reserves.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

We commenced operations in April 2005 with the establishment of Guangzhou Huaduo in mainland China. In July 2011, we established an exempted company with limited liability in the Cayman Islands, YY Inc., as our holding company. On November 21, 2012, our ADSs were listed on The Nasdaq Stock Market under the symbol “YY.” Effective December 20, 2019, we changed our corporate name from “YY Inc.” to “JOYY Inc.” We began trading under the new corporate name on December 30, 2019. Effective March 31, 2025, we changed our trading symbol on The Nasdaq Stock Market from “YY” to “JOYY.”

Historically, we successfully incubated, developed and monetized several social entertainment products and platforms. Our expertise in building and operating vibrant social entertainment platforms was tested and proven first in mainland China with YY Live and Huya, and subsequently replicated to other markets globally. In 2014, foreseeing massive global opportunities, we began our global expansion by investing in BIGO. We completed the acquisition of BIGO in March 2019. In the third quarter of 2022, we further expanded our global operations in the smart commerce sector by consolidating Shopline through further investments.

Currently, we mainly operate our global business through the following significant subsidiaries:

- Bigo Technology Pte. Ltd.; and
- Guangzhou BaiGuo Yuan Information Technology Co., Ltd.

We also conduct part of our business in mainland China primarily through a significant variable interest entity, Guangzhou BaiGuo Yuan Network Technology Co., Ltd., and some of its subsidiaries.

On November 16, 2020, we entered into definitive agreements with affiliates of Baidu, Inc. (Nasdaq: BIDU; HKEX: 9888), or Baidu. Pursuant to these agreements, as amended on February 7, 2021, Baidu would acquire YY Live, JOYY’s video-based entertainment live streaming business in mainland China, including the YY mobile app, the YY.com website and the YY PC app, among others. The sale had been substantially completed as of February 8, 2021, with certain remaining matters including necessary regulatory approvals, and we have ceased consolidation of YY Live’s business since then. On February 25, 2025, we entered into additional agreements with Baidu and closed the sale of YY Live to Baidu for an aggregate price of approximately US\$2.1 billion in cash, including approximately US\$1.86 billion received in February 2021 and approximately US\$240 million received on February 25, 2025.

In August 2022, we made an additional equity investment of US\$182.9 million in Shopline, a company that operates a smart commerce platform. As a result of the transaction, we started to consolidate the financial results of Shopline from September 6, 2022. Prior to the transaction, Shopline had been an investee of ours since 2020.

Our principal executive offices are located at 30 Pasir Panjang Road #15-31A Mapletree Business City, Singapore 117440. Our registered office in the Cayman Islands is located at Conyers Trust Company (Cayman) Limited of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands.

All information we file with the SEC can be obtained over the internet at the SEC's website at www.sec.gov. You can also find information on our website at i.joyy.com. The information contained on our website is not a part of this annual report.

B. Business Overview

Overview

We are a global technology company with a mission to enrich lives through technology. Through our social product matrix and communication technology, we enable people to connect with friends and family, discover and explore their interests, and share their experiences and ideas with a global audience through photos, audio, and videos. Our diverse product matrix covers live streaming, short videos, instant messaging, casual games, and beyond.

We serve a global user base, covering North America, Europe, the Middle East, Southeast Asia, and more. We are a leader in the global social entertainment sector, with several of our social apps ranked among the Top 10 in terms of consumer spending in various geographic regions in which we operate, according to [data.ai](#).

We have been exploring innovative technologies and initiatives to further expand our offerings beyond social entertainment, tapping into new addressable markets worldwide. We operate a global advertising platform, which connects advertisers and publishers with high-quality traffic from BIGO's social apps and premium international developers. We also operate a global smart commerce platform that empowers merchants to build their brand online and sell their products to customers around the world. Our non-live streaming revenues, primarily from advertising and smart commerce, have demonstrated strong growth momentum in 2024, underscoring JOYY's shift toward a multifaceted ecosystem. We are confident that these new initiatives will emerge as pivotal engines for JOYY's long-term sustainable, diversified growth.

BIGO segment

- Live streaming platform: *Bigo Live* is a leading global social live streaming platform. Bigo Live provides an interactive online stage for global users to host and watch live streaming sessions, share their life moments, showcase their talents and interact with people around the world. Bigo Live has an extensive presence in North America, Europe, the Middle East and Southeast Asia, among others.
- Short video platform: *Likee* is a global short video social platform. Likee empowers its users to easily discover, create and share short videos, with simple, all-in-one powerful video creation tools and personalized feeds. Likee is committed to building long-term relationships with content creators, aiming to increase user engagement and boost connectivity. Likee has an extensive presence in the Middle East, Europe, and Southeast Asia.
- Instant messenger: *imo* is a global instant messenger that provides audio and video communication services. It offers frictionless audio and video calls and other communication tools such as group calls, document sharing and more, catering to a variety of personal and business communication needs. imo has attracted a growing and highly engaged user base in South Asia and the Middle East.
- Advertising platform: *Bigo Ads* is a global mobile advertising platform, connecting advertisers and publishers with high-quality traffic from BIGO's social apps and premium international developers. Leveraging advanced machine learning, it offers efficient audience targeting and seamless monetization solutions.

All other segment

- Social networking platform: *Hago* is a social networking platform. It offers over 600 casual games, integrating social features such as audio and video multi-user chatrooms and 3D virtual interactive party games, which encourage users to establish and strengthen connections while having fun. Hago has an extensive presence in Southeast Asia, the Middle East and South America.

- Smart commerce solution provider: *Shopline* is a global smart commerce platform that offers solutions and services to empower merchants to create and grow their brands online and reach customers worldwide, across different sales channels including e-commerce platforms, social commerce and physical retail stores. Shopline provides merchants with various services to optimize their business, such as inventory and sales management, logistics, payment, marketing and data analytics. As of the date of this annual report, Shopline has helped over 600,000 merchants to launch and scale up their online businesses.

Currently, we primarily monetize our products and services through virtual tips for live streaming, which accounted for 79.9% of our revenues in 2024. We also generate revenues through advertising, e-commerce and subscriptions, which collectively accounted for 20.1% of our revenues in 2024.

We have built a sizable global business with strong operating cashflow. Our total revenue amounted to US\$2.4 billion in 2022, US\$2.3 billion in 2023 and US\$2.2 billion in 2024. Our net cash provided by operating activities was US\$316.5 million in 2022, US\$295.6 million in 2023 and US\$308.7 million in 2024.

Our Strategy

Globalization through localization is our foremost strategy, and our strong global localized operational capabilities are the cornerstone of our global success. We have built an extensive global operational network with approximately 30 regional offices and more than 5,800 local staff worldwide. We design our social products, cultivate local content, and launch online and offline marketing campaigns tailored to the nuances of local cultures and the preferences of our target markets. We also collaborate with a diverse array of local key opinion leaders, creators, agencies, and brands. The collaboration deepens our integration with local communities and drives brand awareness across different regions. Our localized approach enables us to resonate with users from different cultural backgrounds and differentiates our products from other platforms.

Technology is essential to our business success. We have integrated artificial intelligence (AI) and data analytics into all critical aspects of our services and broader business operations. This integration empowers us to gain deeper insights into our users and deliver personalized content recommendations tailored to their preferences. Innovative features powered by AI, such as digital avatars, improve user engagement and overall user experience. AI has also proven to be a powerful tool for improving content quality and cultivating our content ecosystem. It also enables automated product beta testing and augments critical corporate decision-making in areas such as budgeting, enhancing our operational and managerial efficiency. Our video and audio technology helps ensure a smooth user experience for our substantial global user base. We offer low latency video and audio product experience for different communication networks (3G/4G/5G/Wi-Fi, etc.), serving nearly 263.1 million users in 150 countries worldwide, many of whom are located in less developed countries with limited internet infrastructure. Our patented video codec innovation algorithm automatically adapts to different hardware platforms and environments, and optimizes the indicators of sound quality, code rate, and transmission fluency no matter where you are.

We consider social engagement and our content ecosystem as strategic pillars for the long-term competitiveness of our products. Through ongoing product feature innovations and optimizations, we have expanded interactive tools and social scenarios to enrich interactions between users. As we enable user interactions in a range of virtual environments such as live streaming sessions, interest-based communities, and other social channels, we cater to a broader and much more diverse set of social needs. We seek to further expand users' social connections, facilitate immersive interactions, and help users forge meaningful relationships with others. Through our continued creator support and extensive incentive programs, we have accumulated a large pool of professional and amateur creators, contributing to a vast reservoir of contents. In addition, leveraging our localized operational network, we have partnered with gaming companies, TV show producers, and entertainment agencies, to expand our premium content offerings.

We have been exploring innovative technologies and initiatives to further expand our offerings beyond social entertainment, tapping into new addressable markets worldwide. Our non-live streaming revenues, primarily from advertising and smart commerce, have demonstrated strong growth momentum in 2024, underscoring JOYY's shift toward a multifaceted ecosystem.

With our diverse product offerings, extensive global operational network, established technological capabilities and effective monetization model, we believe we are well positioned to further grow our global presence and capitalize on growth opportunities.

Our Platforms and Products

Bigo Live

Bigo Live is a leading global social live streaming platform. Bigo Live enables its users to share their life moments, showcase their talents, socialize and connect with other users from all around the world through live streaming. Launched in 2016, Bigo Live currently has a strong presence in North America, Europe, the Middle East and Southeast Asia, among others. Bigo Live is an international platform, available in 23 languages and approximately 150 countries.

Bigo Live has built an engaged, interactive and diverse community. Through extensive incentive programs, localized campaigns, and cross-industry partnerships, Bigo Live has attracted a substantial pool of creators and accumulated localized content across various categories, including music, dance, comedy, gaming and lifestyle.

Bigo Live's continual innovation of its product features, combined with localized campaigns and activities, enhances the quality and efficiency of users' social experience. Its Family feature, launched in 2019, has been a vital bonding element for Bigo Live's user community, as it brings together streamers, fans, and others united by similar interests to uphold the honor of their respective Families. In 2024, Bigo Live rolled out a number of online and offline family-based activities to further strengthen these bonds. Meanwhile, Bigo Live's Real Match feature, launched in 2023, helped users connect through a matching process that paired up users with similar interests. Real Match's penetration rate and matching success rate both substantially improved in 2024.

As a result of our proactive efforts to optimize overall sales and marketing strategies to be more focused on return-on-investment, the average mobile monthly active users on Bigo Live decreased in 2024.

	For the Three Months Ended			
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Average monthly active users (millions)	37.1	37.7	36.5	33.4

Bigo Live currently monetizes its user base mainly through virtual tips for live streaming. Users can purchase in-app virtual items and send them as virtual gifts to their favorite streamers to show their appreciation.

Among the various platforms operated by us, Bigo Live is currently the largest revenue contributor. Bigo Live was ranked as the World's No.6 Social App in terms of in-app-purchase revenue in 2024, according to the State of Mobile report from [data.ai](#).

Likee

Likee is a global short video social platform. Likee enables users to easily discover, create and share short videos, empowered by its easy, all-in-one video creation tools, such as filters and special effects, and its AI-backed personalized feed. Launched in 2017, Likee has a strong presence in the Middle East, Europe and Southeast Asia.

Since 2021, Likee has strategically switched its priority from user base expansion to monetization, focusing on core markets such as the Middle East and Europe. As a result of disciplined spending on user acquisition via advertisement, the average mobile monthly active users on Likee declined in 2024.

	For the Three Months Ended			
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Average monthly active users (millions)	37.5	35.6	33.9	30.6

Over the past several years, Likee has been dedicated to cultivating a localized and diverse content community. Likee offers comprehensive creator support programs, providing creators across various genres with user traffic, creation tools, professional guidance, and diverse monetization methods to pave a path for their long-term personal growth and career development.

Likee currently monetizes its user base mainly through virtual tips for live streaming and advertisements. Likee has made steady progress in enhancing its monetization efficiency and diversifying revenue streams. Likee was ranked Saudi Arabia's No.10 Social App in terms of in-app-purchase revenue in 2024, according to the State of Mobile report from [data.ai](#).

imo

imo is a global instant messenger that provides audio and video communication service to its users. It offers smooth and stable international video calls in addition to other features such as group calls and document sharing, catering to a variety of personal and business communication needs. imo has a large and engaged user base in South Asia and the Middle East.

In the past years, imo has been dedicated to product optimizations and innovations, aiming to provide a superior, stable, secure, and high-quality audio and video communication experience for its users. Recognizing that a significant proportion of imo's users are located in rural areas with limited mobile network coverage, it has implemented technologies such as adaptive bitrate streaming, packet loss concealment, and more. These measures have allowed imo to continually enhance its performance in weak networks and effectively alleviated connection problems. In 2024, imo has introduced a new message translation feature to empower its users to freely communicate with friends who speak different languages. imo maintained a sizable and sticky user base in 2024.

	For the Three Months Ended			
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Average monthly active users (millions)	198.2	197.4	197.7	195.4

imo currently monetizes its user base mainly through advertisements and live streaming. In 2021, to further enhance user social interactivity and explore additional monetization beyond advertisements, imo launched VoiceClub, an online real-time voice chat communication space, enabling users to establish connections with users beyond their existing network. VoiceClub also enables users to send virtual gifts to their friends to express their support and appreciation.

Bigo Ads

Bigo Ads is a global mobile advertising platform, connecting advertisers and publishers with high-quality traffic from BIGO's social apps and premium international developers. Leveraging advanced machine learning, it offers efficient audience targeting and seamless monetization solutions.

We generate advertising revenues primarily by delivering advertisements on BIGO's social apps, such as Likee and imo, and on properties of our network partners.

In 2024, Bigo Ads achieved substantial growth in revenue, fueled by an expanding advertisers and partners base, increased third-party traffic, and our strategic entry into new markets.

Hago

Hago is a social networking platform that encourages users to connect and have fun. Launched in 2018, Hago has a presence mainly in Southeast Asia, the Middle East and South America. Since 2021, Hago has strategically switched its priority from user base expansion to monetization. As a result of disciplined spending on user acquisition via advertisement, the average mobile monthly active users on Hago declined in 2024.

	For the Three Months Ended			
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Average monthly active users (millions)	4.5	4.4	4.3	3.6

Following strategic changes over the past several years, Hago has evolved from a casual games platform to a social platform that offers a variety of tools for users to engage and interact. Users can make new acquaintances by playing multiplayer casual games (approximately 600 casual games are now available on the platform), join video & audio chat rooms based on their interests, create and customize their 3D avatars in Hago Space and join Groups or Families with like-minded people to foster more frequent communication.

Hago currently monetizes its user base mainly through virtual tips for live streaming. It is also exploring other monetization opportunities, such as pay-to-play games, advertisements, and virtual items. Hago was ranked among the Top 10 Social Apps in Vietnam in terms of in-app-purchase revenue in 2024, according to the State of Mobile report from [data.ai](#).

Shopline

Shopline is a global smart commerce platform offering solutions and services to empower merchants to create and grow their brands online and reach customers worldwide, across different sales channels including e-commerce platforms, social commerce, and physical retail stores. Shopline provides merchants with various services to optimize their business, such as multi-channel inventory and sales management, logistics, payment, marketing and data analytics, among others. Shopline has helped over 600,000 merchants to launch and scale their online businesses.

Shopline currently generates revenues through the sale of different subscription plans of its software solutions, and ancillary fees and commissions from provision of related value-added solutions such as payment and marketing.

Global Branding and Marketing

Branding Strategy

With our growing global presence and our diverse product offerings, we position ourselves as a global technology company with a mission to “enrich lives through technology.” This positioning offers us greater flexibility to unleash the potential of each of our various products and services targeting different demographics of users and customers across the globe, as well as their diverse needs. Our global brands, primarily including Bigo Live, Likee, imo, Bigo Ads, Hago and Shopline, enable us to reach a wide variety of coveted user and customer bases around the world.

Marketing Activities

We execute a variety of marketing plans specifically designed for each of our respective businesses and markets. For our social entertainment businesses, we utilize a combination of advertising and diverse marketing activities to enhance our global brand recognition and attract users to our platforms. In particular, we employ outdoor physical advertisements, online performance-based advertising, social network marketing campaigns, and promotion through search engines and web portals, with an emphasis on efficiency and delivering measurable results. Moreover, we host or participate in various forms of local events and activities such as exhibitions, roadshows, regional galas, and campaigns. We also collaborate with a wide range of partners including application distributors, hardware manufacturers, TV programs, online shows and dramas, gaming companies, key opinion leaders, and others, to promote our brand recognition in local communities. For our smart commerce business, we utilize both online and offline marketing to maximize our brand awareness and attract new merchants and ecosystem partners. We organize product marketing and awareness-driven campaigns aimed at inspiring entrepreneurship and encouraging digitalized commerce. By attending offline exhibitions and industry summits, hosting global events and customer meetings, and promoting our digital community (Shopline Blog) and other educational materials, we intend to expand our customer reach and educate more small and medium-sized businesses on how to improve their operating efficiency and achieve business success with Shopline.

Seasonality

Our results of operations of various products and services are subject to seasonal fluctuations, many of which are outside our control. For a discussion of the factors that may contribute to fluctuations of our quarterly results, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our results of operations are subject to fluctuations due to seasonality and other factors.”

Competition

We face competition in various aspects of our business. In relation to our global social entertainment products, we compete with companies that provide online live streaming and short video businesses, and we compete with other social networking and entertainment platforms in terms of user traffic and user time. Specifically, our competitors primarily include global short video platforms such as TikTok, and live streaming platforms such as Twitch in certain regions. For our non-social businesses, we face competition from other internet companies that sell online advertising services globally, such as AppLovin, and from companies that provide smart commerce solutions for merchants, such as Shopify.

Technology

Our proprietary technologies serve as the backbone of our products and services. We enhance our user experience through a range of advanced technologies, including our AI-based content recommendation technology, which accurately and efficiently directs users to short videos and live streaming content tailored to their preferences. As a leading provider of large-scale multi-user voice and video-enabled online service, we are constantly working to improve our technological capabilities. Our ability to provide a superior user experience is further supported by our highly scalable infrastructure, proprietary algorithms and software, and tailored devices for optimal live streaming performance, which help minimize latency, jitter and loss rates when delivering voice and video data even with a weak internet connection.

Artificial Intelligence (AI) and Algorithm Technologies

AI forms an integral part of our overall technology infrastructure. Our computer vision algorithm research covers image recognition, face detection, key point location and tracking, gesture tracking, portrait segmentation and video multidimensional analysis. Our intelligent content recommendation algorithms, based on Deep Neural Networks and Graph Neural Network technology, effectively capture changes in each user's personalized interest and caters to their demand in real time, giving users a one-of-a-kind entertainment experience. We filter audio and video content in real-time with millisecond latency, including comprehensive detection of improper or illegal content. In combination with our human content moderation team, this ensures compliance with the applicable laws and regulations regarding the provision of content via the internet, while enhancing content quality across our platforms.

Quality of Service for Online Multi-media Communications

Quality of Service (QoS) assurance is a key element of any high-quality delivery of voice and video data over the internet. When it comes to voice- and video-based communications, any delays, jitters and loss of data are often immediately noticeable to users. We employ a voice-over internet protocol and multiple quality assurance mechanisms to minimize instances of these issues, including, but not limited to, cloud-based intelligence routing, low-bitrate redundant solution, upstream-forward error correction, and adaptive jitter. We have also designed a special intelligent routing algorithm that automatically seeks optimal ways of delivering voice and video data across our cloud-based network, enabling us to provide better QoS even when the QoS levels are lower on certain routes.

We utilize computer programs and employ standardized measurements to constantly analyze and evaluate our voice and video communication quality. We have set up formal procedures to handle different levels of server breakdowns and network-related emergencies, and our team of experts can discover and resolve issues promptly. We have developed a series of media technologies and revamped our streaming framework, which enables multimodal information to be synthetically utilized to provide highly flexible and customizable services.

Our adaptive audio and video encoding, transmission and decoding algorithms are conducive to delivering superior audio and video experiences based on users' local setup, including locations, devices, network condition and personal preference, optimizing both fluency and latency at the same time.

Large, Dedicated Cloud-based Network Infrastructure

In 2024, we continued to develop and improve our global data center network, to provide top-quality, real-time video and audio services to our users worldwide. Leveraging our established local servers and infrastructure located in many of our key markets, our infrastructure provides seamless integration and is highly customized for supporting our services with significant flexibility. Our team of experts developed a cloud-based network infrastructure specifically designed to handle multi-party voice and video-enabled real-time online interactions. Our cloud-based network infrastructure provides quality data delivery and enables many users to interact online from anywhere with ease and speed.

Our system is designed for scalability and reliability to support growth in our user base. Our large server network contributes significantly to our premium streaming experience and reliable services, and it can be expanded with comparative ease, given that we are able to flexibly expand our number of available servers through leasing additional data centers to accommodate additional user traffic and bandwidth needs. We believe that our current network facilities and broadband capacity is sufficient for our current operations, and we will constantly monitor our bandwidth needs and adjust our network capacity to reflect the latest number of peak concurrent users. As of the date of this annual report, our data centers are mainly located in Asia, Europe and the Americas. We rely on several key technological mechanisms to manage our server network, including optimized data access, automated switch of servers, and intelligent routing, which help ensure the quality of data transmission for our users globally. In response to poor connection situations, we are able to provide precise connection estimation, adaptive transcoding, segmentation-based coding and other advanced mechanisms to help users enjoy high-quality audio and video experience.

Proprietary Data-Driven Platform

To build up and operate an infrastructure like ours requires significant time and effort. The technological difficulties faced by a platform that hosts 10,000 concurrent users differ greatly from the difficulties faced by a platform with 100,000 and 1,000,000 concurrent users. Many of these issues need to be considered at the early stages of programming the platform and planning the infrastructure. Over the years, we have gradually developed an effective system to identify, analyze and resolve issues that we encounter on a daily basis. In addition, our team members have been trained over the years to anticipate and resolve any issues, having accumulated significant knowledge from building and maintaining our platforms over time.

Safeguarding User Privacy

We dedicate significant resources to strengthening the user privacy functions of our platforms, promoting a safe online environment for our users. For example, we provide our users with adequate notice as to what data are being collected, and have implemented a variety of mechanisms and policies to prevent the unauthorized use, loss or leak of collected user data. Our data security technologies empower us to protect user data. For our external interfaces, we utilize firewalls to protect against potential attacks or unauthorized access. Our dedicated team of privacy professionals conducts regular reviews of our data security practices.

Content Moderation

Our live streaming, short video and video communication platforms and other products enable users to exchange information, generate and distribute content, advertise products and services, conduct business and engage in various other online activities. A team within our data security department helps in enforcing our internal procedures to ensure that the content in our system is compliant with applicable laws and regulations.

Each of our platforms updates its community guidelines from time to time to keep pace with the evolving requirements of digital safety. We utilize both AI-powered moderation systems and human moderation teams to enforce our community guidelines and internal standards and ensure a safe user environment.

Regarding our AI-powered moderation systems, BIGO has developed various AI recognition models based on a database of millions of policy violations, and created a directory for filtering inappropriate content in more than 20 languages. In 2024, BIGO introduced an additional multimodal content moderation model, which was fine-tuned with BIGO's scenario-specific data, and leveraged third-party large models, to comprehensively enhance its content moderation capabilities. Similarly, Hago has deployed deep learning-based voice recognition technology, which helps us detect and delete improper or illegal content and deal with the relevant distributors in a timely fashion.

For our human moderation teams, we have deployed approximately 1,000 dedicated content moderation personnel with local language proficiency and cultural understanding in a number of countries worldwide, including, but not limited to, Jordan, Indonesia, Thailand and Vietnam. We also outsourced some of our human content moderation functions to third-party vendors to improve operational adaptivity and flexibility.

Our content moderation team, together with our AI-empowered program, can sweep our platforms in real time and the data being conveyed in our system for sensitive key words or questionable materials. Content that contains certain keywords is automatically filtered by our program and cannot be successfully posted. We are thus able to minimize improper or illegal content on our platforms and remove such materials promptly after they are discovered. In addition, we formed partnerships with multiple industry players and worked with relevant authorities to jointly prevent and punish any potential malicious use of our platforms. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may face significant risks related to the content, information, communications and other activities on our platforms.”

Research and Development

We believe that our ability to deliver innovative internet and mobile applications and services tailored to our users’ needs has been a key factor for our success. As of December 31, 2024, our research and development team consisted of 2,280 skilled professionals, all focused on designing and developing our proprietary products and various interactive technologies. Our research and development efforts drive continuous innovation across several key areas, including (a) the continual improvement of our core audio and video data processing and streaming technologies to ensure seamless, high-quality experiences, (b) the ongoing maintenance and enhancement of network and server infrastructure to minimize latency and reduce interruptions, (c) new social features and functions to meet the demand of our users, including but not limited to PC-desktop, web and mobile applications, channel templates and virtual items, (d) development of tools and solutions that empower merchants to efficiently build and scale their commerce presence across multiple channels and regions, streamlining workflows and boosting operational efficiency, and (e) optimization of the advertising engine to help advertisers efficiently target their audience.

Leveraging big data and artificial intelligence, particularly in the areas of computer vision, natural language processing, automatic speech recognition and speech synthesis, our technologies have empowered many aspects of our operations, including our intelligent content recommendation engines, content moderation, and targeted advertising, which has enhanced user experience and our operating efficiency.

Intellectual Property

We regard our patents, trademarks, domain names, copyrights, trade secrets, proprietary technologies and similar intellectual property as critical to our success. We seek to protect our intellectual property rights through a combination of patent, trademark, copyright and trade secret protection laws in various jurisdictions, as well as through confidentiality agreements and procedures with our employees, partners and others.

As of December 31, 2024, we held 1,702 registered domain names, including joyy.com, joyy.sg, Bigo.TV, Duowan.com, bigolive.sg, likee.com, sholine.com, 961 software copyrights and other copyrights, 2,263 patents and 2,638 trademarks and service marks. In addition, as of December 31, 2024, we had filed 4,544 patent applications, covering certain of our proprietary technologies, and 3,784 trademark applications.

Corporate Social Responsibility

JOYY’s mission is to enrich lives through technology. We are dedicated to integrating corporate social responsibility and sustainable development into major aspects of our business operations.

Our commitment to corporate social responsibility and sustainable development aligns with our business strategy. With our social entertainment businesses, we endeavor to build trusted and safe social platforms for users of different backgrounds, and empower users to find their own voices and show their talents and content to a global audience. With our smart commerce business, we aim to lower the barriers to entrepreneurship via our integrated smart commerce solution platform and help entrepreneurs achieve business success.

Empowering Creators and Businesses. The evolution of our business and ecosystem has created increasing economic opportunity for individuals, businesses and communities. By providing creator-friendly video creation tools and monetization features, and cultivating a community that empowers and encourages our creators to express themselves freely, BIGO has established a creator-centric ecosystem that enables a large number of creators to showcase their talents in front of a global audience. At the same time, it enables creators to realize economic returns, creating opportunities for employment and development in local communities. Supported by our global operations team, BIGO has rolled out a variety of online activities tailored to local users' ever-evolving needs, empowering our creators to gain exposure both locally and internationally, and enabling them to realize new levels of personal and professional success. Meanwhile, Shopline's integrated smart commerce solutions and education campaigns have equipped small and medium-sized businesses with the essential tools for starting and growing a business, lowering the entry barriers to commerce and unlocking economic value in the relevant regions.

Fostering Education and Entrepreneurship. We invest in developing future talent and fostering innovation. In August 2022, we established Shopline Scholarship with a total contribution of S\$250,000 at the Singapore Management University, to motivate outstanding talents and to spur them on to greater heights of academic excellence. The program remains in effect through 2026. In June 2023, BIGO announced its Singapore-Jordan Incubation Program in collaboration with Singapore Business Federation. The initiative supports Singaporean startups looking to venture into the Middle East and North Africa region through Jordan, offering six months of free co-working space, business matchmaking, networking opportunities, and assistance with employment permits and establishing a local presence in Jordan. In 2024, Clean Kinetics Pte Ltd became the first participant, marking a milestone in promoting cross-regional innovation.

Community Support and Cultural Engagement. As we operate in a number of markets across the globe, our users are from different backgrounds and have distinctive needs. We strive to design our social products and cultivate local content to resonate with diverse local cultures and user interests. Our community initiatives promote inclusion and cultural engagement. During Ramadan in 2024, BIGO launched online campaigns across the Middle East, Southeast Asia, and other regions, encouraging users to participate and share their acts of kindness. These efforts included donations to Yayasan Kasih Anak Kanker Indonesia (YKAKI) and Annajah Orphanage in Indonesia, supporting disadvantaged children, and an extended partnership with ENSAN in Saudi Arabia to aid underprivileged communities. In September 2024, BIGO mobilized local streamers and Family members to deliver essential relief supplies to Typhoon Yagi victims in the northern Vietnam.

Cultivating an Inclusive Workplace. We are committed to building a diverse and inclusive workspace for our global employees. We offer comprehensive training programs, including onboarding, leadership development, compliance and technology trends, through offline sessions and our online training system. We provide our employees with access to a variety of programs and facilities designed to promote sustainable wellness for our employees, such as gyms, health talks and fitness sessions.

Regulations in Multiple Jurisdictions Where We Operate

As our globalized operations evolve, we may, from time to time, be subject to government regulations. As the live streaming, short video, mobile advertising and smart commerce businesses are still at an early stage of development in the jurisdictions where we have presence, new laws and regulations may be adopted from time to time to require new licenses and permits in addition to those we currently have. This section sets forth the most important laws and regulations that govern our current business activities in multiple jurisdictions across the globe, including European Union, India, Singapore, Indonesia, Malaysia, Vietnam and mainland China.

Regulations on Data Privacy and Protection

General Data Protection Regulation—European Union

The General Data Protection Regulation, or GDPR, regulates the collection and use of personal data in the EU. The GDPR covers any business, regardless of its location, that provides goods or services to residents in the EU and, thus, could incorporate our activities in EU member states. The GDPR imposes strict requirements on controllers and processors of personal data, including special protections for “sensitive information,” which includes health and genetic information of individuals in the EU. GDPR grants individuals the opportunity to object to the processing of their personal information, allows them to request deletion of personal information in certain circumstances, and provides the individual with an express right to seek legal remedies in the event the individual believes his or her rights have been violated. Further, the GDPR imposes strict rules on the transfer of personal data out of the EU to regions that have not been deemed to offer “adequate” privacy protections. Failure to comply with the requirements of the GDPR and the related national data protection laws of the EU member states, which may deviate slightly from the GDPR, may result in warning letters, reprimands, temporary or definitive restrictions including a ban on data processing, mandatory audits and financial penalties, including fines of up to 4 percent of global revenues of the preceding financial year, or €20,000,000, whichever is greater. As a result of the implementation of the GDPR, we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules.

There is significant uncertainty related to the manner in which data protection authorities will seek to enforce compliance with GDPR. For example, GDPR grants Data Protection Authorities (DPAs) broad investigative and enforcement powers to conduct proactive audits as well as respond to complaints, but it is unclear how the DPAs will conduct random proactive audits of companies doing business in the EU, or act solely after complaints are filed claiming a violation of the GDPR. In addition, under certain conditions, the GDPR could also be able to apply to companies that are not in Europe. The lack of compliance standards and precedent, enforcement uncertainty and the costs associated with ensuring GDPR compliance may be onerous and adversely affect our business, financial condition, results of operations and prospects.

On December 22, 2023, the regulation on harmonized rules on fair access to and use of data, officially known as the EU’s Data Act (Regulation (EU) 2023/2854), was published in the EU’s Official Journal. This regulation sets up new rules on who can access and use data generated in the EU across all economic sectors. The regulation came into effect on January 11, 2024, and most of its rules take effect from September 12, 2025. It will lay down rules on business-to-business and business-to-customer data access, establish a ban on unfair contractual terms on data sharing, and introduce restrictions to non-EU governmental access and international transfers of non-personal data, by requiring providers of data processing services to take technical, organizational and legal measures to prevent unlawful access and transfers. Upon the effectiveness of the regulation and its rules on full scale, it is very likely to have an impact on our business along with the GDPR.

California Consumer Privacy Act—California, United States

In the United States, numerous federal and state laws, rules, and regulations, including data breach notification laws, and federal and state consumer protection laws and regulations (e.g., Section 5 of the FTC Act), that govern the collection, use, disclosure, protection, and other processing of personal information apply to our operations or the operations of our partners. For example, the California Consumer Privacy Act, or CCPA, which became effective in January 2020, gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used by requiring covered companies to provide new disclosures to California consumers (as that term is broadly defined and may include any of our current or future employees who may be California residents) and provide such residents new ways to opt out of certain sales of personal information. The CCPA provides for severe civil penalties for violations as well as a private right of action for data breaches that result in the loss of personal information that is expected to increase data breach litigation. Further, in November 2020, California voters passed the California Privacy Rights Act, or CPRA, which took effect on January 1, 2023. The CPRA significantly expands the CCPA, including by introducing additional obligations on covered companies, such as data minimization and storage limitations, granting additional rights to consumers, such as correction of personal information and additional opt-out rights, and creates a new entity, the California Privacy Protection Agency, to implement and enforce the law. Other state legislatures are currently contemplating, and may pass, their own comprehensive data privacy and security laws, with potentially greater penalties and more rigorous compliance requirements relevant to our business, and many state legislatures have already adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, data breaches and the protection of sensitive and personal information. While state laws continue to change rapidly, there has also been discussion in U.S. Congress of a new comprehensive federal data protection law.

Information Technology Act 2000—India

The Information Technology Act 2000 (as amended by Information Technology (Amendment) Act of 2008) governs the data privacy regulations in India. The Information Technology Act 2000 contains three provisions on data protection and privacy. Section 43A provides that we are subject to civil liability to compensate for wrongful loss or gain to any person arising from negligence in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information that we possess, deal with or handle in our computer systems, networks, databases and software. Section 72A provides for imprisonment for a term which may extend to three years or fines which may extend to five lakh rupees, or both, if, in the course of performing a contract, a service provider discloses personal information without the consent of the person concerned or in breach of a lawful contract and he or she does so with the intention to cause, or knowing he or she is likely to cause, wrongful loss or wrongful gain. Section 72 prescribes imprisonment for a term which may extend to two years or fines which may extend to one lakh rupees, or both, if a government official discloses records and information accessed by him or her in the course of his or her duties without the consent of the concerned person or unless permitted by other laws. Section 79 provides safe harbor protection to internet service providers from being held liable for third-party information or data made available by such internet service providers that they have no knowledge of or that they had exercised all due diligence to prevent. India has also implemented privacy laws, including (i) the Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009, which imposes obligations on intermediaries, including compliance with emergency blocking directions, appointing a designated officer for handling such directives, and facing penalties for non-compliance, (ii) the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which impose limitations and restrictions on the collection, use and disclosure of personal information, and (iii) the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, which provides for checks and balances on social media companies by setting timelines for removal of unlawful content.

Personal Data Protection Act 2012—Singapore

An organization collecting, using or disclosing personal data is subject to the Personal Data Protection Act 2012 of Singapore, as amended from time to time. Any information, whether true or not, that may be used to identify a natural person either directly from the data, or from the data and other information that the organization has access to, is considered “personal data.” Examples may include an individual’s name, date of birth, identity card number, passport number, residential address, characteristics and fingerprints, among others. The personal data that is protected under the Personal Data Protection Act 2012 of Singapore excludes personal data that is publicly available and personal data that is disclosed under any written law. The Personal Data Protection Act 2012 of Singapore also does not apply to business contact information, such as an individual’s name, title, business address, business telephone number, business e-mail address, or other similar information about an individual that is not provided solely for his/her personal purposes.

When an organization processes personal data, it must procure the individual’s consent for the collection, use and/or disclosure of his/her personal data. Therefore, the individual should be notified of the purposes for which his personal data is collected, used or disclosed. Consent can also be deemed to be given by individuals in some cases. The scenarios where implied consent can be deemed to be obtained have recently been expanded to include situations such as (i) where the consent is reasonably necessary for concluding the contract between the individual and the organization, and (ii) where the organization conducts an assessment to determine that the collection, use or disclosure of the personal data is not likely to have an adverse effect on the individual, reasonable steps are taken to bring the prescribed information (including the organization’s intention to process and purpose for processing personal data) to the attention of the individual, and where the individual does not notify the organization that he/she does not consent to the proposed processing of the personal data. There are also certain exceptions to the consent requirement, which include the collection, use and disclosure of personal data for vital interests of individuals, matters affecting the public, legitimate interests of the organization, business asset transactions, business improvement and research. Recently, the Personal Data Protection Commission of Singapore has released guidelines which state that organizations intending to process personal data for the purpose of developing or implementing AI models into their workflow can consider relying on the legitimate interest, business improvement and research exceptions to consent, where relevant. The Commission also emphasized the need for organizations using AI systems to remain accountable and transparent with their data subjects, whether through the use of written policies or otherwise.

Under the Personal Data Protection Act 2012 of Singapore, individuals have clearly defined rights, such as the right to access their personal data, request information on how their personal data has been used, and correct any inaccuracies in the personal data held by the organization. The organization should designate a Data Protection Officer for this purpose. The organization must take reasonable steps to ensure the accuracy of the personal data recorded and put security arrangements in place to protect the personal data.

Furthermore, when transferring personal data outside of Singapore, care must be taken to ensure that the recipient organization is bound by legally enforceable obligations or specified certifications to afford the personal data with a standard of protection that is comparable to that established by the Personal Data Protection Act 2012 of Singapore. Legally enforceable obligations may be imposed via the applicable law, a contract, binding corporate rules or any other legally binding instrument.

Where a data breach involving the disclosure of personal data has occurred, the organization is required to take reasonable and expeditious steps to assess the data breach. In some cases, the organization may be required to report the data breach to the Personal Data Protection Commission, and the affected individuals. Where the organization is acting as a data intermediary that is processing the personal data for another organization, the data intermediary is required to notify the organization of any data breaches in a timely manner.

Individuals who knowingly or recklessly cause the unauthorized disclosure of personal data or improper use of personal data in the control of an organization may be liable on conviction to a fine not exceeding \$5,000 or imprisonment not exceeding two years or both. Further, the maximum financial penalty that may be imposed on an organization for contravention of the Personal Data Protection Act's provisions has recently been increased to be up to 10% of an organization's annual turnover in Singapore (where it exceeds S\$10 million), or S\$1 million, whichever is higher.

Personal Data Protection—Indonesia

On October 17, 2022, Law No. 27 of 2022 on Personal Data Protection, or the PDP Law, was enacted and came into effect, providing a new framework for personal data protection in Indonesia. To the extent provisions in existing and separate regulations relating to privacy and/or personal data protection in Indonesia such as The Minister of Communication and Information Regulation No. 20 of 2016 on Personal Data Protection in Electronic Systems and Government Regulation No. 71 of 2019 on the Provision of Electronic System and Transactions, or collectively the General Data Protection Regulations, do not conflict with the PDP Law, the non-conflicting provisions in these General Data Protection Regulations remain valid. These General Data Protection Regulations set out the rules governing the protection of personal data that are stored in electronic form while PDP Law governs protection of personal data that are stored both in electronic and non-electronic forms. The PDP Law introduces the definitions of "Personal Data Controllers" and "Personal Data Processors," which were previously limited to "electronic system provider" under the General Data Protection Regulations. The Personal Data Controllers, either individually or jointly with other parties, determine the purpose and control the processing of personal data, while the Personal Data Processors, either individually or jointly with other parties, act on behalf of the Personal Data Controllers to process personal data as stipulated in Article 1 points 4 and 5 of the PDP Law. The PDP Law requires any action taken in relation to the processing of personal data by either Personal Data Controllers and Personal Data Processors, including acquisition and collection, processing and analysis, storage, correction and updates, display, announcement, transfer, dissemination, disclosure, and deletion or destruction, to be subject to provisions of the PDP Law, such as requiring prior consent of the owner of such personal data. Further, under the PDP Law, the Personal Data Controllers and Personal Data Processors are imposed with a comprehensive set of obligations, including: (i) adoption of internal data protection and security policies, (ii) performing an impact assessment for any high-risk personal data processing, (iii) providing access to the personal data that is processed along with the track record of the processing in accordance with the storage period, (iv) appointment of a data protection officer by Personal Data Controllers or Personal Data Processors to carry out personal data protection functions, and (v) for overseas transfer of personal data, ensuring the recipient country has an equal or higher personal data protection governance than the PDP Law, or otherwise, ensuring that there is adequate and binding protection, or if the foregoing is not available, consent from the personal data subjects. The condition above is aligned with Article 24 of the PDP Law, which stipulates that, in the case of processing personal data as mentioned above, the Personal Data Controller is obliged to provide evidence of the consent that has been given by the Personal Data Subject.

The General Data Protection Regulations clarify the data localization requirement by specifying that such requirement applies only to "public electronic systems providers" (i.e., central and regional executive, legislative, judicative bodies and any other bodies established pursuant to a statutory mandate, and entities appointed by the public bodies to operate electronic systems on their behalf). Meanwhile, a private provider can choose whether to process and/or host its electronic systems and data onshore or offshore. Regardless of the location, such provider must ensure that its electronic systems and data are accessible to the authority. However, this flexibility does not apply to private operators in the banking and financial services sectors.

In the event of a data breach, the PDP Law requires the Personal Data Controllers to deliver written notification no later than 72 hours to the personal data subjects and to the personal data protection authority. If the Personal Data Controllers or the Personal Data Processors fail to comply with the PDP Law, they may be subject to sanctions in the form of warnings or written reprimands, temporary suspensions of personal data processing activities, forced deletion or destruction of personal data, and administrative fines of up to 2% of annual revenue and income of the Personal Data Controller or the Personal Data Processor may be imposed. If corporations fail to comply with PDP Law, they may be subject to criminal fines as well as license revocation and liquidation.

Personal Data Protection—Vietnam

Until April 17, 2023, Vietnam did not have a single comprehensive data protection legal document. Instead, data protection provisions were prescribed across various laws and their corresponding guiding Decrees and Circulars, such as the Constitution, the Civil Code, the Law on Protection of Consumers' Rights, the Law on Information Technology, etc., which regulate on different aspects of the data protection matter. In particular, the Constitution and the Civil Code provides basic principles on the right to privacy of individuals, while the Law on Protection of Consumers' Rights and Decree 52/2013/ND-CP, amended by Decree 85/2021/ND-CP, on E-commerce regulate on the consumer protection aspect, the Law on Information Technology stipulates requirements for collecting, processing and using personal information on the Internet, etc. The laws in Vietnam are all adopted by the National Assembly of Vietnam, while the Decrees and Circulars are issued by lower-level authority, which are respectively the Government and relevant Ministries.

On November 19, 2015, the Vietnam National Assembly passed the Law on Cyber Information Security, which sets forth regulations on cyber information security. Accordingly, individuals and companies must implement measures to assure the security of cyber information. For example, entities providing information technology services must comply with regulations on the storage and use of personal information, apply blocking and handling measures upon receipt of a notice that sending such information is illegal, and implement measures to allow recipients to refuse the receipt of information. Moreover, the owners of the personal information (i.e., the data subjects) are also provided the right to request for updating, alteration and cancellation of the personal information by the data processor. On the other hand, the Law on Cyber Information Security and its guiding document also provided certain requirements regarding notification of a data breach and other cyber information security incidents. This law, officially designated as Law No. 86/2015/QH13 on Network Information Security, was later amended by Law No. 35/2018/QH14 dated November 20, 2018, which introduced changes to certain provisions concerning the planning of 37 laws ("Network Information Security Law").

On June 12, 2018, the Vietnam National Assembly passed the Law on Cybersecurity which regulates that any foreign service provider in certain fields such as e-payment, e-commerce, online games is required to have a commercial presence in Vietnam (such as branch, representative office) and to localize the user's data in Vietnam. Then, the government issued Decree No. 53/2022/ND-CP on August 15, 2022 to provide further details on a number of articles of the Law on Cybersecurity. Accordingly, it clarifies that foreign cyberspaces service providers engaged in (a) telecommunications services; (b) storing and sharing data in cyberspace; (c) providing national or international domain names to service users in Vietnam; (d) e-commerce; (e) online payment; (f) payment intermediary services; (g) transport connection services through cyberspace; (h) social networks and social media; (i) online video games; and (j) services that provide, manage, or operate other information on cyberspace in the form of messages, voice calls, video calls, e-mails, online chats must store such data in Vietnam for at least 24 months and set up a branch or representative office in Vietnam if requested in writing by Minister of the Ministry of Public Security.

On April 17, 2023, the Vietnam Government issued Decree 13/2023/ND-CP on Personal Data Protection, or the Decree 13—the first comprehensive legal document on personal data protection in Vietnam, which came into effect on July 1, 2023. Unlike other decrees which are to clarify and provide further guidelines on provisions of the relevant law, the Decree 13 provides new and independent requirements on personal data protection, in harmony with similar provisions under the current legal framework. In particular, the Decree 13 provides a unified definition of personal data, which is defined as “*information in the form of symbols, letters, numbers, images, sounds or similar on an electronic environment that is associated with a particular person or helps to identify a particular person. Personal data include basic personal data and sensitive personal data.*” “*Information that helps to identify a specific person*” is further clarified as “*information formed from the activities of an individual that, when combined with other data and stored information, can identify a specific person.*” Apart from unifying previous concepts regulated in various legal documents, the Decree 13 has also adopted certain contents from the well-known General Data Protection Regulations from the EU, which provided new concepts and stricter requirements not yet been regulated in previous legal documents on personal data protection such as: basic personal data, sensitive personal data, data controller, data protection impact assessment, processing personal data obtained through public recordings and filming, processing personal data in advertising and so on. On the other hand, the Decree 13 also requires entities (both foreign and Vietnam-based) relating to personal data processing activities to notify the Department of Cyber Security and Hi-tech Crime Prevention under the Ministry of Public Security upon (i) occurrence of a violation of personal data protection (i.e., a data breach); and (ii) conducting a cross-border personal data transfer. Furthermore, data subject rights and obligations, specific responsibilities of data controllers, data processors and third parties are also specified under this document.

On November 9, 2024, Vietnam’s government introduced Decree No. 147/2024/ND-CP (hereinafter, the “new decree”), a landmark regulation governing the management, provision, and use of internet services and online information. Replacing the decade-old Decree No. 72/2013/ND-CP and its subsequent amendments, this new decree took effect on December 25, 2024, signaling a significant shift in Vietnam’s approach to regulating its rapidly evolving digital landscape. This decree covers an extensive range of topics. These include the management of internet services, domain names, cross-border information provision, social networks, online games, app stores, and telecom application services. It also introduces stringent measures to control illegal content and sets out detailed responsibilities for various stakeholders, including telecom operators, internet providers, data centers, and web hosting services.

On November 30, 2024, the Data Law was passed by the National Assembly, and it came into effect on July 1, 2025. Officially designated as Law No. 60/2024/QH15 on Data, this law will help gradually establish a data market and promote the country’s digital transformation. It has 5 chapters and 46 articles, which clearly stipulate digital data; construction, development, protection, management, processing, and use of digital content; national data center; national aggregate database; digital data products and services; digital data management; and the rights, obligations, and responsibilities of digital data agencies, organizations, and individuals.

Personal Data Protection—Malaysia

The Personal Data Protection Act 2010 (“PDPA 2010”) regulates the processing of personal data in commercial transactions. The PDPA 2010 applies insofar as the personal data of a customer is processed (for example, name, identification card number, address, phone number, e-mail address). The definition of “personal data” under the PDPA 2010 includes any information in respect of commercial transactions, which relates directly or indirectly to a data subject, who is identified or identifiable from that information or from that and other information in the possession of a data controller, including any sensitive personal data (which includes biometric data) and expression of opinion about the data subject. The PDPA 2010 sets out seven (7) personal data protection principles to be complied with, namely General Principle, Notice and Choice Principle, Disclosure Principle, Security Principle, Retention Principle, Data Integrity Principle, and Access Principle. Additionally, the Personal Data Protection Regulations 2013 and the Personal Data Protection Standard 2015 set out in detail the requirements to be complied with in respect of the seven (7) principles. Personal data can now be transferred to places outside Malaysia provided that place has adequate data protection laws, which are at least equivalent to the level of protection afforded by the PDPA 2010.

The General Code of Practice of Personal Data Protection sets out the best practices for data controllers in meeting the PDPA 2010 requirements when undertaking commercial transactions, by further elaborating the seven (7) principles enumerated in the PDPA 2010. In particular, the General Code of Practice of Personal Data Protection clarifies the manner in which consent obtained from data subjects can be recorded and maintained. Such consent can be obtained in various forms, including through a clickable box, by conduct or performance, or verbally. The relevant data controllers are required to develop and implement appropriate compliance policies and procedures to ensure compliance with the General Code of Practice of Personal Data Protection and the PDPA 2010.

The Personal Data Protection Code of Practice for Licensees under the Communications and Multimedia Act 1998 outlines guidelines for the communications sector in Malaysia to comply with the PDPA 2010. In addition to the seven (7) principles enumerated in the PDPA 2010, the Personal Data Protection Code of Practice for Licensees under the Communications and Multimedia Act 1998 covers best practices for data management in the communications sector, including the use of clear and concise privacy notices, the implementation of access controls and data retention policies, and the use of encryption and other security measures to protect personal data (as well as pre-existing data collected and processed prior to the effectiveness of the PDPA 2010). In addition, the Personal Data Protection Code of Practice for Licensees under the Communications and Multimedia Act 1998 outlines the requirements for cross-border data transfers, which involve the transfer of personal data outside of Malaysia, which include obtaining consent from data subjects, ensuring that the receiving country provides an adequate level of protection for personal data and implementing appropriate contractual and technical safeguards to protect personal data during the transfer process.

The General Consumer Code of Practice for the Communications and Multimedia Industry Malaysia sets out the obligations in relation to the protection of personal information and sets out the rules in respect of the protection of consumer (including consumer with special needs or disabilities) information policy and principles on notice, disclosure, consent, choice, data security, data quality and access. Accordingly, a service provider may collect and maintain necessary data/information of consumers for tracking practices, provided that the collection and maintenance of such data/information shall be fairly and lawfully collected and processed, processed for limited purposes, adequate, relevant and not excessive, accurate, not kept longer than necessary, processed in accordance with the data subject's rights, secure and not transferred to any party without the consumer's prior approval. Consumers must also be given the opportunity to exercise their choice in respect of how individually identifiable information collected from them may be used.

Personal Data Protection—Saudi Arabia

The Saudi Arabia Personal Data Protection Law, as amended, has been implemented by Royal Decree No. M/19 of 9/2/1443H (September 16, 2021) and amended by Royal Decree No. M/147 of 5/9/1444H (March 21, 2023), and came into effect on September 14, 2023. The Saudi Arabia Personal Data Protection Law is the main law in Kingdom of Saudi Arabia regulating the use of personal data. The personal data defined in the Saudi Arabia Personal Data Protection Law includes any data, regardless of its source or form, that may lead to identifying an individual specifically, or that may directly or indirectly make it possible to identify an individual, including name, personal identification number, addresses, contact numbers, license numbers, records, personal assets, bank and credit card numbers, photos and videos of an individual, and any other data of personal nature. The Saudi Arabia Personal Data Protection Law also provides for a separate concept of sensitive data. It includes personal data revealing racial or ethnic origin, or religious, intellectual or political belief, security data, data relating to criminal offenses, biometric or genetic data, health data, and data that indicates that one or both of the individual's parents are unknown.

The Saudi Arabia Personal Data Protection Law applies to the processing of personal data that takes place in the territory of the Kingdom, and also applies extra-territorially to non-Saudi entities that process the personal data of individuals residing in Saudi Arabia. The provisions, requirements, and conditions set forth in the Saudi Arabia Personal Data Protection Law do not apply to the processing of personal data by an individual for personal or family use, as long as the personal data is not published or disclosed to others.

Data and Privacy Protection—mainland China

The Cyber Security Law imposes certain data protection obligations on network operators, including that network operators may not disclose, tamper with, or damage users' personal information that they have collected, or provide users' personal information to others without consent. Pursuant to the Decision on Strengthening the Protection of Online Information and the Order for the Protection of Telecommunication and Internet User Personal Information, any collection and use of user personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes. An Internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying any such information, or selling or providing such information to other parties. An Internet information service provider is required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage or loss. Any violation of these laws and regulations may subject the Internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities.

According to the Personal Information Protection Law, where personal information is processed based on an individual's consent, such consent shall be voluntarily and explicitly given by the individual on a fully informed basis, and the individual shall have the right to withdraw his or her consent without affecting the effectiveness of personal information processing activities that have been conducted based on his or her consent before. Furthermore, the Personal Information Protection Law clarifies that personal information of minors under the age of fourteen is sensitive information, and such sensitive information may not be processed unless there are specific purposes and sufficient necessity and strict protection measures are taken.

According to the Administrative Measures for the Compliance Audit of Personal Information Protection, the personal information processor shall carry out regular compliance audits of personal information protection by itself or entrust a specialized agency to do so. Any personal information processor handling over 10 million people's personal information shall carry out the compliance audits at least once every two years.

Regulations on Intellectual Property

Regulations on Intellectual Property—India

Copyrights

Copyright law in India is governed by the Copyright Act, 1957, which has been amended six times, with the last amendment in 2012. It is a comprehensive set of statutes providing for legal protection to copyright, moral rights and neighboring rights. Under the fair use provisions of the Act, section 52(1)(b) provides that transient or incidental storage of a work or performance purely in the technical process of electronic transmission or communication to the public does not constitute infringement of copyright. This provision provides safe harbor to internet service providers that may have incidentally stored infringing copies of a work for the purpose of transmission of data.

The Copyright Rules, 2013, enacted under Section 78 of the Copyright Act, 1957, and came into force on March 14, 2013. However, the Copyright Rules, 2013 mainly serve as the implementing rules of the Copyright Act 1957, detailing the procedural aspects of copyright registration, management and enforcement, but do not have substantive provisions on copyright infringement, electronic transmission and temporary storage.

Regulations on Intellectual Property—Singapore

Patents

Singapore provides a comprehensive legal framework and supporting infrastructure for protecting patents, copyrights, trademarks and industrial designs.

Singapore protects inventive designs and processes through the Patents Act 1994 (as amended from time to time), which is based on the United Kingdom's Patents Act of 1977. Singapore patents are protected internationally under the Patent Cooperation Treaty (PCT). A registered patent in Singapore will be protected for 20 years, so long as the owner pays the annual renewal fees. Once registered, the owner can use, sell or license the patent. The criteria Singapore uses in granting a patent is that the invention: (i) is new (i.e., should not be publicly know anywhere in the world), (ii) it must be an improvement that would not be obvious to someone with technical skill or knowledge in that field and (iii) should have practical application, which is generally in line with the criterion in the United Kingdom and the United States.

If a product or process is found to infringe a registered patent, the court can order damages and an injunction on the use of the infringing product or process.

Copyrights

Singapore's Copyright Act 2021, as amended from time to time, protects original works such as novels, computer programs, videos and performances, but does not include ideas, procedures, methods or discoveries because these are considered expressions of the underlying idea or discovery. There is no registration process for copyrighting in Singapore, and the copyright begins when the work is created. The author must take steps to show that he or she created the copyrighted work first in order to establish ownership. The author, or owner, of copyrighted material has the exclusive right to publish, perform, broadcast or adapt the work, and can assign or license all or part of the rights to others. An assignment of copyright needs to be in writing; a license can be exclusive or non-exclusive, and an exclusive license needs to be in writing. The protection Singapore affords through copyright laws and the period of protection will vary depending on the relevant type of work.

Copyright infringement may be classified as: (i) primary infringement, covering direct unauthorized usage of the copyrighted work; and (ii) secondary infringement, such as import, sale or trading of items which the infringer knows or should have known was made without the copyright owner's consent, false attribution of the authorship of a copyrighted work and false removal or alteration of rights management information electronically attached to a copyrighted work.

Copyright infringement is subject to the general exception of "fair use." When determining whether a work has been fairly used, a variety of factors like the purpose and character of use, the nature of the work being used, the amount and substantiality of the portion of the work being used, and the effect of the use upon the potential market for, or value of, the work must be considered.

Further, the new exception for "computational data analysis" continues to remain relevant. This exception allows a person to use or make a copy of a copyrighted work or recording of a protected performance for purposes such as (i) using a computer program to identify, extract and analyze information or data from the work or recording; and (ii) using the work or recording as an example of a type of information or data to improve the functioning of a computer program in relation to that type of information or data. In practice, this exception may apply where a company is carrying out text and data mining or training an AI system. Nonetheless, the exception is subject to the user having lawful access to the works being copied. The exact scope of what "lawful access" may mean is undefined and remains to be seen.

A copyright owner can look to civil remedies for infringement including damages, an injunction and destruction of the infringing work, or "statutory damages" of not more than S\$10,000 per work and S\$200,000 in the aggregate.

Trademarks

Singapore protects trademarks through the Trade Marks Act 1998 as amended from time to time as well as under common law (mutually independent of each other). Protection under the Trade Marks Act 1998 is generally conditional upon registration of the trademark with the Registry of Trade Marks within the Intellectual Property Office of Singapore, with the exception of special protection granted under the Trade Marks Act 1998 to 'well known' trademarks. Protection for registered trademarks is valid for 10 years from the date of registration and renewable for further periods of 10 years. Registration may be obtained through (i) a domestic application filed with the Registry of Trade Marks or (ii) an international application filed under the Madrid Protocol designating Singapore as a country. An applicant may claim a right of priority where he files for registration of a trade mark in Singapore within six months from an earlier application filed in any country that is a party to the Paris Convention, or a member of the World Trade Organization. Singapore adheres to the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

A registered trade mark may be assigned or licensed by the registered proprietor, and such assignment or licensing should be registered with the Registry of Trade Marks in order to be effective against a person acquiring a conflicting interest in the trade mark unaware of such assignment or license.

A registered proprietor of trademarks can look to a range of civil remedies for infringement, such as injunctions, either damages or an account of profits, or an order for delivery up and/or disposal of infringing articles in relation to the registered trademark. Where the infringement involves the use of a counterfeit trademark, the court may award statutory damages of up to S\$1 million without proof of actual loss. Aside from these civil remedies, the registered proprietor may also enforce his trademark rights in criminal proceedings for infringing activities such as (i) counterfeiting a registered trademark, (ii) falsely applying a registered trade mark to goods or services, (iii) making or possessing articles for such infringement offense and (iv) importing or selling goods with falsely applied trademark. Conviction for any of these offenses attracts a fine of up to S\$100,000 and/or imprisonment for a maximum term of five years.

Industrial Designs

Protection of industrial designs is available under the Registered Designs Act 2000, as amended from time to time. This Registered Designs Act 2000 is modelled after the UK Registered Designs Act 1949 (as amended in 1988). Registration may be obtained through (i) a domestic application filed with the Registry of Designs within the Intellectual Property Office of Singapore or (ii) an international application filed under the Geneva (1999) Act of the Hague Agreement Concerning the International Registration of Industrial Designs designating Singapore as a country. An applicant may claim a right of priority where he files for registration of a design in Singapore within six months from an earlier application filed in any country that is a party to the Paris Convention, or a member of the World Trade Organization. The maximum duration of the protection conferred by registration is 15 years from the date of registration. Singapore adopts the specification and classification system of the Locarno Agreement Establishing an International Classification for Industrial Designs.

A registered design may be assigned or licensed by the registered owner, and such assignment or licensing should be registered with the Registry of Designs in order to be effective against a person acquiring a conflicting interest in the design unaware of such assignment or license.

A registered owner can look to a range of remedies for infringement such as injunctions, either damages or an account of profits, an order for delivery up and/or disposal of infringing articles in relation to the registered design. However, if the registered owner threatens another person with proceedings for infringement of a registered design, it may be liable for a counterclaim for making groundless threats of design infringement. The remedies in such a counterclaim can include an injunction against the continuance of the threats, damages as well as a declaration that the threats are unjustifiable.

Where a registered design qualifies for protection under the Registered Designs Act 2000 as well as the Copyright Act 2021, there is no cumulative protection under registered design and copyright law: protection is available under the Registered Designs Act 2000 only. Further, if a design is registrable under the Registered Designs Act 2000 but has not been registered, the design will neither be covered by the registered design nor the copyright regime.

Regulations on Intellectual Property—Indonesia

Copyrights

Copyrights in Indonesia are regulated under Law No. 28 of 2014 on Copyrights. Indonesia adopts the declarative system of copyright protection whereby a copyright is an exclusive right of a creator of content which arises automatically after a creation appears in a concrete form. This exclusive right consists of moral rights and economic rights. Based on Article 5 of the Indonesian Copyright Law, moral rights are eternally inherent to the creator to (i) continue to include or exclude their name on the copy with respect to the public use of the works, (ii) use an alias or pseudonym, (iii) change their creation to comply with appropriateness in the community, (iv) change the title and subtitle of their works, and (v) defend their rights in the event of distortion of creation, mutilation of creation, modification of creation or other acts which will be prejudicial to their honor or reputation. Such moral rights cannot be transferred as long as the creator is alive, but the exercise of these rights is transferrable by testament or other methods in accordance with the Indonesian regulation after their death (inheritance, grant, written agreement, etc.). Economic rights shall mean the exclusive right of the creator or the copyright holder to obtain economic benefit from the work. Such economical rights as stipulated in Article 9 of the Indonesian Copyright Law grant the creator to engage in (i) publication of the creation, (ii) reproduction of the creation in all its forms, (iii) translation of the creation, (iv) adaptation, arrangement, or transformation of the creation, (v) distribution of the creation or their copies, (vi) performance of the creation, (vii) publication of the creation, (viii) communication of the creation, and (ix) rental of the creation. The Indonesia copyright regulation protects creations in the field of science, arts and literature, which includes, among others, computer programs, video games, photography, songs or music with or without lyrics, and all forms of art. However, for certain creations, there are exceptions where protection is not granted. Based on Article 24 of the Indonesian Copyright Law, creations that are not protected under the Indonesian Copyright Law consist of (i) creations that have not been completed in tangible form, (ii) the idea, procedure, system, method, concept, principle, findings, or data, regardless of being expressed, stated, described, explained, or incorporated in a creation, and (iii) tools, objects, or products that are created solely to resolve technical problems or whose form only serve functional needs rather than artistic or literary expression.

Marks

Marks in Indonesia are regulated under Law No. 20 of 2016 as amended by Law No. 6 of 2023, or the Indonesian Mark Law. Based on Article 2 paragraph 2 of Indonesian Mark Law, marks are separated into two categories: trademark and service mark. Protected marks as stipulated in Article 2 paragraph 3 of the Indonesian Mark Law consists of a sign in the form of an image, logo, name, word, letter, number, color arrangement, in two dimensions and/or three dimensions, sounds, hologram, or a combination of two or more on those elements to distinguish goods and/or services that are produced by individuals or legal entities in goods and/or service trading activities.

Geographical Indication

Geographical indication in Indonesia are regulated under the Indonesian Mark Law. Geographical indication as defined by the Indonesian Mark Law is an indication that identifies the area of origin of goods and/or products based on geographical environmental factors, including natural factors, human factors or a combination of those two factors, that gives certain reputation, quality and characteristics to the produced goods and/or products.

Patents

Patents in Indonesia are regulated under Law No. 13 of 2016 as amended by Law 6 of 2023, or the Indonesian Patent Law. Patents are exclusive rights granted by the state to inventors for their inventions or technological improvements that solve specific problems in the form of products or processes. Patents are generally divided into two categories: patent products and patent processes where these patents are warranted with a period of time to implement the invention itself or to give approval to other parties to use it.

According to Article 2 of the Indonesian Patent Law, patent protection can be categorized into two circumstances. First, for patents that are granted for new inventions, contain inventive step/act, and may be applied in industry, Article 22 of the Indonesian Patent Law provides that these patents have a protection period of 20 years and cannot be extended. Second, for simple patents that are granted for a new invention in the event that it is a development of an existing product or process, which consists of a simple product, a simple process, and a simple method, Article 23 of the Indonesian Patent Law provides that this simple patent only has protection period of 10 years and cannot be extended.

As stipulated in Article 19 of the Indonesian Patent Law, the patent holder has the exclusive right to implement the patent he owns and prohibit other parties who do not have his consent to use it in terms of making, using, selling, importing, leasing, delivering, or providing for sale or lease or delivery of products granted a patent for product patents, as well as in the case of using the patented production process to make goods or other acts in the case of process patents.

Trade Secret

Trade secrets in Indonesia are regulated under Law No. 30 of 2000, or the Indonesian Trade Secret Law. Trade secret is information that is not known to the public in the field of technology and/or business, has economic value, and is kept confidential by the owner of the trade secret. Article 2 of the Indonesian Trade Secret Law states that the scope of this trade secret includes: (i) production methods; (ii) processing methods; (iii) sales methods; or (iv) other information in the field of technology and/or business that has economic value and is not known by the general public. Pursuant to the Indonesian Trade Secret Law, trade secret has three elements that must be fulfilled, which consist of: (i) confidential, which means that it is only known by certain parties and not general public; (ii) has economic value, which means its secrecy provides a competitive advantage; (iii) is kept confidential through appropriate efforts. The owner of a trade secret, in addition to having the right to use the trade secret himself, can also use it for commercial purposes such as by granting licenses to other parties or prohibiting the use of his trade secret as stipulated in Article 4 of the Indonesian Trade Secret Law.

Regulations on Intellectual Property—Vietnam

Intellectual property rights in Vietnam are mainly governed by the Law on Intellectual Property, its guiding documents such as Decree 103/2016/ND-CP, Decree 100/2006/ND-CP, 65/2023/ND-CP, etc., together with certain international agreements to which Vietnam is a signatory.

In order for certain intellectual property rights to be recognized and enforceable in Vietnam, intellectual property owners must register those rights. Copyrights may be registered with the Department of Copyright of Vietnam but the registration is not compulsory. As a member of the Berne Convention, all copyrights will be protected automatically. However, copyright registration could be helpful for copyright protection, especially for proving the existence of copyrights in disputes. Industrial property, such as patents, trademarks (except for well-known trademarks) and industrial design, must be registered with the Intellectual Property Office of Vietnam in order to be protected in Vietnam, although unregistered rights may be protectable under the laws of unfair competition or passing off. A well-known trademark may be protected based on its use without registration and a trademark license is not required to be registered with the Intellectual Property Office of Vietnam in order to have validity against a third party.

Regulations on Intellectual Property—Malaysia

Trademarks

Trademarks in Malaysia are governed by the Trademarks Act 2019 and the Trademarks Regulations 2019. Once a trademark is registered, the registered proprietor of the trademark has the exclusive rights to use the trademark and to authorize other persons to use the trademark, in relation to the goods or services for which the trademark is registered. Registered trademarks are valid for ten (10) years from the date of filing of the application and are renewable for subsequent periods of ten (10) years each. Subject to limited exceptions, no person or enterprise other than the registered proprietor or persons authorized by the registered proprietor may use the trademark, otherwise infringement actions may be taken against such person or enterprise, including actions against counterfeiting a registered trademark.

Copyrights

The main governing legislation for copyright law in Malaysia is the Copyright Act 1987. Pursuant to the Copyright Act 1987, authors of protected works enjoy various exclusive rights, including the rights of reproduction in any material forms, communication to the public, performance, showing or playing to the public, distribution of copies to the public by sale or other transfer of ownership, and commercial rental to the public. Literary works, musical works and artistic works are eligible for copyright protection if sufficient effort has been made to make the works original in character; and the works have been written down, recorded or otherwise reduced to a material form. There is no formal system for registration of copyright in Malaysia. Copyright is conferred automatically on a work once all statutory requirements have been met. That said, copyright owners can claim ownership by way of a Statutory Declaration or by filing a Voluntary Notification at the Intellectual Property Corporation of Malaysia. Online games and computer software or programs are eligible for copyright protection in Malaysia.

Patents

The Patents Act 1983 and the Patents Regulations 1986 govern the protection of inventions in Malaysia. An invention is eligible for patent protection if it is new, involves an inventive step, is industrially applicable, and is not explicitly excluded by the Patents Act 1983. Examples of excluded items include discoveries, rules, and methods for doing business or playing games. Once granted, a patent is valid for a maximum of twenty (20) years from the date of filing, subject to yearly renewal. The owner of a patent is granted exclusive rights to exploit the patented invention, assign or transfer the patent, enter into licensee contracts, and deal with the patent as the subject of a security interest. Anyone seeking to deal with a patent exclusively owned by someone else must obtain prior consent. Infringement of a patent occurs when a person performs any of the acts under the exclusive control of the patent owner without authorization. Such acts include the manufacture, importation, offer for sale, sale, or use of the patented product or process. Opposition to a patent is allowed under the Patents Act by any interested person against the owner of a patent, provided that the requirements and proper procedures under the Patents Act are complied with.

Regulations on Intellectual Property—mainland China

Software

According to the regulations relating to protection of software in mainland China, software owners, licensees and transferees may register their rights in software with the copyright administration department of the State Council or its local branches and obtain software copyright registration certificates. Although such registration is not mandatory under PRC law, software owners, licensees and transferees are encouraged to go through the registration process and registered software rights to be entitled to better protections.

Patents

The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications. According to the Patent Law (2021 Amendment), a patent is valid for a twenty-year term for an invention, a ten-year term for a utility model and a fifteen-year term for design, starting from the application date. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent, or else the use will constitute an infringement of the rights of the patent holder.

Copyright

Registration of copyright is voluntary and is administrated by the China Copyright Protection Center. Under the Copyright Law (2021 Amendment) and its implementation rules, anyone infringing upon the copyrights of others is subject to various civil liabilities, which include stopping the infringement, eliminating the damages, apologizing and compensating the copyright owners. An internet information service operator may be subject to cease-and-desist orders and other administrative penalties such as confiscation of illegal income and fines, if it is clearly aware of a copyright infringement through the internet or, although not aware of such infringement, it fails to take measures to remove relevant content upon receipt of the copyright owner's notice of infringement and, as a result, damages public interests.

According to the Information Network Transmission Right Infringement Regulation (Amended in 2021), where an internet information service provider cooperates with others to jointly provide works, performances, audio and video products of which the right holders have information network transmission right, such behavior will constitute joint infringement of third parties' information network transmission right, and the PRC court shall order such internet information service provider to assume joint liability for such infringement. The PRC court shall determine whether an internet information service provider is liable for abetting or contributory infringement according to the degree of fault of the internet information service provider.

Domain Name

According to the Measures for Administration of Domain Names, the MIIT is the major regulatory authority responsible for the administration of the PRC Internet domain names. The registration of domain names in PRC is on a "first-apply-first-registration" basis. A domain name applicant will become the domain name holder upon the completion of the application procedure.

Trademark

According to the PRC Trademark Law (Amended in 2014), the Trademark Office of the State Administration for Industry and Commerce (currently known as the Trademark Office of National Intellectual Property Administration) handles trademark registrations and grants a protection term of ten years to registered trademarks.

Regulations on Contents

Regulations on Contents—Indonesia

Regulations on Electronic Information Content

Video content and live streaming are categorized as electronic information, which refers to one or a set of electronic data, including, but not limited to, text, voice, images, maps, designs, photographs, electronic data exchanges, e-mails, telegrams, telex, telecopy, letters, symbols, numbers, access codes, or any other form of processed data that conveys meaning and can be understood by individuals. As such, live streaming and video content are regulated under Law No. 11 of 2008 on Electronic Information and Transactions (EIT Law), as last amended by Law No. 1 of 2024. This law mandates that electronic system operators must ensure the reliable, secure, and responsible operation of their platforms. It also emphasizes the protection of children, requiring measures such as minimum age restrictions for product and service usage, verification mechanisms for child users, and reporting systems for content, services, or features that may potentially infringe on children's rights.

Indonesian regulations strictly prohibit the dissemination of certain types of content through video and live streaming platforms. Under the EIT Law, it is illegal to intentionally and unlawfully distribute, transmit, or make accessible electronic information that contains pornographic or obscene content, gambling-related content, defamatory or offensive material, extortion or threats, and hate speech or incitement of hostility based on ethnicity, religion, race, or inter-group differences (SARA).

Additionally, the law prohibits the deliberate dissemination of false or misleading information that could cause consumer losses in electronic transactions. The law applies not only to offenses committed within Indonesia but also to violations carried out from outside the country that affect electronic systems within Indonesian jurisdiction. Violations of these prohibitions may result in criminal penalties, including imprisonment of 6 to 12 years, and fines of up to IDR 10 billion.

Regulations on Pornographic Content

Aside from the EIT Law, Law No. 44 of 2008 on Pornography provides additional, explicit regulations against pornography, including its production, distribution, and dissemination via digital platforms such as video content and live streaming. Article 4 prohibits all forms of pornography, including images, animations, sound, or any other medium that exploits sexuality. Lastly, Article 29 imposes strict penalties on individuals or entities involved in the production, distribution, or facilitation of access to pornographic content, with fines ranging from IDR 250 million to IDR 6 billion and/or imprisonment of 6 to 12 years.

Broadcasting Regulations and Content Standards

Regulations concerning video content and live streaming also fall under Law No. 32 of 2002 on Broadcasting, as amended by Law No. 6 of 2023. Article 36 mandates that broadcast content must include elements of information, education, entertainment, and national development to foster intellectual, moral, and cultural growth while maintaining national unity. Broadcast content must also ensure protection and empowerment of children and adolescents, including appropriate programming schedules and audience classification. The law explicitly prohibits broadcasts that contain defamation, incitement, misleading information, or falsehoods, promote violence, obscenity, gambling, drug abuse, or other illegal activities, and stir conflict based on ethnicity, religion, race, or inter-group differences (SARA).

In conclusion, Indonesia's regulations on video content and live streaming are supported with comprehensive legal framework, especially on electronic information security, content restrictions, child protection, and consumer rights. Violations of these laws can lead to severe penalties, including substantial fines and imprisonment. Content creators, live streamers, platforms, and service providers must adhere to these regulations to avoid legal consequences and ensure compliance with Indonesian law.

Regulations on Contents—Malaysia

The Communications and Multimedia Act 1998 ("CMA 1998") is the main legislation regulating the communications and multimedia industry. The CMA 1998 provides for the Communications and Multimedia Content Forum(s) to prepare and draw up a Content Code after appropriate consultations, and to enforce the Content Code containing governing standards and practices in the communications and multimedia industry. The Content Code sets out the guidelines and procedures for good practice and standards of content disseminated to audiences by service providers in the communications and multimedia industry in Malaysia. It covers a wide range of topics, including general principles, content standards, advertising and sponsorship, and enforcement. The CMA 1998 also penalises the transmission of prohibited content (including indecent, obscene, false, menacing, or grossly offensive content) with intent to commit offenses involving fraud or dishonesty against any person.

Regulations on Contents—mainland China

Regulations on Internet Content

Internet content in mainland China is regulated and restricted from a state security standpoint. A series of laws and regulations were promulgated to regulate Internet security, including but not limited to the Decisions on Maintaining Internet Security (Amended in 2009), the PRC Law on Preservation of State Secrets and the Circular on Printing and Distributing the Administrative Measures for the Graded Protection of Information Security and Notice on Issuing the Provisions on the Management of Security Vulnerabilities of Network Products. Internet companies in mainland China are required to complete security filing procedures and regularly update information security and censorship systems for their websites with local public security bureau.

According to the Administrative Measures on Internet Information Services (Amended in 2024), the internet activities that constitute publication of any content that propagates obscenity, pornography, gambling and violence, incite the commission of crimes or infringe upon the lawful rights and interests of third parties are strictly prohibited. If an internet information service provider detects information transmitted on their system that falls within the specifically prohibited scope, such provider must terminate such transmission, delete such information immediately, keep records and report to the governmental authorities in charge. Any provider's violation of these prescriptions will lead to the revocation of its value-added telecommunication Business Operation License with business scope being information services, or the ICP License, and, in serious cases, the shutting down of its internet systems. The Administrative Provisions on Internet User Account Information and the Administrative Provisions on Mobile Internet Applications Information Services (Amended in 2022) also require internet information service providers to assume their responsibilities of internet user account information management and information content administrator, equip professional personnel and technical capabilities, and establish and implement the real identity information authentication, account information verification, information content security, inspection and management, ecological governance, and personal information protection, data security protection and security assessment.

Pursuant to Administrative Measures for the Business Activities of Online Performances, the operator of online performances shall establish content review system, and be staffed with qualified reviewers for self-censorship, and online performances shall not contain illegal elements. Once the online performances in violation of laws are found, the operator of online performances shall immediately suspend the provision of such performance, and report relevant information to the authorized governmental departments.

According to the Provisions on the Administration of Mobile Internet Applications Information Services, mobile internet application providers and internet application distribution platforms shall not use mobile internet applications to carry out illegal activities that endanger national security, disturb public order, and infringe upon others' lawful rights, and shall perform the main responsibility for information content management, and establish and improve management systems for information content security management, information content ecological governance, network data security, personal information protection, and minors protection.

The PRC Data Security Law, among other things, provides for security review procedure for data-related activities that may affect national security. According to the Administrative Measures for Data Security in the Industry and Information Technology Field (Trial), a data processor in the field of industry and information technology shall file its catalogue of important data and core data to the local industrial regulatory department for recordation. Important data and core data collected and produced by a data processor in the field of industry and information technology within mainland China shall be stored within mainland China, and shall conduct the security assessment if the cross-border transfer of data is necessary. The Implementing Rules for the Risk Assessment of Data Security in the Field of Industry and Information Technology (Trial Implementation) apply to the data security risk assessment activities conducted by important data and core data processors in the field of industry and information in mainland China. General data processors may also refer to these rules to conduct data security risk assessment.

The Cyber Security Law provides that network operators must set up a classified protection system for cyber security. According to the Cyber Security Law, internet operators shall fulfill relevant mandatory security protection obligations. The Administration Measures on the Security Protection of Computer Information Network with Internationally Connections (Amended in 2011) prohibits using the internet in ways which, among others, result in a leakage of state secrets or a spread of socially destabilizing content. The Ministry of Public Security has supervision and inspection powers in this regard, and relevant local security bureaus may also have jurisdiction. If an ICP license holder violates these measures, the PRC government may revoke its ICP license and shut down its websites.

Regulations on Advertisement Content

According to the Advertisement Law (Amended in 2021), Administrative Regulations for Advertising, and the Internet Advertisement Management Measures, advertisers, advertising agencies, and advertising distributors are required to ensure that the content of the advertisements they prepare or distribute is true and in complete compliance with applicable laws. In providing advertising services, advertising operators and advertising distributors must review the supporting documents provided by advertisers for advertisements and verify that the content of the advertisements complies with applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, advertising distributors are obligated to verify that such censorship has been performed and approval has been obtained. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. Where serious violations occur, the SAMR or its local branches may revoke such offenders' business licenses.

Regulations on Online Music

According to the series of Notices on Clearing Online Music Products that are in Violation of Relevant Regulations, entities that provide any of the following will be subject to relevant penalties or sanctions imposed by the Ministry of Culture: (a) online music products or relevant services without obtaining corresponding qualifications, (b) imported online music products that have not passed the content review of the Ministry of Culture or (c) domestically developed online music products that have not been filed with the Ministry of Culture. Thus far, we believe that we have eliminated from our platforms any online music products that may fall into the scope of those prohibited online music products thereunder.

Regulations on Tax

Regulations on Tax—Cayman Islands

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty.

Pursuant to Section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, we have obtained an undertaking from the Governor-in-Cabinet:

1. that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and
2. that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (a) on or in respect of our shares, debentures or other obligations; or
 - (b) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (As Revised) of the Cayman Islands.

The undertaking for us is for a period of 20 years from August 2, 2011.

Regulations on Tax—Singapore

Singapore Income Tax

Under the Singapore Income Tax Act (Chapter 134 of Singapore), a company established outside Singapore but whose governing body, being the board of directors, usually exercises de facto control and management of its business in Singapore could be considered tax residents in Singapore. However, such control and management of the business should not be deemed to be in Singapore if physical board meetings are mainly conducted outside Singapore. Where board resolutions are passed in the form of written consent signed by the directors each acting in their own jurisdictions, or where the board meetings are held by teleconference or videoconference, it is possible that the place of de facto control and management will be considered to be where the majority of the board are located when they sign such consent or attend such conferences.

We believe that JOYY Inc. is not a Singapore tax resident for Singapore income tax purposes. However, the tax resident status of JOYY Inc. is subject to determination by the Inland Revenue Authority of Singapore and uncertainties remain with respect to our tax residence status. It is not certain if JOYY Inc. will be classified as a Singapore tax resident. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Jurisdictions We Operate— If we are classified as a tax resident of certain jurisdictions for income tax purposes, such classification could result in unfavorable tax consequences to us and our shareholders or ADS holders” for a discussion of the Singapore tax consequences to non-resident investors if JOYY Inc. is deemed to be a Singapore tax resident. The statements below are based on the assumption that JOYY Inc. is not a tax resident in Singapore for Singapore income tax purposes.

Regulations on Tax—mainland China

PRC Enterprise Income Tax

According to the PRC Enterprise Income Tax Law and its implementation regulations, a uniform income tax rate of 25% should be applied to resident enterprises and non-resident enterprises that have “establishment or place” situated in China. Besides, enterprises established within China, enterprises established in accordance with the laws of other jurisdictions whose “de facto management bodies” are within China are considered “resident enterprises” and subject to the uniform 25% enterprise income tax rate for their global income. A non-resident enterprise refers to an entity established under foreign law whose “de facto management bodies” are not within China but which have an establishment or place of business in China, or which do not have an establishment or place of business in China but have income sourced within China. An income tax rate of 10% should normally be applicable to dividends declared to or any other gains realized on the transfer of shares by non-PRC resident enterprise investors that do not have an establishment or place of business in China, or that have such establishment or place of business but the income is not substantially connected with the establishment or place of business, to the extent such dividends or other gains are derived from sources within China.

Value-added Tax

The Provisional Regulations on Value-added Tax, as amended, the Detailed Implementing Rules of the Provisional Regulations on Value-added Tax, as amended, and the Value-added Tax Law set out that all taxpayers selling goods, services, intangible assets and immovable assets and importing goods in China shall pay a value-added tax. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value added Tax Rates, the deduction rates of 17% and 11% applicable to the taxpayers who have value-added tax taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Notice of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on Relevant Policies for Deepening Value Added Tax Reform, the value added tax rate was reduced to 13% and 9%, respectively.

Dividends Withholding Tax

Pursuant to the PRC Enterprise Income Tax Law and its implementation rules, dividends generated after January 1, 2008 and distributed to us by our PRC subsidiaries are subject to withholding tax at a rate of 10%, unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-mainland-China-resident holding enterprises are incorporated.

Regulations on Foreign Investment and Related Restrictions—mainland China

Regulations on Value-Added Telecommunications Service and Internet Information Services

According to the 2024 Negative List, the foreign stake in a value-added telecommunications service (except e-commerce, domestic multi-party communication, store-and-forward, and call center services) may not exceed 50%. According to the Telecommunications Regulations (2016 Edition), the Catalog of Telecommunications Business (Amended in 2019) and the Administrative Measures on Internet Information Services (Amended in 2024), the operators of value-added telecommunications services, including internet information services, must obtain value-added telecommunications business operation licenses prior to the commencement of such services in mainland China.

To comply with such foreign ownership restrictions, we hold ICP Licenses, a sub-category of the value-added telecommunications business operation license, through Guangzhou Huaduo and Guangzhou BaiGuoYuan, covering the provision of internet and mobile network information services and operate our online platform in mainland China through Guangzhou Huaduo, a subsidiary of Guangzhou Tuyue. Guangzhou Tuyue is indirectly held by selected individuals from our senior management team who are PRC citizens, through limited partnership in mainland China jointly established by these individuals. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—VIE Structure and the Contractual Arrangements.” Based on our PRC counsel Fangda Partners’ understanding of the current laws, rules and regulations of mainland China, our corporate structure complies with all existing laws and regulations of mainland China. However, we were further advised by our PRC counsel that there are substantial uncertainties with respect to the interpretation and application of existing or future laws and regulations of mainland China and thus there is no assurance that mainland China governmental authorities would take a view consistent with the opinions of our PRC counsel.

Regulations on Online Transmission of Audio-Visual Programs

According to the Administrative Provisions on Private Network and Targeted Publication of Audio-Visual Programs Services (Amended in 2021) and the Administrative Provisions on Internet Audio-Visual Program Service, or the Audio-Visual Program Provisions (Amended in 2015), providers of internet audio-visual program services are required to obtain a License for Online Transmission of Audio-Visual Programs, or complete certain registration procedures with the State Administration of Radio, Film and Television. Foreign invested enterprises are not allowed to carry out such business. In general, providers of internet audio-visual program services must be either state-owned or state-controlled entities, and the business to be carried out by such providers must satisfy the overall planning and guidance catalog for internet audio-visual program service determined by the State Administration of Radio, Film and Television.

According to the Circular on Issues Relating to the Audit of the Content of Micro Short Dramas in Online Film and Television Dramas and the Notice on Matters Relating to the Administration of Licensing Services for the Distribution of Domestic Online Dramas and Films and the Notice on Further Strengthening the Management of Online Micro Short Dramas and Implementing the Creative Enhancement Plan, the entities operating online micro short drama services, including the micro short dramas Mini Program, shall obtain a License for Online Transmission of Audio-Visual Programs. All online micro short dramas shall pass the content examination by relevant departments and obtain the License for Online Drama Distribution or complete the filing of online audio-visual programs prior to broadcasting, including through Mini Program. For the mini programs micro short dramas that do not hold the License for Online Transmission of Audio-Visual Programs or regulated by the administrative departments of radio and television, or the micro short dramas uploaded by individual users, the online platforms shall perform the responsibility as an operator or the production institutions to access, distribute, link, aggregate and disseminate such online micro short dramas. The online platforms shall implement the management system of online micro short dramas, reviewing before broadcasting, and immediately implement measures such as disconnecting the link, taking offline, and stopping the access for illegal online micro short dramas. The notice further stipulates that the illegal online micro short dramas could be subject to the order to rectify or take offline by the relevant departments. The operators or mini programs broadcasting the illegal online micro short dramas could be subject to penalties such as disconnecting the link, taking offline, taking down, canceling the recordation, stopping the access, revocation of license, and joint disciplinary measures.

Regulations on Online Music

Several Suggestions of the Ministry of Culture on the Development and Administration of Internet Music, among other things, reiterate the requirement for an internet service provider to obtain an Internet Culture Operation License to carry out any business relating to internet music products. In addition, foreign investors are prohibited from operating internet culture businesses. However, the laws and regulations on internet music products are still evolving, and there have not been any provisions clarifying whether music products will be regulated by these suggestions or how such regulation would be carried out.

Regulations on Foreign Currency Exchange and Dividend Distribution—mainland China

Regulations on Foreign Currency Exchange

Under the Foreign Exchange Administration Regulations (Amended in 2008), the Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of mainland China, unless the prior approval of the SAFE is obtained and prior registration with the SAFE is made. According to the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (Amended in 2023), the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation and the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (Amended in 2023), a foreign-invested enterprise may choose to convert its foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds from foreign currency to RMB on a discretionary basis, and the RMB capital so converted can be used for equity investments within PRC, extending loans to related parties or repaying the inter-company loans, as long as there is a truthful investment and such investment is in compliance with the foreign investment-related laws and regulations. Qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments.

Notice on Further Deepening Reforms to Promote the Convenience of Cross-border Trade and Investment provides that qualified high-tech, “professional, sophisticated, unique and new” and technology-based small and medium-sized enterprises in Guangdong (including Shenzhen), and certain other areas can borrow foreign debt on their own within an amount not exceeding the equivalent of US\$10 million.

The Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years’ losses before remitting the profits.

Regulations on Dividend Distribution

The principal regulations governing distribution of dividends paid by wholly foreign-invested enterprises include the PRC Company Law (Amended in 2023), and the Foreign Investment Law and its Implementation Rules. Under these regulations, a wholly foreign-invested enterprise in mainland China, or a WFOE, may pay dividends only out of its accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, a WFOE is required to allocate at least 10% of its accumulated profits each year, if any, to statutory reserve funds unless its reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends. Profits of a WFOE shall not be distributed before the losses thereof before the previous accounting years have been made up.

Regulations on Registration with SAFE

Pursuant to SAFE’s Notice on Relevant Issues Relating to Domestic Residents’ Investment and Financing and Round-Trip Investment through Special Purpose Vehicles, or SAFE Circular 37, and its appendixes, and the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment, PRC residents must register with qualified banks in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents’ legally owned assets or equity interest in domestic enterprises or offshore assets or interests, referred to in the SAFE Circular 37 as a “special purpose vehicle.” In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making distributions of profit to the offshore parent and from carrying out subsequent cross-border foreign exchange activities and the special purpose vehicle may be restricted in their ability to contribute additional capital into its PRC subsidiary. Further, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for foreign exchange evasion. These regulations apply to our direct and indirect shareholders who are PRC residents and may apply to any offshore acquisitions and share transfer that we make in the future if our shares are issued to PRC residents.

According to the Administration Measures on Individual Foreign Exchange Control (Amended in 2023), all foreign exchange matters involved in employee stock ownership plans and stock option plans participated in by onshore individuals, among others, require approval from the SAFE or its authorized branch. Furthermore, pursuant to the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies, PRC residents who are granted shares or stock options by companies listed on overseas stock exchanges based on the stock incentive plans are required to register with SAFE or its local branches. The foreign exchange proceeds received by the PRC residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents retained by such PRC residents before distribution to such PRC residents. In addition, the PRC agents shall file each quarter the form for record-filing of information of the Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies with SAFE or its local branches. We and our PRC citizen employees who have been granted share options, restricted shares or restricted share units are subject to the aforementioned rules. If we or our PRC optionees fail to comply with the Individual Foreign Exchange Rule and the aforementioned rules, we and/or our PRC optionees may be subject to fines and other legal sanctions. In addition, under the circulars concerning employee share options, our employees working in the PRC who exercise share options will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to withhold individual income taxes of such employees. If our employees fail to pay or if we fail to withhold their income taxes as required by relevant laws and regulations, we may face sanctions imposed by the PRC tax authorities or other PRC government authorities.

Regulations on Labor Laws and Social Insurance—mainland China

According to the Labor Law, and Labor Contract Law, employers must execute written labor contracts with full-time employees. The Law on Social Insurance of the PRC, requires that employers shall pay the pertinent provisions for basic pension insurance, unemployment insurance, maternity insurance, workplace injury insurance and basic medical insurance for the employees. We have caused all of our full-time employees to enter into written labor contracts with us and have provided and currently provide our employees with the proper welfare and employment benefits.

Regulations on Overseas Listing by Domestic Companies—mainland China

According to the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures and relevant five guidelines, PRC companies that seek to offer and list securities in overseas markets, either directly or indirectly, have to file with the CSRC. Pursuant to a press conference held by CSRC for the release of the Overseas Listing Trial Measures and the issuance of the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, PRC companies who had already completed the overseas securities offering and listing before March 31, 2023, are not required to file with CSRC immediately but shall file with CSRC in due course in case of any activities such as follow-on financing in the future that shall be filed with CSRC according to the Overseas Listing Trial Measures.

Given the uncertainty of the interpretation and implementation of the Overseas Listing Trial Measures and our global operations, substantial uncertainties remain, and we could not rule out the possibility that we may be required to file the relevant documents with the CSRC in connection with our proposed offerings and listings outside mainland China in the future.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies, a PRC domestic company must obtain approvals and make filings with the authorities when providing or publicly disclosing, by itself or through the overseas listing entity, any document or material that involves state secret or state organs work secret. In addition, pursuant to this circular, any investigation, collection of evidence or inspection targeting China-based issuers, securities companies and security service institutions proposed by overseas securities regulatory authorities and the competent departments must be carried out through cross-border regulatory cooperation mechanism and obtain approval from the CSRC or the competent departments.

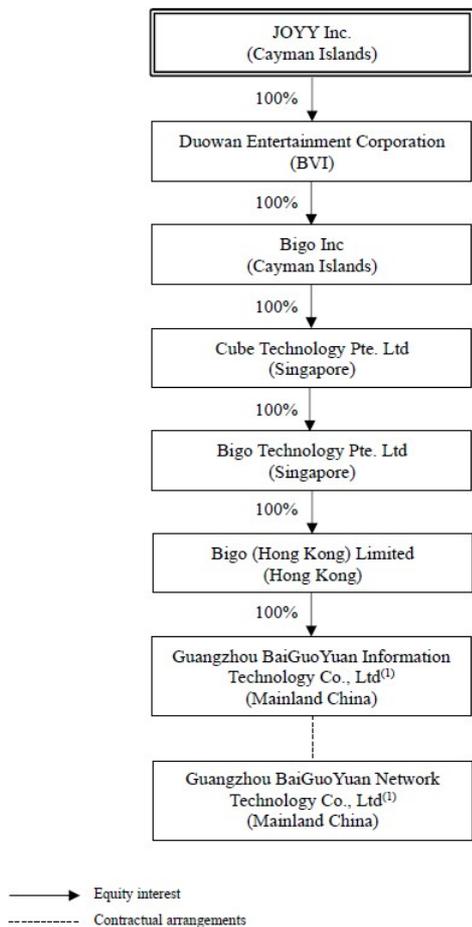
In addition, the Measures for Cybersecurity Review, among others, (i) a “network platform operator” holding over one million users’ personal information shall apply for a cybersecurity review when listing their securities “in a foreign country” (ii) a critical information infrastructure operator that intends to purchase internet products and services that affect or may affect national security should apply for a cybersecurity review, and (iii) a “network platform operator” carrying out data processing activities that affect or may affect national security should apply for a cybersecurity review.

Meanwhile, according to the 2024 Negative List, where a domestic enterprise engaging in the prohibited business in the 2024 Negative List issues and lists shares overseas for trading, it shall obtain the approval of the relevant competent department of the state, and the overseas investor shall not participate in the operation and management of the domestic enterprise, and its shareholding ratio shall be subject to the relevant provisions on the administration of domestic securities investment by overseas investors.

C. Organizational Structure

Corporate Structure

The following diagram illustrates our corporate structure as of the date of this annual report, including our significant subsidiaries and the primary operating variable interest entities and their significant subsidiaries:



Note:

(1) Guangzhou BaiGuoYuan is a variable interest entity with which we maintain contractual arrangements. Guangzhou BaiGuoYuan is wholly owned by Guangzhou Qianxun Network Technology Co., Ltd., which is in turn owned by Guangzhou Fangu Network Technology Partnership (LP) and Guangzhou Wanyin Network Technology Partnership (LP), each holding 50% of equity interest in Guangzhou Qianxun Network Technology Co., Ltd. We also enter into contractual arrangements with the nominee shareholders of the variable interest entities and other stakeholders in order to enhance the stability and proper governance of the variable interest entities. For details, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—VIE Structure and the Contractual Arrangements.”

D. Property, Equipment and Land Use Right

Our corporate headquarters is located in 30 Pasir Panjang Road #15-31A Mapletree Business City, Singapore 117440. We have leased office space across the globe with an aggregate area of 49,811 square meters.

The corporate headquarters of BIGO are located at the same premises in Singapore. BIGO also has local offices in the United States, the United Kingdom, Japan, South Korea, Australia, Malaysia, Indonesia, Jordan, mainland China, and many other regions. As of the date of this annual report, BIGO has leased office space with an aggregate area of 31,990 square meters. BIGO's physical servers are primarily hosted at internet data centers located in Singapore, among others.

We own the use right of several parcel of lands, and several buildings located in mainland China. We own a property located in Panyu District, Guangzhou, China, which comprises 37,548 square meters. In the second half of 2015, we acquired the use right of a parcel of land in Pazhou, Guangzhou, and started constructing the building with an aggregate floor area of approximately 142,000 square meters, which was completed in 2023. We acquired a building in Zhuhai in October 2017 as one of our branch offices, which comprises 27,206 square meters. We also acquired the use right of a parcel of land located in Foshan in April 2021. Our capital commitment in connection with the construction of buildings located on the parcels of lands to which we acquired use right was US\$141.2 million as of December 31, 2024. We currently expect to complete the planned construction in Foshan in 2026.

We believe that our existing facilities, including facilities under construction, are sufficient for our current and prospective needs in the foreseeable future and we will obtain adequate facilities, principally through leasing, to accommodate our future expansion plans.

See Notes 13 and 14 to our audited consolidated financial statements included elsewhere in this annual report for further information about our property and equipment and land use right.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Item 3. Key Information—D. Risk Factors" and elsewhere in this annual report.

A. Operating Results

Overview

We are a global technology company with a mission to enrich lives through technology. We operate leading online social entertainment platforms that offer live streaming, short videos, instant messaging, casual games and beyond. We also operate a global advertising platform, which connects advertisers and publishers with high-quality traffic from our social apps and premium international developers, and a global smart commerce platform that enables merchants to easily build their brands online and sell their products to customers around the world.

Today, we operate in a number of markets across the globe, including North America, Europe, the Middle East, Southeast Asia, and others. The global average mobile monthly active users on our social entertainment platforms reached 263.1 million in the fourth quarter of 2024, including 33.4 million of average monthly active users of Bigo Live, 30.6 million of average monthly active users of Likee, 3.6 million of average monthly active users of Hago and 195.4 million of average monthly active users of imo.

Our total net revenues amounted to US\$2.4 billion in 2022, US\$2.3 billion in 2023 and US\$2.2 billion in 2024. Our net cash provided by operating activities was US\$316.5 million in 2022, US\$295.6 million in 2023 and US\$308.7 million in 2024.

Our business model optimizes the seamless integration of traffic generation, user engagement and monetization. While the basic functions of our platforms are currently free in order to attract traffic, we monetize our user base primarily through virtual tips for live streaming. We derived our revenues primarily from live streaming services, accounting for 92.3%, 87.3% and 79.9% of our total net revenues in 2022, 2023 and 2024, respectively. We have been exploring additional monetization opportunities and diversifying our revenue streams beyond livestreaming. Our non-live streaming revenues, primarily from advertising and smart commerce and, to a lesser extent, our online game business and other services, have demonstrated strong growth momentum in 2024. These other revenues collectively accounted for 7.7%, 12.7% and 20.1% of our total net revenues in 2022, 2023 and 2024, respectively.

Major Factors Affecting our Results of Operations

Our business and results of operations are affected by general factors that, among others, influence the social entertainment, advertising and smart commerce industry in our target markets. Such general factors include:

- overall macroeconomic growth and users paying sentiment;
- growth of mobile internet usage and penetration rate;
- changes in user preferences;
- growth and competitive landscape of the social networking, entertainment, advertising and smart commerce industry;
- governmental regulations, policies, actions or restrictions globally and in markets where we operate; and
- fluctuations in the exchange rates of foreign currency in which the revenue we earn is denominated.

While our business and results of operations are influenced by the general factors summarized above, we believe that our results of operations are more directly affected by company-specific factors, which are mostly relevant to our live streaming business as we derived 92.3%, 87.3% and 79.9% of our total net revenues in 2022, 2023 and 2024, respectively, from our live streaming business. The specific factors that more directly affect our business and results of operations include:

- our ability to increase our popularity by offering new and attractive contents, products and services that allow us to monetize our platforms;
- our ability to attract and retain a large and engaged user base;
- our ability to attract and retain certain popular performers, agencies, channel owners and other business partners;
- changes of our business strategy, such as launching new services or products, expanding into new markets, or discontinuing services in certain markets or products; and
- our cost and expense structure, and other resources directed to our operations.

Discussion of Selected Statements of Operations Items

Revenues

Our live streaming revenues are primarily comprised of revenues from our social entertainment platforms, primarily including Bigo Live, Likee, Hago, imo and others. Other revenues primarily include revenues from advertising, e-commerce and online games.

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The following table sets forth the principal components of our total net revenues by amount and as a percentage of our total net revenues for the periods presented.

	For the Year Ended December 31,					
	2022		2023		2024	
	US\$	% of total net revenues	US\$	% of total net revenues	US\$	% of total net revenues
	(in thousands, except for percentages)					
Live streaming	2,225,518	92.3	1,979,371	87.3	1,788,021	79.9
Others	185,998	7.7	288,499	12.7	449,767	20.1
Total net revenues ⁽¹⁾	2,411,516	100.0	2,267,870	100.0	2,237,788	100.0

Note:

(1) Revenues are presented net of rebates and discounts.

The following table sets forth the geographic locations from which we generated our net revenues by amount and as a percentage of our total net revenues for the periods presented.

	For the Year Ended December 31,					
	2022		2023		2024	
	US\$	% of total net revenues	US\$	% of total net revenues	US\$	% of total net revenues
	(in thousands, except for percentages)					
Developed countries and regions ⁽¹⁾	866,107	35.8	968,225	42.7	1,206,679	53.9
Middle East ⁽²⁾	514,992	21.4	441,277	19.5	317,848	14.2
Mainland China	473,941	19.7	347,825	15.3	233,578	10.4
Southeast Asia and others ⁽³⁾	556,476	23.1	510,543	22.5	479,683	21.5
Total net revenues	2,411,516	100.0	2,267,870	100.0	2,237,788	100.0

Notes:

(1) Developed countries and regions mainly include the United States, Singapore, Japan, South Korea and the United Kingdom.

(2) Middle East mainly include Saudi Arabia and other countries located in the region.

(3) Southeast Asia and others mainly include countries located in Southeast Asia and India.

Live streaming revenues. We generate live streaming revenues from the sales of virtual items that can be gifted to streamers on our live streaming platforms. Users access content on our platforms free of charge, but are charged for purchases of virtual items.

The most significant factors that directly affect our live streaming revenues include the number of our paying users and average revenue per paying user, or ARPU. Our management regularly monitor these operating metrics, which are important and direct performance indicators, in managing our live streaming business and in making relevant operational and production decisions.

- *The number of paying users.* In 2024, we had 3.9 million paying users for our live streaming services on Bigo Live, Likee and imo. We calculate the number of paying users during a given period as the cumulative number of registered user accounts that have purchased virtual items or other products and services on the above-mentioned platforms at least once during the relevant period.
- *ARPU.* ARPU is calculated by dividing our total revenues from live streaming on Bigo Live, Likee and imo during a given period by the number of paying users for our live streaming services on the above-mentioned platforms for that period. As we begin to generate revenues from an increasing variety of live streaming services, our ARPU may fluctuate from period to period due to the mix of live streaming services purchased by our paying users. In 2024, our ARPU for live streaming was US\$391.

We create and offer to users virtual items that can be used on various channels. Users can purchase consumable virtual items from us to show support for their favorite performers or time-based virtual items that provide users with recognized status, such as priority speaking rights or special symbols on the music and entertainment channels.

Other revenues. We generate other revenues mainly from advertising services and e-commerce, and to a lesser extent, our online game business.

- *Advertising revenues.* Advertising revenues were generated from sales of various forms of advertising and provision of promotion campaigns on our platforms and our network partners' properties.
- *E-commerce business revenues.* We operate several e-commerce platforms providing service solutions for merchants, including a global smart commerce platform that enables merchants to easily build their brands online and sell their products to users around the world.
- *Online games revenues.* We generate online games revenues from the sales of in-game virtual items used for games developed by us or by third parties under revenue-sharing arrangements on our platforms. Users play online games free of charge, but are charged for purchases of virtual items. The online games we currently offer are primarily web games that can be run from an internet browser and require an internet connection to play.

Cost of Revenues

Cost of revenues consists primarily of (i) revenue sharing fees and content costs including payments to various channel owners and performers and content providers and traffic costs to advertising network partners, (ii) bandwidth costs, (iii) payment handling costs, (iv) salary and welfare, (v) technical service fee, (vi) depreciation and amortization expense for servers, other equipment and intangibles directly related to operating the platform, (vii) share-based compensation, (viii) other taxes and surcharges, and (ix) other costs.

Operating Expenses

Our operating expenses consist of (i) research and development expenses, (ii) sales and marketing expenses, (iii) general and administrative expenses, and (iv) goodwill impairment.

Research and Development Expenses

Research and development expenses consist primarily of (i) salary and welfare for research and development personnel, (ii) share-based compensation for research and development personnel, (iii) depreciation of office premises and servers utilized by research and development personnel, and (iv) rental expenses. Costs incurred during the research stage are expensed as incurred.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of (i) advertising and promotion expenses, (ii) amortization of intangible assets from business acquisition, and (iii) salary and welfare for sales and marketing personnel.

General and Administrative Expenses

General and administrative expenses consist primarily of (i) salary and welfare for general and administrative personnel, (ii) share-based compensation for management and administrative personnel, (iii) impairment charge, (iv) professional service fees, and (v) office facilities and other overhead expenses.

Share-based Compensation Expenses

We grant stock-based awards, such as share options, restricted shares, restricted share units to eligible employees, officers, directors, and non-employee consultants. Awards granted to employees, officers, and directors are initially accounted for as equity-classified awards, which are measured at the grant date fair value of the award and are recognized using the graded vesting method, net of estimated forfeitures, over the requisite service period, which is generally the vesting period. Awards granted to non-employees are initially measured at fair value on the grant date and periodically re-measured thereafter until the earlier of the performance commitment date or the date the service is completed and recognized over the period in which the service is provided.

Our operating expenses include share-based compensation expenses as follows:

	For the Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
		(in thousands)	
Research and development expenses	261,807	295,503	278,740
Sales and marketing expenses	400,435	369,577	333,334
General and administrative expenses	141,826	122,661	152,517
Goodwill impairment	14,830	—	454,935
Total	818,898	787,741	1,219,526

Other Operating Income

Gain (loss) on disposal of business

We disposed certain businesses in 2023 and 2024, which resulted in recognition of related loss of US\$6.2 million and gain of US\$1.6 million, respectively.

Other income

Other income primarily consists of government grants and tax refunds in connection with our contributions to technology development and investments in local business districts. These grants may not be recurring in nature.

Taxation

Cayman Islands

According to our Cayman Islands counsel, Maples and Calder (Hong Kong) LLP, we are incorporated as an exempted company in the Cayman Islands. The Cayman Islands currently have no income, corporation or capital gains taxes. The Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Islands

Duowan Entertainment Corporation is our wholly owned subsidiary.

As Duowan Entertainment Corporation is a British Virgin Islands business company subject to the provisions of the British Virgin Islands Business Companies Act (As Revised), it is exempt from all provisions of the Income Tax Act of the British Virgin Islands (including with respect to all dividends, interests, rents, royalties, compensation and other amounts payable by Duowan Entertainment Corporation to persons who are not persons resident in the British Virgin Islands).

Capital gains realized with respect to any shares, debt obligations or other securities of Duowan Entertainment Corporation by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Act of the British Virgin Islands.

Hong Kong

Our subsidiary registered in Hong Kong is subject to Hong Kong profits tax on the taxable income as reported in its respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong.

Singapore

According to the Development and Expansion Incentive, pursuant to the provisions of Part IIIB of the Economic Expansion Incentives (Relief from Income Tax) Act, Chapter 86, corporations engaging in new high-value-added projects, expanding or upgrading their operations, or undertaking incremental activities after their pioneer period may apply for their profits to be taxed at a reduced rate of not less than 5% for an initial period of up to ten years. The total tax relief period for each qualifying project or activity is subject to a maximum of 40 years (inclusive of the post-pioneer relief period previously granted, if applicable).

Bigo Singapore applied for the incentive and received approval in October 2018. Bigo Singapore was entitled to enjoy the beneficial tax rate of 5% as the incentive for the years 2018 through 2022. Bigo Singapore renewed its qualification in 2022 and is entitled to continue to enjoy such beneficial tax treatment from 2023 to 2027, and will need to re-apply for the incentive qualification renewal in 2028. Other subsidiaries incorporated in Singapore were subject to 17% of their taxable income.

Mainland China

Current taxation primarily represented the provision for a state and local corporate income tax for subsidiaries and variable interest entities operating in mainland China. Our PRC subsidiaries and the VIEs are subject to the PRC Enterprise Income Tax Law on their taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant tax laws and regulations in mainland China. All our entities in mainland China are subject to enterprise income tax at a rate of 25%, with the exception of any preferential treatments they may receive, such as the 15% preferential tax rate that BaiGuoYuan Technology can enjoy for the periods reported as a result of its qualification as a High and New Technology Enterprise, valid until November 27, 2027.

According to a policy promulgated by mainland China's state tax bureau and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim a certain percentage of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that year. The additional tax deducting amount of the qualified research and development expenses is 100% since January 1, 2023. Certain subsidiaries and the VIEs have claimed such tax deduction for the periods reported.

In addition, according to the PRC Enterprise Income Tax Law and its implementation rules, foreign enterprises, which have no establishment or place in mainland China but derive dividends, interest, rents, royalties and other income (including capital gains) from sources in mainland China, are subject to PRC withholding tax at 10% (a further reduced withholding tax rate may be available according to the applicable double tax treaty or arrangement). The 10% withholding tax is applicable to any dividends to be distributed from our subsidiaries in mainland China and the variable interest entities to us and our subsidiaries outside mainland China. In 2022, Guangzhou Huanju Shidai Information Technology Co., Ltd., or Guangzhou Huanju Shidai, declared and distributed a cash dividend of part of its stand-alone 2020 earnings, totaling to US\$110.0 million, to its direct oversea parent company, Duowan Entertainment Corporation. As a result, Guangzhou Huanju Shidai paid a withholding tax in the amount of US\$11.0 million in 2022. We do not have any present plan to pay out the retained earnings in subsidiaries in mainland China and the variable interest entities in the foreseeable future. Accordingly, no further withholding tax has been accrued.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the years indicated. Our current businesses have a limited operating history which makes it difficult to predict future operating results. We believe that period-to-period comparisons of results of operations should not be relied upon as indicative of future performance. Unless otherwise specifically stated, financial results discussed herein refer to our continuing operations.

	For the Year Ended December 31,					
	2022		2023		2024	
	US\$	% of total net revenues	US\$	% of total net revenues	US\$	% of total net revenues
	(in thousands, except for percentages)					
Total net revenues ⁽¹⁾	2,411,516	100.0	2,267,870	100.0	2,237,788	100.0
Live streaming	2,225,518	92.3	1,979,371	87.3	1,788,021	79.9
Others	185,998	7.7	288,499	12.7	449,767	20.1
Cost of revenues	(1,559,388)	(64.7)	(1,454,842)	(64.2)	(1,431,585)	(64.0)
Gross profit	852,128	35.3	813,028	35.8	806,203	36.0
Research and development expenses	(261,807)	(10.9)	(295,503)	(13.0)	(278,740)	(12.5)
Sales and marketing expenses	(400,435)	(16.6)	(369,577)	(16.3)	(333,334)	(14.9)
General and administrative expenses	(141,826)	(5.9)	(122,661)	(5.4)	(152,517)	(6.8)
Goodwill impairment	(14,830)	(0.6)	—	—	(454,935)	(20.3)
Total operating expenses	(818,898)	(34.0)	(787,741)	(34.7)	(1,219,526)	(54.5)
(Loss) gain on disposal of business	—	—	(6,177)	(0.3)	1,643	0.1
Other income	17,505	0.7	9,705	0.4	6,055	0.3
Operating income (loss)	50,735	2.1	28,815	1.3	(405,625)	(18.1)
Gain on deemed disposal and disposal of investments	4,113	0.2	74,851	3.3	—	—
Gain on extinguishment of debt and derivative	63,378	2.6	—	—	—	—
Gain on fair value changes of investments	424,304	17.6	12,425	0.5	6,636	0.3
Foreign currency exchange gains (losses), net	11,666	0.5	(2,906)	(0.1)	764	0.0
Interest expense	(12,770)	(0.5)	(10,420)	(0.5)	(4,847)	(0.2)
Interest income and investment income	93,148	3.9	185,212	8.2	175,556	7.8
Income (loss) before income tax expenses	634,574	26.3	287,977	12.7	(227,516)	(10.2)
Income tax expenses	(34,575)	(1.4)	(18,856)	(0.8)	(13,485)	(0.6)
Income (loss) before share of (loss) income in equity method investments, net of income taxes	599,999	24.9	269,121	11.9	(241,001)	(10.8)
Share of (loss) income in equity method investments, net of income taxes	(498,431)	(20.7)	3,297	0.1	(1,637)	(0.1)
Net income (loss)	101,568	4.2	272,418	12.0	(242,638)	(10.8)
Net loss attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	27,323	1.1	29,398	1.3	96,402	4.3
Net income (loss) attributable to controlling interest of the Company	128,891	5.3	301,816	13.3	(146,236)	(6.5)
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	(5,426)	(0.2)	(5,048)	(0.2)	(1,388)	(0.1)
Cumulative dividend on subsidiary's Series A Preferred Shares	(4,000)	(0.2)	(2,000)	(0.1)	—	—
Gain on repurchase of redeemable convertible preferred shares of a subsidiary	—	—	52,583	2.3	—	—
Net income (loss) attributable to common shareholders of the Company	119,465	5.0	347,351	15.3	(147,624)	(6.6)

Note:

(1) Net of rebates and discounts.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Net revenues. Our net revenues decreased from US\$2,267.9 million in 2023 to US\$2,237.8 million in 2024, primarily due to a decline in live streaming revenues.

Live streaming revenues. Our live streaming revenues decreased from US\$1,979.4 million in 2023 to US\$1,788.0 million in 2024. The overall decrease was primarily attributable to our proactive adjustments to our non-core audio live streaming products and the decrease in the ARPU for live streaming, as global macroeconomic uncertainties and the appreciation of U.S. dollars against certain other local currencies negatively affected users' paying activities. In particular, ARPU for live streaming decreased from US\$403 in 2023 to US\$391 in 2024.

Other revenues. Other revenues increased by 55.9% from US\$288.5 million in 2023 to US\$449.8 million in 2024. The increase was mainly due to an increase in other revenues for the BIGO segment of US\$183.9 million attributable to the growth in our advertising revenues.

Cost of revenues. Our cost of revenues decreased from US\$1,454.8 million in 2023 to US\$1,431.6 million in 2024. The decrease was primarily driven by a decrease in cost of revenues for the All other segment by 40.5% to US\$158.1 million, consistent with the decline in segment revenue, partially offset by the increase in traffic costs related to the growing advertising revenues for the BIGO segment.

Operating expenses. Our operating expenses increased from US\$787.7 million in 2023 to US\$1,219.5 million in 2024. The increase was primarily driven by goodwill impairment of US\$454.9 million, partially offset by the decreases in sales and marketing expenses and research and development expenses.

Research and development expenses. Our research and development expenses decreased from US\$295.5 million in 2023 to US\$278.7 million in 2024. The decrease was primarily driven by the decrease in salary and welfare of US\$6.0 million and the decrease in share-based compensation expenses of US\$7.0 million.

Sales and marketing expenses. Our sales and marketing expenses decreased from US\$369.6 million in 2023 to US\$333.3 million in 2024. The decrease was primarily driven by the decrease in advertising and promotion expenses of US\$30.1 million, as we optimized overall sales and marketing strategies across various social products to be more focused on return-on-investment and user acquisition effectiveness.

General and administrative expenses. Our general and administrative expenses increased from US\$122.7 million in 2023 to US\$152.5 million in 2024. The increase was primarily driven by an increase in expected credit loss of receivables of US\$9.5 million, the impairment loss arising from certain equity investments of US\$9.4 million, and the increase in salary and welfare for general and administrative personnel of US\$8.7 million.

Foreign currency exchange (losses) gains. We had net foreign currency exchange losses of US\$2.9 million in 2023 and net foreign currency exchange gains of US\$0.8 million in 2024, primarily due to a slight depreciation of the U.S. dollar.

Interest income and investment income. Our interest income and investment income were US\$185.2 million in 2023 and US\$175.6 million in 2024, primarily due to the decrease in interest income driven by lower market interest rates.

Income tax expenses. We recorded income tax expenses of US\$18.9 million in 2023 and US\$13.5 million in 2024. The decrease was primarily due to the lower income before income tax expenses recorded by some of our subsidiaries and the VIEs.

Net (loss) income. As a result of the foregoing, we recorded net loss attributable to common shareholders of our company of US\$147.6 million in 2024, as compared to net income attributable to common shareholders of our company of US\$347.4 million in 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Net revenues. Our net revenues decreased from US\$2,411.5 million in 2022 to US\$2,267.9 million in 2023. This decrease was primarily driven by decrease in live streaming revenues.

Live streaming revenues. Our live streaming revenues decreased from US\$2,225.5 million in 2022 to US\$1,979.4 million in 2023. The overall decrease was primarily attributable to our proactive adjustments to our non-core audio live streaming products and the decrease in the ARPU for live streaming, as global macroeconomic uncertainties and the appreciation of U.S. dollars against certain other local currencies negatively affected users' paying activities. The decrease in ARPU for live streaming from US\$452 in 2022 to US\$403 in 2023 contributed to the decrease in our live streaming revenues, to certain extent, partially offset by the increase in the total number of paying users from 3.6 million in 2022 to 3.9 million in 2023.

Other revenues. Other revenues increased by 55.1% from US\$186.0 million in 2022 to US\$288.5 million in 2023. The increase was due to an increase in other revenues for the BIGO segment of US\$12.9 million attributable to the growth in our advertising revenues and an increase in other revenues for the All other segment of US\$90.7 million attributable to the consolidation of Shopline for the full year of 2023.

Cost of revenues. Our cost of revenues decreased from US\$1,559.4 million in 2022 to US\$1,454.8 million in 2023. The decrease was mainly due to a decrease in our revenue sharing fees and content costs, which decreased from US\$1,020.2 million in 2022 to US\$945.1 million in 2023. This decrease in revenue sharing fees and content costs was in line with the decrease in live streaming revenues.

Operating expenses. Our operating expenses decreased from US\$818.9 million in 2022 to US\$787.7 million in 2023, primarily due to the decreases in sales and marketing expenses and general and administrative expenses, partially offset by an increase in research and development expenses.

Research and development expenses. Our research and development expenses increased from US\$261.8 million in 2022 to US\$295.5 million in 2023. The increase was driven by the increase in salary and welfare for research and development personnel of US\$34.3 million in 2023.

Sales and marketing expenses. Our sales and marketing expenses decreased from US\$400.4 million in 2022 to US\$369.6 million in 2023. The decrease was driven by the decrease in advertising and promotion expenses of US\$51.0 million attributable to our optimization of overall sales and marketing strategies across various product lines to be more focused on return-on-investment and effectiveness of user acquisition, partially offset by the increase in amortization of intangible assets from business acquisitions of US\$9.2 million and the increase in salary and welfare for sales and marketing personnel of US\$7.8 million.

General and administrative expenses. Our general and administrative expenses decreased from US\$141.8 million in 2022 to US\$122.7 million in 2023. The decrease was driven by the decrease in expected credit loss of receivables of US\$12.9 million and the decrease in office facilities and other overhead expenses of US\$7.3 million.

Foreign currency exchange gains (losses). We had net foreign currency exchange gains of US\$11.7 million in 2022 and net foreign currency exchange losses of US\$2.9 million in 2023, primarily due to a slight depreciation of U.S. dollar.

Interest income and investment income. Our interest income and investment income were US\$93.1 million in 2022 and US\$185.2 million in 2023, primarily due to the increase in interest income driven by higher market interest rates.

Income tax expenses. We recorded income tax expenses of US\$34.6 million in 2022 and US\$18.9 million in 2023. The decrease was primarily due to the lower income before income tax expenses recorded by some of our subsidiaries and the VIEs.

Share of income (loss) in equity method investments. We recorded share of loss in equity method investments of US\$498.4 million in 2022 and share of income of US\$3.3 million in 2023, primarily due to an impairment loss of US\$417.2 million from an equity method investment recognized in 2022.

Net income. As a result of the foregoing, our net income attributable to common shareholders of our company increased from US\$119.5 million in 2022 to US\$347.4 million in 2023.

Segment Reporting

For the years ended December 31, 2022, 2023 and 2024, there are two operating and reportable segments, which are the BIGO segment and the All other segment.

Segment Revenues

Revenues from the BIGO segment primarily consist of the revenues generated from several social entertainment platforms, including Bigo Live, Likee, imo and certain audio live streaming platform, as well as our advertising platform, Bigo Ads. Revenues from the All other segment consist of revenues generated from Hago, Shopline, certain audio live streaming platforms, and others. The table below sets forth our revenues by segment for the periods indicated:

	For the Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Net Revenues:		(in thousands)	
BIGO	1,997,021	1,924,320	1,988,340
All other	414,740	344,889	251,027
Elimination	(245)	(1,339)	(1,579)

BIGO

2024 compared to 2023. BIGO revenues increased from US\$1,924.3 million in 2023 to US\$1,988.3 million in 2024, primarily attributable to the growth in our advertising revenues.

2023 compared to 2022. BIGO revenues decreased from US\$1,997.0 million in 2022 to US\$1,924.3 million in 2023, primarily due to the decrease in the ARPU for live streaming, as global macroeconomic uncertainties and the appreciation of U.S. dollars against certain other local currencies negatively affected users' paying activities.

All other

2024 compared to 2023. Revenues of All other segment decreased from US\$344.9 million in 2023 to US\$251.0 million in 2024, primarily due to our proactive adjustments to certain non-core products.

2023 compared to 2022. Revenues of All other segment decreased from US\$414.7 million in 2022 to US\$344.9 million in 2023, primarily due to our proactive adjustments to certain non-core products, partially offset by the increased revenue contribution from the consolidation of Shopline.

Segment Operating Costs and Expenses

The following table sets forth our operating costs and expenses by segment for the periods indicated:

	For the Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Operating Costs and Expenses:		(in thousands)	
BIGO	1,789,897	1,701,435	1,751,318
All other	588,634	542,487	901,372
Elimination	(245)	(1,339)	(1,579)

BIGO

Operating costs and expenses of BIGO mainly consist of revenue sharing, salaries and benefits, marketing and promotion expenses, bandwidth costs, depreciation and amortization, payment handling costs and other costs.

Cost of revenues.

2024 compared to 2023. The cost of revenues of BIGO increased from US\$1,189.5 million in 2023 to US\$1,273.8 million in 2024, primarily due to the increase in traffic costs which was in line with the growth of advertising revenues.

2023 compared to 2022. The cost of revenues of BIGO decreased from US\$1,249.4 million in 2022 to US\$1,189.5 million in 2023, which was in line with the decrease in revenues.

Research and development expenses.

2024 compared to 2023. The research and development expenses of BIGO increased from US\$163.6 million in 2023 to US\$172.3 million in 2024, driven by the increase in salary and welfare for research and development personnel of US\$11.6 million, partially offset by the decrease in share-based compensation expenses of research and development personnel of US\$2.6 million.

2023 compared to 2022. The research and development expenses of BIGO decreased from US\$168.1 million in 2022 to US\$163.6 million in 2023, driven by the decrease in share-based compensation expenses of research and development personnel of US\$5.0 million.

Sales and marketing expenses.

2024 compared to 2023. The sales and marketing expenses of BIGO decreased from US\$295.4 million in 2023 to US\$247.7 million in 2024, driven by the decrease in advertising and promotion expenses of US\$41.6 million.

2023 compared to 2022. The sales and marketing expenses of BIGO decreased from US\$311.5 million in 2022 to US\$295.4 million in 2023, driven by the decrease in advertising and promotion expenses of US\$16.4 million attributable to our optimization of overall sales and marketing strategies across various product lines to focus more on return-on-investment and effectiveness of user acquisition.

General and administrative expenses.

2024 compared to 2023. The general and administrative expenses of BIGO increased from US\$52.9 million in 2023 to US\$57.5 million in 2024, driven by the increase in salary and welfare for general and administrative personnel of US\$2.6 million and the increase in expected credit loss of receivables of US\$2.6 million.

2023 compared to 2022. The general and administrative expenses of BIGO decreased from US\$60.8 million in 2022 to US\$52.9 million in 2023, driven by the decrease in expected credit loss of receivables of US\$10.3 million.

All other

Operating costs and expenses of All other segment mainly consist of revenue sharing fees and content costs, salaries and benefits, marketing and promotion expenses, bandwidth costs, depreciation and amortization, impairment charge and other costs.

Cost of revenues

2024 compared to 2023. The cost of revenues of All other segment decreased from US\$265.7 million in 2023 to US\$158.1 million in 2024, which was consistent with the decline in segment revenue.

2023 compared to 2022. The cost of revenues of All other segment decreased from US\$310.3 million in 2022 to US\$265.7 million in 2023, which was in line with the decrease in revenues.

Research and development expense

2024 compared to 2023. The research and development expenses of All other segment decreased from US\$132.6 million in 2023 to US\$107.4 million in 2024, driven by decreases in salary and welfare for general and administrative personnel of US\$17.6 million and decreases in share-based compensation expenses of US\$4.4 million.

2023 compared to 2022. The research and development expenses of All other segment increased from US\$93.7 million in 2022 to US\$132.6 million in 2023, driven by the increase in salary and welfare for research and development personnel of US\$34.0 million.

Sales and marketing expenses

2024 compared to 2023. The sales and marketing expenses of All other segment increased from US\$74.3 million in 2023 to US\$85.7 million in 2024, driven by the increase in advertising and promotion expenses of US\$11.5 million primarily attributable to Shoptline and other non-livestreaming products.

2023 compared to 2022. The sales and marketing expenses of All other segment decreased from US\$88.9 million in 2022 to US\$74.3 million in 2023, driven by the decrease in advertising and promotion expenses of US\$34.6 million attributable to reduced spending on some of our non-core audio live streaming products, partially offset by the increase in amortization of intangible assets from business acquisitions of US\$9.2 million and the increase in salary and welfare for sales and marketing personnel of US\$8.1 million.

General and administrative expenses

2024 compared to 2023. The general and administrative expenses of All other segment increased from US\$69.9 million in 2023 to US\$95.2 million in 2024, driven by the increase in impairment loss arising from certain equity investments of US\$9.4 million, the increase in expected credit loss of receivables of US\$6.9 million and the increase in salary and welfare of US\$6.1 million.

2023 compared to 2022. The general and administrative expenses of All other segment decreased from US\$81.0 million in 2022 to US\$69.9 million in 2023, driven by the decrease in office facilities and other overhead expenses of US\$5.9 million, the decrease in expected credit loss of receivables of US\$2.6 million and the decrease in impairment of intangible assets of US\$1.4 million.

Goodwill impairment

2024 compared to 2023. We recorded goodwill impairment loss of US\$454.9 million in 2024 and nil in 2023, primarily attributable to goodwill associated with the Company's prior acquisitions, mainly driven by lower valuations due to changes in market conditions in 2024.

Recently Issued Accounting Pronouncements

The recently issued accounting pronouncements that are relevant to us are included in Note 2(11) to our audited consolidated financial statements, which are included elsewhere in this annual report.

Financial Information Related to the Variable Interest Entities

The following table presents the condensed consolidating schedule of financial information of JOYY Inc., the variable interest entities, the primary beneficiaries of the variable interest entities, and other equity subsidiaries for the periods and as of the dates presented.

Selected Condensed Consolidating Statements of Operations and Comprehensive Income (Loss) Data

	For the Year Ended December 31, 2024					
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated
	(US\$ in thousands)					
Inter-company revenues ⁽¹⁾	—	4,748	166,665	56,762	(228,175)	—
Third-party revenues	—	2,016,764	231	220,793	—	2,237,788
Total revenue	—	2,021,512	166,896	277,555	(228,175)	2,237,788
Total cost and operating expenses	(1,721)	(2,423,103)	(160,623)	(289,962)	224,298	(2,651,111)
Share of (loss) income of subsidiaries/VIEs ⁽²⁾	(149,652)	23,451	11,268	—	114,933	—
Others, net	5,137	161,106	5,987	14,318	(741)	185,807
(Loss) income before income tax	(146,236)	(217,034)	23,528	1,911	110,315	(227,516)
Income tax (expense) benefits	—	(23,475)	(77)	10,067	—	(13,485)
Share of loss in equity method investments, net of income taxes	—	(897)	—	(740)	—	(1,637)
Net (loss) income	(146,236)	(241,406)	23,451	11,238	110,315	(242,638)
Net loss attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	—	96,371	—	31	—	96,402
Net (loss) income attributable to controlling interest of JOYY Inc.	(146,236)	(145,035)	23,451	11,269	110,315	(146,236)

	For the Year Ended December 31, 2023					
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated
	(US\$ in thousands)					
Inter-company revenues ⁽¹⁾	—	11,049	206,984	54,280	(272,313)	—
Third-party revenues	—	1,966,201	264	301,405	—	2,267,870
Total revenue	—	1,977,250	207,248	355,685	(272,313)	2,267,870
Total cost and operating expenses	(2,423)	(1,987,387)	(177,582)	(354,306)	279,115	(2,242,583)
Share of income of subsidiaries/VIEs ⁽²⁾	231,834	109,238	22,974	—	(364,046)	—
Others, net	74,208	142,958	56,231	12,044	(22,751)	262,690
Income before income tax	303,619	242,059	108,871	13,423	(379,995)	287,977
Income tax (expense) benefits	—	(23,556)	367	4,333	—	(18,856)
Share of (loss) income in equity method investments, net of income taxes	(1,803)	(112)	—	5,212	—	3,297
Net income	301,816	218,391	109,238	22,968	(379,995)	272,418
Net loss attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	—	29,392	—	6	—	29,398
Net income attributable to controlling interest of JOYY Inc.	301,816	247,783	109,238	22,974	(379,995)	301,816

For the Year Ended December 31, 2022						
JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated	
(US\$ in thousands)						
Inter-company revenues ⁽¹⁾	—	20,524	221,628	54,587	(296,739)	—
Third-party revenues	—	1,930,532	2,328	478,656	—	2,411,516
Total revenue	—	1,951,056	223,956	533,243	(296,739)	2,411,516
Total cost and operating expenses	(3,212)	(1,908,859)	(221,141)	(547,931)	302,857	(2,378,286)
Share of income of subsidiaries/VIEs ⁽²⁾	586,900	62,332	37,360	—	(686,592)	—
Others, net	(12,963)	562,107	22,149	45,801	(15,750)	601,344
Income before income tax	570,725	666,636	62,324	31,113	(696,224)	634,574
Income tax (expense) benefits	—	(27,178)	8	(7,405)	—	(34,575)
Share of (loss) income in equity method investments, net of income taxes	(441,834)	(70,255)	—	13,658	—	(498,431)
Net income	128,891	569,203	62,332	37,366	(696,224)	101,568
Net loss (income) attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	—	27,329	—	(6)	—	27,323
Net income attributable to controlling interest of JOYY Inc.	128,891	596,532	62,332	37,360	(696,224)	128,891

Notes:

- (1) Represents the elimination of the intercompany transaction and service charge at the consolidation level. The VIEs recognized inter-company cost of revenues and operating expenses in the amounts of US\$55.8 million, US\$25.8 million and US\$34.8 million for the years ended December 31, 2022, 2023 and 2024, respectively, for technical support services.
- (2) Represents the elimination of investments among JOYY Inc., the primary beneficiaries of VIEs, the other subsidiaries, and VIEs and their subsidiaries that we consolidate.

Selected Condensed Consolidating Balance Sheets Data

	As of December 31, 2024					Consolidated
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	
	(US\$ in thousands)					
Assets						
Cash and cash equivalents	156	353,602	16,761	74,242	—	444,761
Restricted cash and cash equivalents	—	363,400	4,312	3,620	—	371,332
Short-term deposits	—	755,054	4,173	301,784	—	1,061,011
Restricted short-term deposits	—	20,722	—	—	—	20,722
Short-term investments	159,459	129,130	—	—	—	288,589
Accounts receivable	—	110,682	56	11,123	—	121,861
Prepayments and other current assets	2,221	148,347	5,360	91,610	—	247,538
Amounts due from Group companies ⁽¹⁾	—	244,476	480,945	587,774	(1,313,195)	—
Investments in subsidiaries/VIEs ⁽²⁾	4,768,658	2,366,186	1,886,688	—	(9,021,532)	—
Long-term investments	—	115,764	—	414,921	—	530,685
Long-term deposits and held-to-maturity investments	20,000	963,804	67,470	73,034	—	1,124,308
Property, plant and equipment, net	—	42,406	69,139	388,178	—	499,723
Land use rights, net	—	—	—	303,115	—	303,115
Intangible assets, net	—	295,084	2,420	31,913	(52,160)	277,257
Goodwill	—	2,194,324	—	—	—	2,194,324
Deferred tax assets	—	2,563	—	—	—	2,563
Other assets	—	20,721	5,721	15,597	(2,031)	40,008
Total assets						<u>7,527,797</u>
Liabilities and shareholders' equity						
Liabilities						
Deferred tax liabilities	—	38,132	—	9,499	—	47,631
Accounts payable	—	16,138	48	67,829	—	84,015
Deferred revenue	—	68,642	102	10,704	—	79,448
Income taxes payable	8,789	55,549	3,980	9,986	—	78,304
Accrued liabilities and other current liabilities	810	2,291,284	37,402	64,427	—	2,393,923
Amounts due to Group companies ⁽¹⁾	228,905	758,457	131,788	202,264	(1,321,414)	—
Other liabilities	—	17,310	3,538	42,170	(2,033)	60,985
Total liabilities						<u>2,744,306</u>
Mezzanine equity	—	23,733	—	—	—	23,733
Shareholders' equity						
Total JOYY Inc.'s shareholders' equity	4,711,990	4,812,596	2,366,187	1,886,688	(9,065,471)	4,711,990
Non-controlling interests	—	44,424	—	3,344	—	47,768
Total shareholders' equity	<u>4,711,990</u>	<u>4,857,020</u>	<u>2,366,187</u>	<u>1,890,032</u>	<u>(9,065,471)</u>	<u>4,759,758</u>
Total liabilities, mezzanine equity and shareholders' equity						<u>7,527,797</u>

	As of December 31, 2023					
<u>JOYY Inc.</u>	<u>Equity Subsidiaries</u>	<u>Primary Beneficiaries of VIEs</u>	<u>VIEs and VIEs' Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>	
(US\$ in thousands)						
Assets						
Cash and cash equivalents	99,074	815,095	89,305	60,482	—	1,063,956
Restricted cash and cash equivalents	—	314,514	1,239	3,497	—	319,250
Short-term deposits	—	1,596,592	18,355	355,399	—	1,970,346
Restricted short-term deposits	—	57,243	—	—	—	57,243
Short-term investments	87,331	179,044	—	8,471	—	274,846
Accounts receivable	—	129,029	22	1,649	—	130,700
Prepayments and other current assets	344	159,357	4,015	91,773	—	255,489
Amounts due from Group companies ⁽¹⁾	428,813	70,554	470,477	822,281	(1,792,125)	—
Investments in subsidiaries/VIEs ⁽²⁾	4,957,710	2,335,728	1,900,940	—	(9,194,378)	—
Long-term investments	—	143,888	—	400,654	—	544,542
Long-term deposits	—	130,000	—	—	—	130,000
Property, plant and equipment, net	—	23,902	74,752	292,032	(5)	390,681
Land use rights, net	—	—	—	316,070	—	316,070
Intangible assets, net	—	336,826	4,063	40,436	(47,610)	333,715
Goodwill	—	2,649,281	—	—	—	2,649,281
Other assets	—	23,839	5,098	18,809	—	47,746
Total assets						8,483,865
Liabilities and shareholders' equity						
Liabilities						
Convertible bonds	405,603	—	—	—	—	405,603
Deferred tax liabilities	—	43,515	—	10,440	—	53,955
Accounts payable	—	19,831	91	46,833	—	66,755
Deferred revenue	—	74,849	216	11,540	—	86,605
Income taxes payable	8,977	51,673	3,963	21,487	—	86,100
Accrued liabilities and other current liabilities	2,006	2,273,579	36,301	69,303	—	2,381,189
Amounts due to Group companies ⁽¹⁾	—	1,328,466	186,997	285,047	(1,800,510)	—
Other liabilities	—	24,010	4,970	62,529	—	91,509
Total liabilities						3,171,716
Mezzanine equity	—	22,133	—	—	—	22,133
Shareholders' equity						
Total JOYY Inc.'s shareholders' equity	5,156,686	4,996,940	2,335,728	1,900,940	(9,233,608)	5,156,686
Non-controlling interests	—	129,896	—	3,434	—	133,330
Total shareholders' equity	5,156,686	5,126,836	2,335,728	1,904,374	(9,233,608)	5,290,016
Total liabilities, mezzanine equity and shareholders' equity						8,483,865

Notes:

- (1) Represents the elimination of intercompany balances among JOYY Inc., the primary beneficiaries of VIEs, the other subsidiaries, and the VIEs and their subsidiaries that we consolidate.
- (2) Represents the elimination of investments among JOYY Inc., the primary beneficiaries of VIEs, the other subsidiaries, and VIEs and their subsidiaries that we consolidate.

Selected Condensed Consolidating Cash Flows Data

	For the Year Ended December 31, 2024					
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated
	(US\$ in thousands)					
Net cash (used in) provided by transactions with external parties	(1,351)	873,055	(535,936)	(27,111)	—	308,657
Net cash (used in) provided by transactions with intra-Group entities ⁽¹⁾	—	(636,674)	599,700	36,974	—	—
Net cash (used in) provided by operating activities	(1,351)	236,381	63,764	9,863	—	308,657
Net cash (used in) provided by transactions with external parties	(90,000)	31,589	(55,211)	(96,627)	—	(210,249)
Net cash (used in) provided by transactions with intra-Group entities ⁽¹⁾	—	(696,797)	11,929	177,941	506,927	—
Net cash (used in) provided by investing activities	(90,000)	(665,208)	(43,282)	81,314	506,927	(210,249)
Net cash (used in) provided by transactions with external parties	(665,286)	(67)	37,837	(80,315)	—	(707,831)
Net cash provided by (used in) transactions with intra-Group entities ⁽¹⁾	657,718	(27,422)	(127,319)	3,950	(506,927)	—
Net cash used in financing activities	(7,568)	(27,489)	(89,482)	(76,365)	(506,927)	(707,831)
	For the Year Ended December 31, 2023					
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated
	(US\$ in thousands)					
Net cash (used in) provided by transactions with external parties	(656)	450,433	(213,163)	58,965	—	295,579
Net cash (used in) provided by transactions with intra-Group entities ⁽¹⁾	—	(20,026)	51,914	(31,888)	—	—
Net cash (used in) provided by operating activities	(656)	430,407	(161,249)	27,077	—	295,579
Net cash provided by (used in) transactions with external parties	269,313	190,691	42,729	(82,360)	—	420,373
Net cash provided by (used in) transactions with intra-Group entities ⁽¹⁾	—	(644,513)	77,255	(129,111)	696,369	—
Net cash provided by (used in) investing activities	269,313	(453,822)	119,984	(211,471)	696,369	420,373
Net cash (used in) provided by transactions with external parties	(832,140)	(22,230)	15,456	(2,831)	—	(841,745)
Net cash provided by (used in) transactions with intra-Group entities ⁽¹⁾	622,188	(7,477)	81,141	517	(696,369)	—
Net cash (used in) provided by financing activities	(209,952)	(29,707)	96,597	(2,314)	(696,369)	(841,745)

	For the Year Ended December 31, 2022					
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs (US\$ in thousands)	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated
Net cash (used in) provided by transactions with external parties	(3,949)	456,134	(230,750)	95,059	—	316,494
Net cash (used in) provided by transactions with intra-Group entities ⁽¹⁾	—	(12,588)	59,743	(47,155)	—	—
Net cash (used in) provided by operating activities	(3,949)	443,546	(171,007)	47,904	—	316,494
Net cash provided by (used in) transactions with external parties	49,963	(521,706)	3,858	(42,399)	—	(510,284)
Net cash used in transactions with intra-Group entities ⁽¹⁾	—	(372,005)	(44,222)	(194,107)	610,334	—
Net cash provided by (used in) investing activities	49,963	(893,711)	(40,364)	(236,506)	610,334	(510,284)
Net cash (used in) provided by transactions with external parties	(371,740)	17,045	32,032	754	—	(321,909)
Net cash provided by transactions with intra-Group entities ⁽¹⁾	365,480	106,413	105,688	32,753	(610,334)	—
Net cash (used in) provided by financing activities	(6,260)	123,458	137,720	33,507	(610,334)	(321,909)

Note:

(1) Represents the elimination of the net cash provided by (used in) operating activities, investing activities and financing activities of JOYY Inc., the primary beneficiaries of VIEs, the other subsidiaries, and the VIEs and their subsidiaries that we consolidate. For the years ended December 31, 2022, 2023 and 2024, cash paid by the VIEs to our subsidiaries for the settlement of technical support fees in operating activities were US\$56.8 million, US\$45.1 million and US\$44.2 million, respectively.

B. Liquidity and Capital Resources

Cash Flows and Working Capital

In recent years, we have financed our operations primarily through cash flows from operations, the proceeds from our convertible senior notes offerings, and gain on disposal of businesses. See “Item 4. Information on the Company—A. History and Development of the Company” for more information about our material transactions in the past few years.

We expect to require cash to fund our ongoing operational needs, particularly our revenue sharing fees and content costs, salaries and benefits, bandwidth costs and potential acquisitions or strategic investments. We believe that our current cash and cash equivalents and the anticipated cash flow from operations will be sufficient to meet our anticipated working capital requirements and capital expenditures needs for the next 12 months. However, we may require additional cash resources due to changing business conditions or other future developments, including any investments or acquisitions we may decide to selectively pursue. If our existing cash resources are insufficient to meet our requirements, we may seek to sell equity or equity-linked securities, debt securities or borrow from banks.

As of December 31, 2022, 2023 and 2024, we had US\$1,565.6 million, US\$1,440.4 million and US\$836.8 million, respectively, in cash, cash equivalents, restricted cash, and restricted short-term deposits.

As of December 31, 2024, our subsidiaries, the VIEs, and the VIEs’ subsidiaries located in mainland China held cash and cash equivalents, restricted cash and restricted short-term deposits in the amount of US\$104.0 million. Aggregate undistributed earnings and reserves of our subsidiaries, the VIEs, and the VIEs’ subsidiaries located in mainland China that are available for distribution to our company as of December 31, 2024 were US\$2,446 million. We would need to accrue and pay withholding taxes if we were to distribute funds from our subsidiaries in mainland China to our offshore subsidiaries. However, we plan to indefinitely utilize undistributed earnings in mainland China to meet our obligations and commitments there, including our capital expenditure in connection with the construction of buildings located in mainland China and working capital requirements for our research and development team.

The following table sets forth a summary of our cash flows for the years indicated:

	For the Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
	(in thousands)		
Net cash provided by operating activities	316,494	295,579	308,657
Net cash (used in) provided by investing activities	(510,284)	420,373	(210,249)
Net cash used in financing activities	(321,909)	(841,745)	(707,831)
Net decrease in cash, cash equivalents and restricted cash in operations	(515,699)	(125,793)	(609,423)
Cash, cash equivalents and restricted cash at the beginning of the year	2,134,492	1,565,560	1,440,449
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(53,233)	682	5,789
Cash, cash equivalents and restricted cash at the end of the year	1,565,560	1,440,449	836,515

Operating Activities

Net cash used in operating activities consists primarily of our net income with certain adjustments, such as gain on disposal and deemed disposal of investments, and gain on fair value changes of investments, and mitigated by non-cash adjustments, such as share-based compensation, depreciation of property and equipment, impairment of goodwill, and amortization of acquired intangible assets and land use rights.

Net cash provided by operating activities amounted to US\$308.7 million for the year ended December 31, 2024. In 2024, the difference between our net cash provided by operating activities and our net loss from operations of US\$242.6 million was primarily due to a non-cash item adjustment in impairment of goodwill of US\$454.9 million, a non-cash item adjustment in amortization of acquired intangible assets and land use rights of US\$65.5 million, a non-cash item adjustment in depreciation of property and equipment of US\$25.4 million, a non-cash item adjustment in share-based compensation of US\$23.2 million, and an increase in accrued liabilities and other payables of US\$52.4 million.

Net cash provided by operating activities amounted to US\$295.6 million for the year ended December 31, 2023. In 2023, the difference between our net cash provided by operating activities and our net income from operations of US\$272.4 million was primarily due to a non-cash item adjustment in amortization of acquired intangible assets and land use rights of US\$73.4 million, a non-cash item adjustment in depreciation of property and equipment of US\$46.6 million, and a non-cash item adjustment in share-based compensation of US\$32.0 million, partially offset by a non-cash item adjustment in gain on partial disposal of investments of US\$74.9 million, an increase in accounts receivable of US\$32.4 million, and an increase in prepayments and other assets of US\$30.7 million.

Net cash provided by operating activities amounted to US\$316.5 million for the year ended December 31, 2022. In 2022, the difference between our net cash provided by operating activities and our net income from operations of US\$101.6 million was primarily due to a non-cash item adjustment in depreciation of property and equipment of US\$83.4 million, a non-cash item adjustment in amortization of acquired intangible assets and land use rights of US\$65.2 million, a non-cash item adjustment in share-based compensation of US\$44.1 million, a non-cash item adjustment in share of loss in equity method investments of US\$498.4 million, partially offset by a non-cash item adjustment in gain on fair value change of investments of US\$424.3 million, and a non-cash item adjustment in gain on extinguishment of debt and derivative of US\$63.4 million.

Investing Activities

Net cash used in investing activities largely reflects placements of short-term deposits, placements of short-term investments, purchases of property and equipment and other non-current assets in connection with the expansion and upgrade of our technology infrastructure, and our acquisitions of and investments in certain companies.

Net cash provided by investing activities largely reflects maturities of short-term deposits, maturities of short-term investments, and cash received from disposal of investments.

Net cash used in investing activities amounted to US\$210.2 million in the year ended December 31, 2024. Net cash used in investing activities primarily resulted from the maturities of short-term deposits and long-term deposits and short-term investments in various banks in the amount of US\$3,267.0 million, partially offset by the placement of short-term deposits and long-term deposits and short-term investments in various banks in the amount of US\$3,431.5 million, the payments for purchase of property and equipment of US\$83.7 million, consideration received in connection with disposal of a subsidiary of US\$70.7 million, and the cash payment of US\$26.6 million for investments.

Net cash provided by investing activities amounted to US\$420.4 million in the year ended December 31, 2023. Net cash provided by investing activities primarily resulted from the maturities of short-term deposits and short-term investments in various banks in the amount of US\$4,045.6 million and the cash received for disposal of investments of US\$222.1 million, partially offset by the placement of short-term deposits and short-term investments in various banks in the amount of US\$3,704.2 million, the payments for purchase of property and equipment of US\$81.6 million and the cash payment of US\$66.0 million for investments.

Net cash used in investing activities amounted to US\$510.3 million in the year ended December 31, 2022. Net cash used in investing activities primarily resulted from the placement of short-term deposits and short-term investments in various banks in the amount of US\$4,843.8 million, payments for purchase of property and equipment, other non-current assets of US\$78.9 million, and cash paid for certain acquisitions and strategic investments of US\$175.7 million, partially offset by the maturities of short-term deposits and short-term investments in various banks in the amount of US\$4,601.5 million.

Financing Activities

Net cash used in financing activities was US\$707.8 million in 2024, primarily attributable to cash paid for extinguishment of convertible bonds of US\$406.0 million, cash paid for share repurchase of US\$259.2 million, and repayment of bank borrowings of US\$84.6 million, partially offset by the proceeds from bank borrowings of US\$42.2 million.

Net cash used in financing activities was US\$841.7 million in 2023, primarily attributable to cash paid for extinguishment of convertible bonds of US\$432.2 million, cash paid for share repurchase of US\$273.9 million, dividends paid to shareholders of US\$84.2 million, and repayment of bank borrowings of US\$82.5 million, partially offset by the proceeds from bank borrowings of US\$95.2 million.

Net cash used in financing activities was US\$321.9 million in 2022, primarily attributable to cash paid for share repurchase of US\$138.1 million, dividends paid to shareholders of US\$145.9 million and cash paid for convertible bonds repurchase of US\$87.7 million, partially offset by the proceeds of US\$44.5 million from bank borrowings.

Material Cash Requirements

Our material cash requirements as of December 31, 2024 and any subsequent interim period primarily include our operating lease commitments, capital commitment, and loan obligations.

Our operating lease commitments consist of lease of offices under operating lease agreements, where a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to our consolidated statements of operations on a straight-line basis over the period of the lease, including any free lease periods. Payments due as of December 31, 2024 for our operating lease commitments amounted to US\$23.6 million, representing undiscounted cash payments of both leases recognized as lease liabilities on our consolidated balance sheet and lease commitments not recognized as lease liabilities.

Our capital commitments primarily consist of capital expenditures related to properties and additional investments in equity investments. We had outstanding capital commitments totaling to US\$192.9 million as of December 31, 2024. Our capital expenditures are primarily used to purchase office space, computers, servers, office furniture, operating rights, domain names and other assets, whose due dates will be generally based on the progress of the underlying construction.

Our loan obligations primarily consist of the principal amount and cash interests in connection with banks. As of December 31, 2024, the total payments due for our loan obligations amounted to US\$34.9 million. We expect all of these loan obligations to become due within one year from December 31, 2024.

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' (deficit)/equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

Other than the obligations set forth above, we did not have any significant operating lease obligations, purchase obligations or other long-term obligations as of December 31, 2024.

Holding Company Structure

JOYY Inc. is a holding company with no material operations of its own. We conduct our operations primarily through (i) our subsidiaries in Singapore, the United States, the United Kingdom, and many other regions for a majority of our global business; and (ii) the variable interest entities and their subsidiaries for some of our remaining business in mainland China. As a result, JOYY Inc.'s ability to pay dividends depends upon dividends paid by our subsidiaries, which is subject to restrictions imposed by the applicable laws and regulations in these markets.

Cash and Asset Flows through Our Organization

We have established stringent controls and procedures for cash flows within our organization. Each transfer of cash between our Cayman Islands holding company and our subsidiaries, the variable interest entities or the subsidiaries of the variable interest entities is subject to internal approval. The cash inflows of the Cayman Islands holding company were primarily generated from the proceeds we received from our public offerings of common shares, our offerings of convertible senior notes and other financing activities.

Under the laws and regulations of mainland China, JOYY Inc. may provide funding to its subsidiaries in mainland China only through capital contributions or loans, and to the variable interest entities only through loans, subject to satisfaction of applicable government registration and approval requirements. Currently, there is no statutory limit to the amount of funding that we can provide to our subsidiaries in mainland China through capital contributions. However, the maximum amount we can loan to our subsidiaries and the variable interest entities in mainland China is subject to statutory limits.

For the years ended December 31, 2022, 2023 and 2024, JOYY Inc., through its intermediate holding companies, provided capital contributions of US\$8.7 million, US\$20.0 million and US\$54.9 million, respectively, to our subsidiaries in mainland China.

For the years ended December 31, 2022, 2023 and 2024, JOYY Inc. did not provide any loan to our intermediate holding companies and subsidiaries, and received repayments of US\$365.5 million, US\$622.2 million and US\$657.7 million, respectively.

For the years ended December 31, 2022, 2023 and 2024, cash paid by the variable interest entities to our subsidiaries for the settlement of technical support fees and software transactions were US\$109.7 million, US\$86.1 million and US\$44.2 million, respectively. For the years ended December 31, 2022, 2023 and 2024, cash received by the variable interest entities from our subsidiaries were US\$9.7 million, US\$14.5 million and US\$82.1 million, respectively, as the revenues earned from our subsidiaries. In the future, to the extent there is any fee owed to our subsidiaries in mainland China under the contractual arrangements with the variable interest entities, the variable interest entities intend to settle it.

For the years ended December 31, 2022, 2023 and 2024, the variable interest entities' cash flows for investing activities provided to our subsidiaries were net cash outflows of US\$194.1 million, US\$129.1 million and net cash inflows of US\$177.9 million, respectively. For the years ended December 31, 2022, 2023 and 2024, the variable interest entities' cash flows for financing activities provided by our subsidiaries were net cash inflows of US\$32.8 million, US\$0.5 million and US\$4.0 million, respectively.

For the years ended December 31, 2022, 2023 and 2024, no assets other than cash were transferred between the Cayman Islands holding company and a subsidiary, a variable interest entity or its subsidiary within our corporate structure, and no subsidiaries paid dividends or made other distributions to JOYY Inc. For details of the financial position, cash flows and results of operations of the variable interest entities, see "— Financial Information Related to the Variable Interest Entities" and Note 4(a) to our audited consolidated financial statements included elsewhere in this annual report.

Under laws and regulations of mainland China, our subsidiaries and the variable interest entities in mainland China are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of mainland China is also subject to examination by the banks designated by the State Administration of Foreign Exchange, or SAFE. Current regulations of mainland China permit our subsidiaries in mainland China to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory condition and procedures, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our subsidiaries in mainland China is required to set aside at least 10% of its accumulated profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. As of December 31, 2024, appropriations to statutory reserves amounting to US\$40.5 million were made by our subsidiaries in mainland China and the variable interest entities. These reserves are not distributable as cash dividends. Furthermore, if our subsidiaries and the variable interest entities in mainland China incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us, which may restrict our ability to satisfy our liquidity requirements. In addition, the PRC Enterprise Income Tax Law and its implementation rules provide that withholding tax rate of 10% will be applicable to dividends payable by companies in mainland China to non-mainland-China-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between mainland China's central government and governments of other countries or regions where the non-mainland-China-resident enterprises are incorporated. As of the date of this annual report, a substantial majority of our revenue and operating cash are currently generated from subsidiaries outside of mainland China, therefore our reliance on dividends from subsidiaries in mainland China is limited.

For the years ended December 31, 2022 and 2023, JOYY Inc. declared and distributed cash dividends in accordance with its three-year quarterly dividend policies adopted in 2020. The quarterly dividend policies have both expired and we paid dividends in a net aggregate amount of US\$454.8 million in accordance with these quarterly dividend policies. We did not distribute cash dividends for the year ended December 31, 2024. On March 19, 2025, our board of directors authorized a new quarterly dividend program under which a total of approximately US\$600 million in cash will be distributed on a quarterly basis from 2025 to 2027. On the same day, under the new quarterly dividend program, our board of directors approved the declaration of a dividend of US\$0.93 per ADS, or US\$0.0465 per common share, with an aggregate amount of approximately US\$50 million for the quarter. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy." For the material Cayman Islands, Singapore, mainland China and U.S. federal income tax consequences of an investment in our ADSs or common shares, see "Item 10. Additional Information—E. Taxation."

C. Research and Development, Patents and Licenses, Etc.

In order to support the kind of multi-user, real-time online voice and video communications on a scale necessary for our platforms, we build and develop our own network infrastructure. See "Item 4. Information on the Company—B. Business Overview—Intellectual Property" for a description of the protection of our intellectual property.

Research and development expenses consist primarily of salaries and benefits for research and development personnel and rental and depreciation of office premises and servers utilized by the research and development personnel. We incurred research and development expenses of US\$261.8 million, US\$295.5 million and US\$278.7 million in 2022, 2023 and 2024, respectively.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2025 till the date of this annual report that are reasonably likely to have a material effect on our net revenues, income from operations, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

E. Critical Accounting Estimates

Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect our reporting of, among other things, assets and liabilities, revenues and expenses. We regularly evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and other factors that we believe to be relevant under the circumstances. Since our financial reporting process inherently relies on the use of estimates and assumptions, our actual results could differ from these estimates. This is especially true with some accounting policies that require higher degrees of judgment than others in their application. We consider the policies discussed below to be critical to an understanding of our audited consolidated financial statements because they involve the greatest reliance on our management's judgment.

Revenue Recognition and Deferred Revenue

Revenues are recognized when control of the promised virtual items or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those virtual items or services.

We have a recharge system for users to purchase our virtual currency. Users can recharge via various online payment platforms provided by third parties. Virtual currency is non-refundable and without expiry. As the virtual currency is often consumed soon after it is purchased based on history of turnover, we consider the impact of the breakage amount for virtual currency coupons is insignificant. Unconsumed virtual currency is recorded as deferred revenue. Virtual currencies used to purchase virtual items are recognized as revenue according to the prescribed revenue recognition policies of virtual items addressed below unless otherwise stated.

Live Streaming

We generate our live streaming revenue from sales of virtual items on our live streaming platforms. Our users can access the platforms and view the live streaming content showed by the performers. We share a portion of the sales proceeds of virtual items (“revenue sharing fee”) with performers and talent agencies in accordance with their revenue sharing arrangements. Those performers who do not have revenue sharing arrangements with us are not entitled to any revenue sharing fee.

We evaluate and determine that we are the principal and view users to be our customers. We report live streaming revenues on a gross basis. Accordingly, the amounts billed to users are recorded as revenues and revenue sharing fee paid to performers and talent agencies are recorded as cost of revenues. Where we are the principal, we control the virtual items before they are transferred to users. Our control is evidenced by our sole ability to monetize the virtual items before they are transferred to users, and is further supported by us being primarily responsible to users and having a level of discretion in establishing pricing.

We design, create and offer various virtual items for sales to users with pre-determined selling price. Sales proceeds are recorded as deferred revenue and recognized as revenue based on the consumption of the virtual items. Virtual items are categorized as consumable and time-based items. Consumable items are consumed upon purchase and use while time-based items could be used for a fixed period of time. Users can purchase and present consumable items to performers to show support for their favorite performers, or purchase time-based virtual items for one or multiple months for a monthly fee, which provide users with recognized status, such as priority speaking rights or special symbols over a period of time. Accordingly, live streaming revenue is recognized immediately when the consumable virtual item is used, or in the case of time-based virtual items, revenue is recognized ratably over the fixed period on a straight-line basis. We do not have further obligations to the user after the virtual items are consumed immediately or after the stated period of time for time-based items.

We may also enter into contracts that can include various combinations of virtual items, which are generally capable of being distinct and accounted for as separate performance obligations, such as noble member program. Judgments are required as follow: (1) determining whether those virtual items are considered distinct performance obligations that should be accounted for separately versus together, (2) determining the standalone selling price for each distinct performance obligation, and (3) allocating of the arrangement consideration to the separate accounting of each distinct performance obligation based on their relative standalone selling prices. Certain virtual items are provided to customers over time and have the same pattern of transfer to customers. We exercise judgment in determining the number of distinct performance obligations by accounting for services that have the same pattern of transfer to customers as a single performance obligation. In instances where standalone selling price is not directly observable as we do not sell the virtual item separately, we determine the standalone selling price based on pricing strategies, market factors and strategic objectives. We recognize revenue for each of the distinct performance obligations identified in accordance with the applicable revenue recognition method relevant for that obligation.

As our live streaming virtual items are generally sold without right of return and we do not provide any other credit and incentive to its users, therefore accounting of variable consideration when estimating the amount of revenue to recognize is not applicable to our live streaming business.

Others

Other revenues are mainly generated from advertising and e-commerce businesses.

Advertising revenues

We primarily generate advertising revenues from sales of various forms of advertising and provision of promotion campaigns on our platforms or our network partners' properties by way of advertisement display or integrated promotion activities in shows and programs on these platforms. Advertisements on our platforms are generally charged on the basis of duration, and advertising contracts are signed to establish the fixed price and the advertising services to be provided. Where collectability is reasonably assured, advertising revenues from advertising contracts are recognized ratably over the contract period of display.

We enter into advertising contracts directly with advertisers or third-party advertising agencies that represent advertisers. Payment terms and conditions vary by contract type, although the terms generally include a requirement of payment within one to three months. Both third-party advertising agencies and direct advertisers are generally billed at the end of the display period and payments are due usually within three months. In instances where the timing of revenue recognition differs from the timing of billing, we have determined the advertising contracts generally do not include a significant financing component. The primary purpose of the credits terms is to provide customers with simplified and predictable ways of purchasing our advertising services, not to receive financing from our customers or to provide customers with financing.

Certain customers may receive sales incentives in the forms of discounts and rebates to advertisers or advertising agencies based on purchase volume, which are accounted for as variable consideration. We estimate these amounts based on the expected amount to be provided to customers considering the contracted rebate rates and estimated sales volume based on historical experience, and reduce revenues recognized. We believe that there will not be significant changes to its estimates of variable consideration.

E-commerce business revenues

We operate a global smart commerce platform that enables merchants to easily build their brands online and sell their products to users around the world. We recognize revenue when the identified performance obligation is satisfied by rendering the promised service to the customer and when specific criteria have been met. Services are rendered when or as the customers benefit from the services rendered.

We also used to operate an e-commerce platform and display goods for end customers to select and order. We are responsible to arrange delivery of the goods to the end customers after customers place an order in the platforms. We recognize e-commerce business revenue equal to the sales price (net of sales discount) to the end customers when control of the inventory is transferred. Revenues derived from the e-commerce business are recorded on a gross basis, because (i) we are primarily responsible for fulfilling the promise to provide the specified good, (ii) we are subject to inventory risks before the specified goods have been transferred to a customer or after transfer of control to the customers, and (iii) we have discretion in establishing the price of the specified goods.

Goodwill

Goodwill represents the excess of the purchase price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed of an acquired business.

We assess goodwill for impairment in accordance with ASC Subtopic 350-20, Intangibles-Goodwill and Other: Goodwill ("ASC 350-20"), which requires that goodwill be tested for impairment at the reporting unit level at least annually and more frequently upon the occurrence of certain events, as defined by ASC 350-20. A reporting unit is defined as an operating segment or one level below an operating segment referred to as a component. We determine our reporting units by first identifying its operating segments, and then assessing whether any components of these segments constituted a business for which discrete financial information is available and where our segment manager regularly reviews the operating results of that component. We determined that we have three reporting units.

We have the option to assess qualitative factors first to determine whether it is necessary to perform the quantitative impairment test in accordance with ASC 350-20. If we believe, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, the quantitative impairment test described above is required. Otherwise, no further testing is required. In the qualitative assessment, we consider primary factors such as industry and market considerations, overall financial performance of the reporting unit, and other specific information related to the operations. The quantitative goodwill impairment test, used to identify both the existence of impairment and the amount of impairment loss, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit is greater than zero and its fair value exceeds its carrying amount, goodwill of the reporting unit is considered not impaired.

We perform annual goodwill impairment test of each reporting unit in the fourth quarter, or more frequently, if certain events or circumstances warrant. Events or changes in circumstances which might indicate potential impairment in goodwill include the entity-specific factors, including, but not limited to, stock price volatility, market capitalization relative to net book value, and projected revenue, market growth and operating results.

As of December 31, 2023, our consolidated goodwill balance was US\$2,649.3 million, and the goodwill associated with the BIGO reporting unit, Shopline reporting unit and other reporting unit was US\$1,854.2 million, US\$708.5 million and US\$86.6 million, respectively. As of December 31, 2024, our consolidated goodwill balance was US\$2,194.3 million, and the goodwill associated with the BIGO reporting unit, Shopline reporting unit and other reporting unit was US\$1,854.2 million, US\$338.5 million and US\$1.6 million, respectively.

We have performed a goodwill impairment analysis in the fourth quarter of 2022, 2023 and 2024. When determining the fair value of BIGO reporting unit, we used the income approach. The income approach determines fair value based on discounted cash flow model derived from the reporting units' long-term forecasts which included a five-year future cash flow projection and an estimated terminal value impairment analysis. The discounted cash flow model included a number of significant unobservable inputs. Key assumptions used to determine the estimated fair value include: (a) the five-year future cash flows forecasts including expected revenue growth, (b) an estimated terminal value using a terminal year long-term future growth rate determined based on the growth prospects of the reporting units; and (c) a discount rate that reflects the weighted-average cost of capital adjusted for the relevant risk associated with each reporting unit's operations and the uncertainty inherent in our internally developed forecasts. These key assumptions are subject to uncertainties and actual results may not be the same as the forecasted amounts. For example, our efforts to attract more paying users and increase the spending level of paying users may not be as successful as forecasted and therefore the actual revenue growth may not be as high as forecasted. Based on our assessment, the fair value of BIGO segment reporting unit exceeded its carrying value by around 3% of the carrying value of the BIGO segment reporting unit as of December 31, 2024. Changes in these estimates and assumptions could materially affect the determination of fair value of the reporting unit. If the revenue growth increased or decreased by 15 basis points, our headroom would have increased or decreased by US\$69.3 million and US\$69.0 million. If the discount rate increased or decreased by 50 basis points, our headroom would have decreased or increased by US\$57.1 million and US\$60.6 million. If the growth rate used to calculate the terminal value increased or decreased by 100 basis points, our headroom would have increased or decreased by US\$81.0 million and US\$71.8 million. These potential changes in assumptions in comparison with those used by the company would not result in the BIGO reporting unit carrying amount exceeding its determined fair value. When determining the fair value of the Shopline reporting unit, we used the income approach. The income approach determines fair value based on a discounted cash flow model derived from the reporting units' long-term forecasts which included a five-year future cash flow projection and an estimated terminal value impairment analysis. The discounted cash flow model included a number of significant unobservable inputs. Key assumptions used to determine the estimated fair value include: (a) the five-year future cash flows forecasts including expected revenue growth, (b) an estimated terminal value using a terminal year long-term future growth rate determined based on the growth prospects of the reporting units; and (c) a discount rate that reflects the weighted-average cost of capital adjusted for the relevant risk associated with each reporting unit's operations and the uncertainty inherent in our internally developed forecasts. These key assumptions are subject to significant estimation uncertainty, and actual results may differ from those projected. For example, initiatives to grow GMV and gross payment value may not achieve the expected results, impacting revenue growth assumptions. Based on the impairment test performed as of December 31, 2024, an impairment loss of US\$370 million was recognized for the Shopline reporting unit. The model is sensitive to changes in key assumptions, with the estimated impairment charges varying significantly depending on adjustments to revenue growth, terminal growth rate, and discount rate. If the revenue growth increased or decreased by 15 basis points, our impairment charges would have decreased or increased by US\$13.4 million or US\$13.3 million. If the discount rate increased or decreased by 50 basis points, our impairment charges would have increased or decreased by US\$21.6 million or US\$23.4 million. If the growth rate used to calculate the terminal value increased or decreased by 100 basis points, our impairment charges would have decreased or increased by US\$38.6 million or US\$33.1 million. These potential changes in assumptions in comparison with those used by us would not result in the Shopline reporting unit carrying amount exceeding its determined fair value.

In the annual goodwill impairment assessment of our reporting units, we concluded that the carrying amount of the Shopline reporting unit and the other reporting unit exceeded their respective fair value and recorded a related impairment loss of US\$454.9 million for the year ended December 31, 2024.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers as of the date of this annual report. There are no family relationships among any of the directors or executive officers of our company.

Directors and Executive Officers	Age	Position/Title
Ting Li	42	Chairperson of the Board of Directors, Chief Executive Officer
David Xueling Li	50	Director
Qin Liu	52	Director
Peter Andrew Schloss	64	Independent Director
Richard Weidong Ji	57	Independent Director
David Tang	70	Independent Director
Fuyong Liu	40	Vice President of Finance

Ms. Ting Li has served as the chairperson of our board of directors and chief executive officer since August 2024. She joined the board of directors in November 2023 and previously served as our chief operating officer from 2016 to 2024. Since joining us in 2011, Ms. Li has been instrumental in developing JOYY's ecosystem and enriching its content and product offerings. Prior to joining us, Ms. Li served as a product manager at Tencent from 2006 to 2011. Ms. Li received a bachelor's degree from South China University of Technology in 2006.

Mr. David Xueling Li is our co-founder and a member of the board of directors. He served as our chairman from August 2016 to August 2024 and as chief executive officer from our inception through August 2024. Mr. Li has been a pivotal figure in our growth and global success. Mr. Li drove the strategic development of the company since its founding, and spearheaded our global expansion, significantly enhancing our international presence and market reach. Before founding our company, Mr. Li worked at [Netease.com](#), Inc. from July 2003 to April 2005 and served as its chief editor. In 2000, Mr. Li founded CFP.cn, a website that provided a copyright trading platform for journalists and amateur photographers. Mr. Li received a bachelor's degree in philosophy from Renmin University of China in 1997.

Mr. Qin Liu has served as our director since June 2008. Mr. Liu co-founded 5Y Capital (formerly known as Morningside Venture Capital) in June 2007. Before co-founding 5Y Capital, Mr. Liu served various roles including as a business development director for investment at Morningside IT Management Services (Shanghai) Co. Ltd. from July 2000 to November 2008. Mr. Liu became a director of Xiaomi Corporation (HKEX: 1810) in May 2010, and currently serves as a non-executive director of Xiaomi Corporation. Since December 2014, Mr. Liu has served as a director of Agora, Inc. (Nasdaq: API). Mr. Liu received his bachelor's degree in industrial electrical automation from University of Science and Technology Beijing in July 1993, and his master's degree in business administration from China Europe International Business School in April 2000.

Mr. Peter Andrew Schloss has served as our independent director since November 2012. Mr. Schloss is managing director and CEO of Castle Hill Partners. Previously Mr. Schloss was an independent director and audit committee chairman of Giant Interactive Group Inc. and an independent director of Zhaopin Limited. From 2008 to 2012, Mr. Schloss served as the chief executive officer of Allied Pacific Sports Network Limited, a leading internet and wireless provider of live and on-demand sports programs in Asia. Prior to joining Allied Pacific Sports Network Limited, Mr. Schloss worked at TOM Online Inc., serving as the chief financial officer from 2003 to 2005, as an executive director from 2004 to 2007 and as the chief legal officer from 2005 to 2007. Mr. Schloss received a bachelor's degree in political science and a juris doctor degree from Tulane University.

Mr. Richard Weidong Ji has served as our independent director since May 2013. Mr. Ji currently also serves on the board of directors of Full Truck Alliance Co. Ltd. (NYSE: YMM). Mr. Ji is the cofounder and managing partner of All-Stars Investment Limited, which focuses on investing in technology leaders, such as Didi, Xiaomi, Full Truck Alliance and Grab. From 2005 to 2012, Mr. Ji served as managing director and head of Asia-Pacific Internet/media investment research at Morgan Stanley Asia Limited. During his time with Morgan Stanley, Mr. Ji was consistently rated as one of the top internet analysts covering the Chinese internet according to the Institutional Investor and Greenwich Associates' annual surveys. Over Mr. Ji's career, he has received many awards from reputable publications and research groups including the Financial Times, South China Morning Post, Asiamoney, Absolute Return & Alpha magazine and iResearch Consulting Group. Mr. Ji holds a doctor of sciences degree from Harvard University, an MBA from the Wharton School of Business at the University of Pennsylvania and a bachelor's degree in of science from Fudan University in China.

Mr. David Tang has served as our independent director since May 2013. He currently serves as an independent non-executive director of Standard Chartered PLC, a British multinational banking and financial services company. Mr. Tang also serves as partner and chief value officer of Kaiyun Energy, focusing on hydrogen for commercial applications. Previously, he was a managing director of Nokia Growth Partners, a global venture capital firm that specializes in investing in mobile technologies and mobile businesses. From 2011 to 2012, Mr. Tang was the vice president of the European Union Chamber of Commerce in China, vice chairman of the China Association of Enterprises with Foreign Investments, and vice chairman of the Beijing International Chamber of Commerce. Mr. Tang has spent nearly a decade with the Nokia group, having served as the vice chairman of Nokia (China) Investment Co., Ltd. and chairman of Nokia Telecommunications Ltd. where he was responsible for government relations, strategic partnerships, corporate development, and sustainability. Prior to serving in those roles, he was the vice president of sales for Nokia in the greater China region from 2005 to 2009. Mr. Tang has also held executive positions in other leading global technology firms such as Apple, AMD, 3Com, DEC, and AST. Mr. Tang received his bachelor's degree in computer science and engineering from California State University at Long Beach and an MBA from California State University at Fullerton.

Mr. Fuyong Liu has served as our vice president of the finance since April 2023, responsible for our company's overall finance activities, investor communications and procurement. He previously served as our general manager of finance since September 2019. Prior to joining us, Mr. Liu was with Huawei, most recently as chief financial officer of its Norway region from April 2018 to September 2019, and prior to that, he held various finance positions for Huawei in China, Singapore and South America between 2009 and 2018. Mr. Liu received a master's degree in economics from Nankai University in China.

B. Compensation of Directors and Executive Officers

For the fiscal year ended December 31, 2024, we paid an aggregate of US\$2.3 million in cash, including salaries and bonuses, to our directors and executive officers. For details on JOYY's share incentive grants to our directors and officers, see "—Share Incentive Plans." Other than the share incentive awards granted pursuant to JOYY's share incentive plans, Ms. Ting Li and Mr. Fuyong Liu also received share incentive awards entitling them to certain number of shares in Shoptline, which represented insignificant value as of the date of this annual report. For the fiscal year ended December 31, 2024, we made contributions for our directors and executive officers for their pension insurance, medical insurance, housing fund, unemployment and other statutory benefits in an aggregate amount of US\$0.1 million. We did not set aside or accrue any other pension or retirement benefits for our directors and executive officers for the fiscal year ended December 31, 2024.

Employment Agreements

We have entered into employment agreements with our senior executive officers. We may terminate a senior executive officer's employment for cause at any time without remuneration for certain acts of the officer, such as being convicted of any criminal conduct, any act of gross or willful misconduct or any serious, willful, grossly negligent or persistent breach of any employment agreement provision, or engaging in any conduct which may make the continued employment of such officer detrimental to our company. We may also terminate a senior executive officer's employment by giving three months' prior written notice. A senior executive officer may terminate his or her employment at any time by giving three months' written notice, provided that such notice may only be given by the officer any time after the third anniversary of his or her employment.

Each senior executive officer has agreed to hold all information, know-how and records in any way connected with the business of our company, including, without limitation, all formulae, designs, specifications, drawings, data, operations and testing procedures, manuals and instructions and all customer and supplier lists, sales information, business plans and forecasts and all technical or other expertise and all computer software of our company, in strict confidence during and after his or her employment. Each officer also agrees that we shall own all the intellectual property developed by such officer during his or her employment.

Share Incentive Plans

We adopted three share incentive plans in 2009, in 2011 (amended and restated in 2021), and in 2019. The purpose of these share incentive plans is to attract and retain personnel by linking the personal interests of the members of the board, officers, employees and consultants to the success of our business and by providing such individuals with an incentive for outstanding performance.

As of March 31, 2025, options to purchase 8,074,500 Class A common shares, 3,772,706 restricted shares and 42,504,985 restricted share units were outstanding under these three share incentive plans.

2009 Employee Equity Incentive Scheme

We adopted the 2009 Employee Equity Incentive Scheme in December 2009. In September 2011, YY Inc. (currently known as JOYY Inc.) assumed all the rights and obligations of Duowan Entertainment Corporation under all share-based compensation previously issued by Duowan Entertainment Corporation, including under the relevant award agreement and under the 2009 Employee Equity Incentive Scheme, if applicable, and undertook to issue its own common shares upon the exercise of any share-based compensation awards previously issued by Duowan Entertainment Corporation, subject to compliance with the terms and conditions of the relevant award agreements and the 2009 Employee Equity Incentive Scheme, if applicable. The 2009 Employee Equity Incentive Scheme expired in December 2019. No further awards will be granted under the 2009 Employee Equity Incentive Scheme and the provisions under the 2009 Employee Equity Incentive Scheme will remain in effect to the extent necessary to effect the exercise of any options granted prior to their expiration or otherwise as may be required in accordance with the 2009 Employee Equity Incentive Scheme.

Amended and Restated 2011 Share Incentive Plan

We adopted the original 2011 share incentive plan in September 2011, which was amended in October 2012 and further amended and restated in September 2021. Upon the adoption of the Amended and Restated 2011 Share Incentive Plan, or the Amended and Restated 2011 Plan, it replaced the previously adopted 2011 share incentive plan in its entirety and the awards granted and outstanding thereunder remain effective and binding under the Amended and Restated 2011 Plan. Under the Amended and Restated 2011 Plan, the maximum number of common shares reserved for issuance under the plan is 131,950,949, plus an annual increase of 20,000,000 on the first day of each fiscal year, beginning in 2022, or such smaller number of common shares as determined by our board of directors. As of March 31, 2025, the maximum aggregate number of shares which may be issued under the Amended and Restated 2011 Plan is 211,950,949, subject to further adjustments.

The following paragraphs summarize the terms of the Amended and Restated 2011 Plan.

Types of Awards. The following briefly describe the principal features of the various awards that may be granted under the Amended and Restated 2011 Plan.

- **Options.** Options provide for the right to purchase a specified number of our common shares at a specified price and usually will become exercisable at the discretion of our plan administrator in one or more installments after the grant date. The option exercise price may be paid, subject to the discretion of the plan administrator, in cash or check, in our common shares which have been held by the option holder for such period of time as may be required to avoid adverse accounting consequences, in other property with value equal to the exercise price, through a broker-assisted cashless exercise, or by any combination of the foregoing.
- **Restricted Shares.** A restricted share award is the grant of our common shares which are subject to certain restrictions and may be subject to risk of forfeiture. Unless otherwise determined by our plan administrator, a restricted share is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator may also impose other restrictions on the restricted shares, such as limitations on the right to vote or the right to receive dividends.
- **Restricted Share Units.** A restricted share unit award is the grant of the right to receive a common share at a future date and may be subject to forfeiture. Our plan administrator has the discretion to set performance objectives or other vesting criteria that will determine the number or value of restricted share units to be granted. Unless otherwise determined by our plan administrator, a restricted share unit is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator, at the time of grant, specifies the dates on which the restricted share units become fully vested.

Plan Administration. Our board or a committee of one or more members of our board duly authorized for the purpose of the Amended and Restated 2011 Plan can act as the plan administrator.

Award Agreement. Options, restricted shares or restricted shares units granted under the Amended and Restated 2011 Plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant.

Option Exercise Price. The exercise price in respect of any option shall be determined by the plan administrator and set forth in the award agreement which may be a fixed or variable price related to the fair market value of the shares. The exercise price per share subject to an option may be amended or adjusted in the absolute discretion of the plan administrator, the determination of which shall be final, binding and conclusive.

Eligibility. We may grant awards to our employees, consultants or directors.

Term of the Awards. The Amended and Restated 2011 Plan shall be valid and effective for a period of ten years from the date of effectiveness, which is the date of its adoption by our board of directors. The term of each option grant shall not exceed ten years from the date of the grant.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is set forth in the award agreement.

Transfer Restrictions. Awards for options, restricted shares or restricted share units may not be transferred in any manner by the award holders and may be exercised only by such holders, subject to limited exceptions. Restricted shares may not be transferred during the period of restriction.

Termination. The plan administrator may at any time terminate the operation of the Amended and Restated 2011 Plan.

2019 Share Incentive Awards Arrangement

We adopted the 2019 Share Incentive Awards Arrangement in March 2019, pursuant to which we can offer share-based awards to employees of BIGO. The 2019 Share Incentive Awards Arrangement reserved 65,922,045 Class A common shares for incentive awards to be granted.

In the event of any dividend, share split, combination or exchange of common shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of our assets to our shareholders, or any other change affecting the shares of common shares or the share price of a common share, the board of directors shall make such proportionate adjustments, if any, as the board of directors in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the 2019 Share Incentive Awards Arrangement; (b) the terms and conditions of any outstanding awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding awards under the 2019 Share Incentive Awards Arrangement.

Grants of Options

The following table summarizes, as of March 31, 2025, the outstanding options granted to our executive officers, directors and other individuals as a group under the Amended and Restated 2011 Plan.

	Common Shares Underlying Options Awarded	Exercise Price (US\$/Share)	Date of Grant	Date of Expiration
Ting Li	*	4.7025	June 30, 2018	June 30, 2026
	*	3.5350	June 30, 2018	June 30, 2025
	*	3.5350	June 30, 2019	June 30, 2025

Note:

* The aggregate number of common shares underlying the outstanding options held by this individual is less than 1% of our total outstanding shares.

Grants of Restricted Shares

As of March 31, 2025, the total amount of outstanding restricted shares granted to our executive officers, directors and other individuals as a group under the 2009 Employee Equity Incentive Scheme, the Amended and Restated 2011 Plan and the 2019 Share Incentive Awards Arrangement is 3,772,706, among which no restricted shares are granted to our directors or management team.

Grants of Restricted Share Units

The following table summarizes, as of March 31, 2025, the outstanding restricted share units granted to our executive officers, directors and other individuals as a group under the 2009 Employee Equity Incentive Scheme and the Amended and Restated 2011 Plan.

Name	Common Shares Underlying Restricted Share Units Granted	Date of Grant
Ting Li	*	Various dates between April 30, 2013 and June 30, 2019
David Xueling Li	*	April 30, 2013 and June 20, 2014
Qin Liu	*	August 6, 2015
Peter Andrew Schloss	*	Various dates between November 7, 2012 and November 7, 2015
David Tang	*	May 23, 2013 and June 16, 2014
Fuyong Liu	*	Various dates between December 30, 2019 and July 20, 2024
Other Individuals as a Group	35,724,885	January 1, 2011 to March 31, 2025
Total	42,504,985	

Note:

* The aggregate number of common shares underlying the outstanding restricted share units, or RSUs, held by each of these individuals is less than 1% of our total outstanding shares.

C. Board Practices

Our board of directors currently consists of six directors. A director is not required to hold any shares in our company to qualify to serve as a director. A director may vote with respect to any contract, proposed contract, or arrangement in which he or she is materially interested. A director may exercise all the powers of the company to borrow money, mortgage its business, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers” for a description of the employment agreements we have entered into with our senior executive officers.

Committees of the Board of Directors

We have established an audit committee, a compensation committee, a corporate governance and nominating committee and an investment committee under the board of directors. We have adopted a charter for each of the audit committee, compensation committee and the corporate governance and nominating committee. Each committee’s members and functions are described below.

Audit Committee. Our audit committee consists of Mr. Peter Andrew Schloss, Mr. David Tang and Mr. Richard Weidong Ji, and is chaired by Mr. Schloss. We have determined that each of Mr. Schloss, Mr. Tang and Mr. Ji satisfies the “independence” requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq Global Select Market and meet the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. We have determined that Mr. Schloss qualifies as an “audit committee financial expert.” The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- selecting the independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by the independent registered public accounting firm;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management’s response;
- reviewing and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and the independent registered public accounting firm;

- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of any material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and the independent registered public accounting firm; and
- reporting regularly to the board.

Compensation Committee. Our compensation committee consists of Mr. David Xueling Li and Mr. David Tang, and is chaired by Mr. David Xueling Li. We have determined that Mr. Tang satisfies the “independence” requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq Global Select Market. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our directors may not be present at any committee meeting during which their compensation is deliberated upon. The compensation committee is responsible for, among other things:

- reviewing the total compensation package for our executive officers and making recommendations to the board with respect to it;
- approving and overseeing the total compensation package for our executives other than the three most senior executives;
- reviewing the compensation of our directors and making recommendations to the board with respect to it;
- periodically reviewing and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and welfare benefit plans; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person’s independence from management.

Corporate Governance and Nominating Committee. Our corporate governance and nominating committee consists of Mr. David Tang, Mr. Qin Liu and Mr. Peter Andrew Schloss, and is chaired by Mr. Tang. We have determined that each of Mr. Tang and Mr. Schloss satisfies the “independence” requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq Global Select Market. The corporate governance and nominating committee assists the board in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The corporate governance and nominating committee is responsible for, among other things:

- recommending nominees to the board for election or re-election to the board, or for appointment to fill any vacancy on the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, age, skills, experience and availability of service to us;
- selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the corporate governance and nominating committee itself; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Investment Committee. Our investment committee consists of Mr. David Xueling Li and Mr. Qin Liu. The investment committee is responsible for negotiating and determining the nature, timing, amount and other terms of an investment if such investment amount ranges from US\$50 million to US\$200 million.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors also have a duty to exercise the care and diligence that a reasonably prudent person would exercise in comparable circumstances and a duty to exercise the skill they actually possess. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board. Our directors are not subject to a term of office and hold office until such time as they resign or are removed from office by special resolution of our shareholders. A director will be removed from office automatically if, among other things, the director (1) becomes of unsound mind or dies, (2) without special leave of absence from our board, is absent from meetings of our board for six consecutive months and our board resolves that his office be vacated; (3) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors; (4) is prohibited by law from being a director; or (5) ceases to be a director by virtue of any provision of the Companies Act or other laws of the Cayman Islands or is removed from office pursuant to our articles of association.

Board Diversity Matrix

Board Diversity Matrix (As of March 31, 2025)	
Country of Principal Executive Offices	Singapore
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	6

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	5	—	—
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction			—	
LGBTQ+			—	
Did Not Disclose Demographic Background			—	

D. Employees

The following table sets forth the numbers of our employees, categorized by function, as of December 31, 2024:

Functions	Number of Employees	Percentage
Customer services and operations	2,525	44 %
Research and development	2,280	39 %
General and administration	596	10 %
Sales and marketing	414	7 %
Total	5,815	100 %

We had a total of 6,681, 6,292 and 5,815 employees as of December 31, 2022, 2023 and 2024, respectively. The number of our global workforce was slightly down year over year as we implemented certain measures to pursue greater efficiency and to realign our business and strategic priorities. We have developed a corporate culture that encourages initiative, technical superiority and self-development. In addition, we periodically evaluate our employees' performance and provide them with training sessions tailored to each job function to enhance performance and service quality.

As of March 31, 2025, our employees are based in a number of countries and regions including mainland China, Singapore, Hong Kong S.A.R., United States, Jordan, Indonesia and Vietnam. We believe that we maintain a good working relationship with our employees and we have not experienced any significant labor disputes.

E. Share Ownership

Class A Common Shares

As of March 31, 2025, we had 707,930,276 Class A common shares issued and outstanding (excluding 609,910,188 outstanding restricted shares and treasury Class A common shares held by entities controlled by us).

Class B Common Shares

As of March 31, 2025, we had 326,509,555 Class B common shares outstanding.

Beneficial Ownership

The following table sets forth information concerning the beneficial ownership of our common shares as of March 31, 2025, by:

- each of our directors and executive officers; and
- each person known to us to beneficially own 5% or more of our common shares.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire or that would become unrestricted shares within 60 days after March 31, 2025, the most recent practicable date, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

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The calculations in the table below assume that there were 707,930,276 Class A common shares outstanding (excluding 609,910,188 outstanding restricted shares and treasury Class A common shares held by entities controlled by us) and 326,509,555 Class B common shares as of March 31, 2025.

	Class A	Class B	Total Common Share		Total
	Common Shares Beneficially Owned ⁽¹⁾	Common Shares Beneficially Owned ⁽²⁾	Beneficially Owned		Voting Power ⁽⁵⁾
	Number	Number	Number ⁽³⁾	% ⁽⁴⁾	%
Directors and Executive Officers:*					
Ting Li	**	—	**	**	**
David Xueling Li ⁽⁶⁾	160,505,284	203,768,062	364,273,346	35.1	86.1
Qin Liu	**	—	**	**	**
Peter Andrew Schloss	**	—	**	**	—
Richard Weidong Ji	**	—	**	**	**
David Tang	**	—	**	**	—
Fuyong Liu	**	—	**	**	—
All directors and executive officers as a group	171,664,619	203,768,062	375,432,681	35.8	86.2
Principal Shareholders:					
YYME Limited ⁽⁷⁾	156,340,804	203,768,062	360,108,866	34.8	55.2
Top Brand Holdings Limited ⁽⁸⁾	—	122,741,483	122,741,483	11.9	—

Notes:

- * Except for Mr. Peter Andrew Schloss, Mr. Richard Weidong Ji, Mr. David Tang and Mr. Qin Liu, the business address of our directors and executive officers is c/o 30 Pasir Panjang Road #15-31A Mapletree Business City, Singapore 117440. The business address of Mr. Qin Liu is Suite 905-6, 9th Floor, ICBC Tower, Three Garden Road, Hong Kong S.A.R. The business address of Mr. Peter Andrew Schloss is 11912 Rennealee Loop, Austin, Texas 78753, United States. The business address of Mr. Richard Weidong Ji is Suite 2103, Two Exchange Square, 8 Connaught Place, Central, Hong Kong S.A.R. The business address of Mr. David Tang is Block 21, Flat C, 29th Floor, Park Island, Ma Wan, Hong Kong S.A.R.
- ** The aggregate number of common shares beneficially owned by each of these individuals is less than 1% of our total outstanding shares.
- (1) Represents the number of Class A common shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days of March 31, 2025.
- (2) Represents the number of Class B common shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days of March 31, 2025.
- (3) Represents the sum of Class A and Class B common shares beneficially owned by such person or group.
- (4) For each person and group included in this column, percentage ownership is calculated by dividing the number of total common shares beneficially owned by such person or group, by the sum of the number of common shares outstanding and the number of common shares such person or group has the right to acquire upon exercise of the stock options or warrants within 60 days after March 31, 2025.
- (5) For each person or group included in this column, the percentage of total voting power represents voting power based on both Class A and Class B common shares held by such person or group with respect to all of our outstanding Class A and Class B common shares as one class. Each holder of Class A common shares is entitled to one vote per share. Each holder of our Class B common shares is entitled to ten votes per share on all matters requiring a shareholders' vote. Our Class B common shares are convertible at any time by the holder into Class A common shares on a one-for-one basis, whereas Class A common shares are not convertible into Class B common shares under any circumstances.
- (6) Representing (i) 156,340,804 Class A common shares (including 17,800,000 Class A common shares in the form of ADSs) and 199,448,382 Class B common shares held by YY One Limited, a British Virgin Islands company, (ii) 4,319,680 Class B common shares held by New Wales Holdings Limited, a British Virgin Islands company, and (iii) 4,164,480 Class A common shares underlying options and restricted share units granted to Mr. David Xueling Li that have vested or will become vested within 60 days of March 31, 2025. Mr. David Xueling Li is the sole owner and director of YYME Limited. Each of YY One Limited and New Wales Holdings Limited is wholly-owned by YYME Limited. In August 2016, Mr. Jun Lei, who beneficially owned 122,741,483 Class B common shares as of March 31, 2025, delegated the voting rights of such shares to Mr. David Xueling Li.
- (7) Representing (i) 156,340,804 Class A common shares and 199,448,382 Class B common shares held by YY One Limited, a British Virgin Islands company, and (ii) 4,319,680 Class B common shares held by New Wales Holdings Limited, a British Virgin Islands company. Mr. David Xueling Li is the sole owner and director of YYME Limited. Each of YY One Limited and New Wales Holdings Limited is wholly owned by YYME Limited. The business address of YYME Limited is c/o David Xueling Li, 30 Pasir Panjang Road #15-31A Mapletree Business City, Singapore 117440.
- (8) Representing 122,741,483 Class B common shares held by Top Brand Holdings Limited, a BVI company wholly owned and controlled by Mr. Jun Lei. The voting rights of such 122,741,483 Class B common shares were delegated to Mr. David Xueling Li in August 2016. The business address of Top Brand Holdings Limited is c/o Jun Lei, 19E, Huating Jiayuan, No.6 of Middle Beisihuan Road, Chaoyang District, Beijing 100102, People's Republic of China.

As of March 31, 2025, we had a total of 1,034,439,831 common shares issued and outstanding, including 707,930,276 Class A common shares (excluding 609,910,188 outstanding restricted shares and treasury Class A common shares held by entities controlled by us) and 326,509,555 Class B common shares. Based on a review of the register of members maintained by our Cayman Islands corporate administrator, we believe that 1,174,808,540 Class A common shares (including restricted shares and treasury Class A common shares held by entities controlled by us) were held by JPMorgan Chase Bank, N.A., which is the depository of our ADS program that resides in the United States. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our common shares in the United States. None of our existing shareholders have different voting rights from other shareholders in the same class. See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers—Employment Agreements” for a description of the employment agreements we have entered into with our senior executive officers.

Our common shares are divided into Class A common shares and Class B common shares. Holders of Class A common shares are entitled to one vote per share, while holders of Class B common shares are entitled to ten votes per share. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Please refer to “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

B. Related Party Transactions

VIE Structure and the Contractual Arrangements

The government of mainland China extensively regulates foreign ownership of, and the licensing and permit requirements pertaining to, companies that provide internet-based services such as our platforms to the extent that they operate in mainland China. To comply with these restrictions, we conduct our mainland China operations that are subject to these restrictions through the variable interest entities and the contractual arrangements with them. The contractual arrangements with the primary operating variable interest entities that we currently rely on to conduct our main operations in mainland China include (i) the contractual arrangements among BaiGuoYuan Technology, Guangzhou BaiGuoYuan and its direct and indirect shareholders, and (ii) the contractual arrangements among Guangzhou Huanju Shidai, Guangzhou Ruicheng and its direct and indirect shareholders, through which we direct the business operations of Guangzhou Huaduo, a wholly-owned subsidiary indirectly held by Guangzhou Ruicheng.

We have set up the structure we use to hold the major operating variable interest entities to ensure the stability and proper governance of the operating variable interest entities as an integral part of our company. Each of our operating variable interest entity is typically held by a limited liability company in mainland China. This limited liability company in mainland China is in turn directly or indirectly owned by two limited partnerships in mainland China, each of which holds 50% of the equity interest. Each of these partnerships is comprised of (i) a limited liability company in mainland China as general partner (which is formed by a number of selected individuals of our company and our management who are PRC citizens), and (ii) the same group of natural persons as limited partners. For the primary operating variable interest entities, these individuals are Ting Li, Lin Song and Di Fu (with respect to each of Guangzhou Huaduo and Guangzhou BaiGuoYuan). A designated wholly foreign-owned entity, on the one hand, and the corresponding VIE and the multiple layers of legal entities above the VIE, as well as the natural persons described above, on the other hand, enter into contractual arrangements as summarized below.

There continue to be risks associated with the VIE structure in general. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure.”

The following is a summary of our contractual arrangements with our primary operating VIEs.

Contractual Arrangements with Guangzhou BaiGuoYuan

The following is a summary of the currently effective contracts among (i) our subsidiary, BaiGuoYuan Technology, (ii) a variable interest entity, Guangzhou BaiGuoYuan Network Technology Co., Ltd., or Guangzhou BaiGuoYuan, and (iii) the direct and indirect shareholders of Guangzhou BaiGuoYuan.

Exclusive Service Agreement

Under the exclusive service agreement dated January 15, 2021 entered into among BaiGuoYuan Technology, Guangzhou BaiGuoYuan and each direct and indirect shareholder of Guangzhou BaiGuoYuan, BaiGuoYuan Technology has the right to exclusively provide relevant services to Guangzhou BaiGuoYuan and each direct and indirect shareholders of Guangzhou BaiGuoYuan, including, without limitations, the licensing of software, technology support, training, research and business consulting services related to their applicable business, the scope of which is to be determined by BaiGuoYuan Technology from time to time. The service scope and service fee payable by such companies to BaiGuoYuan Technology is determined at the sole discretion of BaiGuoYuan Technology. The term of each exclusive service agreement is twenty years and will be automatically extended year by year unless BaiGuoYuan Technology delivers a prior written notice to such shareholder not to extend the term.

Proxy Agreement

Under the proxy agreement dated January 15, 2021 entered into among BaiGuoYuan Technology, Guangzhou BaiGuoYuan and each direct and indirect shareholder of Guangzhou BaiGuoYuan, each such shareholder irrevocably authorized BaiGuoYuan Technology or its designee(s) to act on their respective behalf as proxy attorney, including, but not limited to, proposing to convene or attend shareholder meetings, voting at such meetings, appointing directors and senior management, disposal the equity interests under the respective exclusive service agreement. The term of each proxy agreement is twenty years and will be automatically extended year by year unless BaiGuoYuan Technology delivers prior written notice to the relevant parties under the proxy agreements not to extend the term.

Equity Interest Pledge Agreement

Under the equity interest pledge agreement dated January 15, 2021 entered into among BaiGuoYuan Technology, Guangzhou BaiGuoYuan and each direct and indirect shareholder of Guangzhou BaiGuoYuan, each such shareholders of Guangzhou BaiGuoYuan pledged all of its equity interests to BaiGuoYuan Technology to guarantee the performance by such shareholder's performance of their respective contractual obligations under the respective exclusive service agreement, exclusive option agreement, and proxy agreement to which such shareholder is a party. If such shareholder breaches its contractual obligations under those agreements, BaiGuoYuan Technology, as the pledgee, will be entitled to certain rights, including the right to dispose the pledged equity interests. We have completed the registration of the equity interest pledge under the equity interest pledge agreements with the relevant office of SAMR. The pledge will remain effective until the contractual obligations have been fully performed or the secured debts have been fully paid.

Exclusive Option Agreement

Under the exclusive option agreement dated January 15, 2021 entered into among BaiGuoYuan Technology, Guangzhou BaiGuoYuan and each direct and indirect shareholder of Guangzhou BaiGuoYuan, each such shareholder irrevocably granted BaiGuoYuan Technology or its designee(s) an exclusive call option to purchase all or any part of its equity interests, all or any part of its assets, and an exclusive call option to request the capital increase into the relevant entity, to the extent permissible by the then-applicable PRC laws and regulations, at BaiGuoYuan Technology's sole discretion.

Contractual Arrangements with Guangzhou Ruicheng

The following is a summary of the currently effective contracts among (i) our subsidiary, Guangzhou Huanju Shidai, (ii) a variable interest entity, Guangzhou Ruicheng, and (iii) the direct and indirect shareholders of Guangzhou Ruicheng.

Exclusive Services Agreement

Under the exclusive services agreement dated December 9, 2020 entered into among Guangzhou Huanju Shidai, Guangzhou Ruicheng and each direct and indirect shareholder of Guangzhou Ruicheng, Guangzhou Huanju Shidai had the exclusive right to provide to Guangzhou Ruicheng and each direct and indirect shareholder of Guangzhou Ruicheng services related to their applicable business. Guangzhou Huanju Shidai owns the exclusive intellectual property rights created as a result of the performance of each exclusive services agreement. The service scope and service fee payable by Guangzhou Ruicheng and each of its direct and indirect shareholders to Guangzhou Huanju Shidai is determined by the sole discretion of Guangzhou Huanju Shidai. The term of each exclusive services agreement is twenty years and will be automatically extended year by year unless Guangzhou Huanju Shidai delivers a prior written notice to Guangzhou Ruicheng or its director and indirect shareholders not to extend the term.

Voting Rights Proxy Agreement

Under the voting rights proxy agreement dated December 9, 2020 entered into among Guangzhou Huanju Shidai, Guangzhou Ruicheng and each direct and indirect shareholder of Guangzhou Ruicheng, each such shareholders of Guangzhou Ruicheng irrevocably executed a power of attorney and appointed Guangzhou Huanju Shidai's designated representatives as its attorney-in-fact to exercise the shareholders' rights of such shareholders, including, without limitation, the power to vote on its behalf on all matters shareholder approval under PRC laws and regulations and the articles of association and their amendments from time to time and the rights to information. The term of each voting rights proxy agreement is twenty years and will be automatically extended year by year unless Guangzhou Huanju Shidai delivers a prior written notice to the relevant parties under the voting rights proxy agreements not to extend the term or upon mutual written agreement by all parties.

Exclusive Option Agreement

Under the exclusive option agreement dated December 9, 2020 entered into among Guangzhou Huanju Shidai, Guangzhou Ruicheng and each direct and indirect shareholders of Guangzhou Ruicheng, each such shareholder irrevocably granted Guangzhou Huanju Shidai or its designated representative(s) an exclusive option to purchase, to the extent permitted under PRC law, all or part of its equity interests in the relevant entities. Guangzhou Huanju Shidai or its designated representative(s) had sole discretion as to when to exercise such options, either in part or in full. Without Guangzhou Huanju Shidai's prior written consent, the direct and indirect shareholders of Guangzhou Ruicheng shall not sell, transfer, mortgage or otherwise dispose their equity interests that directly or indirectly relating to Guangzhou Ruicheng. Each exclusive option agreement will remain effective until all the equity interests in or assets held by the relevant shareholders are transferred to Guangzhou Huanju Shidai or its designated representative(s) or may be terminated at Guangzhou Huanju Shidai's sole discretion.

Equity Interest Pledge Agreement

Under the equity interest pledge agreement dated December 9, 2020 entered into among Guangzhou Huanju Shidai, Guangzhou Ruicheng and each direct and indirect shareholder of Guangzhou Ruicheng, each such shareholder of Guangzhou Ruicheng pledged all of its equity interests to Guangzhou Huanju Shidai to guarantee the performance by such shareholders' performance of their respective contractual obligations under the exclusive service agreement, exclusive option agreement, and voting rights proxy agreement. If such shareholder breaches its contractual obligations under those agreements, Guangzhou Huanju Shidai, as the pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests. The pledge will remain effective until the contractual obligations have been fully performed or the secured debts have been fully paid.

Other Immaterial Contractual Arrangements

We also entered into contractual arrangements among our subsidiaries, several immaterial variable interest entities, their shareholders and primary beneficiaries, with terms and conditions substantially similar to the ones summarized above. As of the date of this annual report, those immaterial contractual arrangements include the ones among: (i) Huanju Shidai Technology (Beijing) Co., Ltd., Beijing Tuda Science and Technology Co., Ltd. and its shareholders; (ii) Haishaman (Shanghai) Information Technology Co., Ltd., Shanghai Ruogu Information Technology Co., Ltd. and its shareholders; (iii) Guangzhou Wangxing Information Technology Co., Ltd., Chengdu Yunbu Internet Technology Co., Ltd. and its shareholder; (iv) Guangzhou Wangxing Information Technology Co., Ltd., Chengdu Luota Internet Technology Co., Ltd. and its shareholder; and (v) Guangzhou Wangxing Information Technology Co., Ltd., Chengdu Jiyue Internet Technology Co., Ltd. and its shareholder. In connection with the contractual arrangements with those immaterial variable interest entities, the pledge of equity interest in Chengdu Jiyue Internet Technology Co., Ltd. by its shareholders, the pledge of equity interest in Chengdu Luota Internet Technology Co., Ltd. by its shareholders, the pledge of equity interest in Chengdu Yunbu Internet Technology Co., Ltd. by its shareholders, and the equity interest pledged by the shareholders of Beijing Tuda have not been registered with the competent office of SAMR.

Transactions with Affiliate

Purchases of promotional services. For the years ended December 31, 2022, 2023 and 2024, we purchased promotional services amounting to US\$5.3 million, US\$8.0 million and US\$7.6 million, respectively, from certain related parties.

Loans to related parties. For the years ended December 31, 2022, 2023 and 2024, we provided loans to certain related parties amounting to US\$28.1 million, nil and nil, respectively.

Payments on behalf of related parties. For the years ended December 31, 2022, 2023 and 2024, we made payments on behalf of certain related parties amounting to US\$36.5 million, insignificant amount and insignificant amount, respectively, net of repayments.

See Note 28 to our audited consolidated financial statements included elsewhere in this annual report for further information about our related party transactions.

Employment Agreements

See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers—Employment Agreements” for a description of the employment agreements we have entered into with our senior executive officers.

Share Incentives

See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers” for a description of share-based compensation awards we have granted to our directors, officers and other individuals as a group.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See “Item 18. Financial Statements.”

Legal Proceedings

We are not currently a party to any pending material litigation or other material legal proceeding and are not aware of any pending or threatened litigation or other legal proceeding that may have a material adverse impact on our business or operations. However, we may be subject to various legal proceedings and claims that are incidental to our ordinary course of business. Regardless of the outcome, legal or administrative proceedings or claims may have an adverse impact on us because of defense and settlement costs, diversion of management attention and other factors.

Dividend Policy

For the years ended December 31, 2022 and 2023, we declared and distributed cash dividends in accordance with our three-year quarterly dividend policies adopted in 2020. The quarterly dividend policies have both expired and we paid dividends in a net aggregate amount of US\$454.8 million in accordance with these quarterly dividend policies. We did not distribute cash dividends for the year ended December 31, 2024.

On March 19, 2025, our board of directors authorized a new quarterly dividend program under which a total of approximately US\$600 million in cash will be distributed on a quarterly basis from 2025 to 2027. On the same day, under the new quarterly dividend program, our board of directors approved the declaration of a dividend of US\$0.93 per ADS, or US\$0.0465 per common share, with an aggregate amount of approximately US\$50 million for the quarter.

Our board of directors has complete discretion on whether to distribute dividends, subject to the applicable laws. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our Class A common shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares.” Cash dividends on our Class A common shares, if any, will be paid in U.S. dollars.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offering and Listing Details

See “—C. Markets” and “Item 12. Description of Securities other than Equity Securities—D. American Depositary Shares.” We have a dual-class common share structure in which Class A common shares have different voting rights from Class B common shares. Class B common shares are each entitled to ten votes, whereas Class A common shares are each entitled to one vote. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our ADSs—Our dual class common share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A common shares and ADSs may view as beneficial.”

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs, each representing twenty Class A common shares, have been listed on the Nasdaq Global Select Market since November 21, 2012 and trade under the symbol “JOYY.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are a Cayman Islands exempted company and our affairs are governed by our memorandum and articles of association and the Companies Act (As Revised) of the Cayman Islands, referred to as the Companies Act below. The following are summaries of certain provisions of our memorandum and articles of association in effect as of the date of this annual report insofar as they relate to the material terms of our common shares.

Registered Office and Objects

Our registered office in the Cayman Islands is located at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands. The memorandum of association provides, inter alia, that the liability of the members of our company is limited to the amount, if any, for the time being unpaid on the common shares. The objects for which our company is established are unrestricted (including acting as an investment company), and we shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of corporate benefit, as provided in Section 27(2) of the Companies Act and in view of the fact that we are an exempted Company, we will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of our business carried on outside the Cayman Islands.

Board of Directors

See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Duties of Directors” and “Item 6. Directors, Senior Management and Employees—C. Board Practices—Terms of Directors and Officers.”

Common Shares

General

Our common shares are divided into Class A common shares and Class B common shares. Holders of Class A common shares and Class B common shares will have the same rights except for voting and conversion rights. The holders of ADSs will not be treated as our shareholders and will be required to surrender their ADSs for cancellation and withdrawal from the depository facility in which the Class A common shares are held in accordance with the provisions of the deposit agreement in order to exercise shareholders' rights in respect of the Class A common shares. The depository will agree, so far as it is practical, to vote or cause to be voted the amount of underlying Class A common shares represented by ADSs in accordance with the non-discretionary written instructions of the holders of such ADSs.

All of our issued and outstanding common shares are fully paid and non-assessable. Our common shares are issued in registered form and are issued when registered in our register of members (shareholders). We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their common shares.

Meetings

As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our third amended and restated memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors. In addition, extraordinary general meetings of our shareholders may be convened by a majority of our board of directors or the chairman of our board of directors. Advance notice in writing of at least ten clear days is required for the convening of our annual general meeting and any other general meeting of our shareholders. A quorum required for a meeting of shareholders consists of at least one or more shareholders present in person or by proxy, or (in the case of a shareholder being a corporation) by its duly authorized representative representing not less than one-third in nominal value of the total issued voting shares in our company throughout the meeting.

If our directors wish to make this facility available for a specific general meeting or all general meetings of our company, attendance and participation in any such general meeting may be by means of Communication Facilities (as defined in our articles of association, including video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communications, internet or online conferencing application or telecommunications facilities by means of which all persons participating in the meeting are capable of hearing and being heard by each other), including entirely virtual meetings. A shareholder attending any such general meeting by means of Communications Facilities shall be deemed to be present at the meeting, including for quorum purposes.

Notwithstanding that a meeting is called by shorter notice than that mentioned above, it will be deemed to have been duly called, if it is so agreed (a) in the case of a meeting called as an annual general meeting by all of our shareholders entitled to attend and vote at the meeting; and (b) in the case of any other meeting, by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the issued shares giving that right.

No business other than the appointment of a chairman may be transacted at any general meeting unless a quorum is present at the commencement of business. However, the absence of a quorum will not preclude the appointment of a chairman. If present, the chairman of our board of directors shall be the chairman presiding at any shareholders' meetings.

A corporation being a shareholder shall be deemed for the purpose of our articles of association to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting or at any relevant general meeting of any class of our shareholders. Such duly authorized representative shall be entitled to exercise the same powers on behalf of the corporation that he represents as that corporation could exercise if it were our individual shareholder.

The quorum for a separate general meeting of the holders of a separate class of shares is described in "—Variation of Rights" below.

Our articles of association do not allow our shareholders to approve matters to be determined at shareholders' meetings by way of written resolutions without a meeting.

Voting Rights

In respect of all matters requiring a shareholders' vote, each Class A common share is entitled to one vote, and each Class B common share is entitled to ten votes, voting together as one class. At any shareholders' meeting, and subject to the voting rights attached to our Class A common shares and Class B common shares as described in this paragraph, on a show of hands, every shareholder present (whether in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) or by means of Communications Facilities (as defined in our articles of association), if permitted) shall have one vote and on a poll, every shareholder present (whether in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) or by means of Communications Facilities (as defined in our articles of association), if permitted) shall have one vote for each fully paid share of which such shareholder is the holder.

No shareholder shall, unless our board of directors otherwise determines, be entitled to vote or be reckoned in a quorum, in respect of any share, unless such shareholder is duly registered as our shareholder and all calls or installments due by such shareholder to us have been paid.

If a clearing house (or its nominee(s)) or a central depository entity, being a corporation, is a shareholder, it may authorize such person or persons as it thinks fit to act as its representative(s) at any meeting or at any meeting of any class of shareholders, provided that the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized is entitled to exercise the same rights and powers on behalf of the clearing house or central depository entity (or its nominee(s)) as if such person was the registered holder of our shares held by the clearing house or central depository entity (or its nominee(s)) including the right to vote individually on a show of hands.

While there is nothing under the laws of the Cayman Islands which specifically prohibits or restricts the creation of cumulative voting rights for the election of directors of our company, it is not a concept that is accepted as a common practice in the Cayman Islands, and our company has made no provisions in our articles of association to allow cumulative voting for such elections.

Conversion

Each Class B common share is convertible into one Class A common share at any time by the holder thereof. Class A common shares are not convertible into Class B common shares under any circumstances. Upon any transfer, sale, pledge, assignment or disposition of Class B common shares by a holder to any person or entity which is not an affiliate of such holder and which is not any of our founders or any affiliates of our founders, such Class B common shares shall be automatically and immediately converted into the equivalent number of Class A common shares. In addition, if at any time, Messrs. David Xueling Li, Jun Lei, Tony Bin Zhao and Jin Cao and their affiliates collectively beneficially own less than 5% of the total number of the issued and outstanding Class B common shares, each issued and outstanding Class B common share will be automatically and immediately converted into one Class A common share, and we will not issue any Class B common shares thereafter. Furthermore, if at any time more than 50% of the ultimate beneficial ownership of any holder of Class B common shares (other than our founders or our founders' affiliates) changes, each such Class B common share will be automatically and immediately converted into one Class A common share.

Calls on Shares and Forfeiture of Shares

Subject to our memorandum and articles of association, our directors may from time to time make such calls upon the members in respect of any amounts unpaid on the shares held by them. The shares that have been called upon and remain unpaid after it has become due and payable are subject to forfeiture.

Protection of Minority Shareholders

In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company because as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to apply and follow the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against, or derivative actions in the name of, a company to challenge the following:

- (i) an acts which is illegal or ultra vires and is therefore incapable of ratification by the shareholders;
- (ii) an act which, although not ultra vires, could only be effected duly if authorized by a special or qualified majority vote that has not been obtained; and
- (iii) an act which constitutes a fraud against, the minority where the wrongdoers are themselves in control of the company.

In the case of a company (not being a bank) having its share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and to report thereon in such manner as the Grand Court of the Cayman Islands shall direct.

Any of our shareholders may petition the Grand Court of the Cayman Islands which may make a winding up order if the Grand Court of the Cayman Islands is of the opinion that it is just and equitable that we should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of our affairs in the future, (b) an order requiring us to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained we have omitted to do, (c) an order authorizing civil proceedings to be brought in our name and on our behalf by the shareholder petitioner on such terms as the Grand Court of the Cayman Islands may direct, or (d) an order providing for the purchase of the shares of any of our shareholders by other shareholders or us and, in the case of a purchase by us, a reduction of our capital accordingly.

Generally, claims against us must be based on the general laws of contract or tort applicable in the Cayman Islands or individual rights as shareholders as established by our articles of association.

Pre-Emption Rights

There are no pre-emption rights applicable to the issue of new shares of our company under either Cayman Islands law or our memorandum and articles of association.

Liquidation Rights

Subject to any class or classes of shares or future shares which are issued with specific rights, privileges or restrictions as to the distribution of available surplus assets on liquidation, (a) if we are wound up and the assets available for distribution among our shareholders are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* among those shareholders in proportion to the amount paid up at the commencement of the winding up on the shares held by them, respectively, and (b) if we are wound up and the assets available for distribution among the shareholders as such are insufficient to repay the whole of the paid-up capital, those assets shall be distributed so that, as nearly as may be, the losses shall be borne by the shareholders in proportion to the capital paid up at the commencement of the winding up on the shares held by them, respectively.

If we are wound up (whether the liquidation is voluntary or by the court), the liquidator may with the sanction of our special resolution and any other sanction required by the Companies Act, divide among our shareholders in specie or kind the whole or any part of our assets (whether or not they shall consist of property of the same kind) and may, for such purpose, set such value as the liquidator deems fair upon any property to be divided and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may also vest the whole or any part of these assets in trustees upon such trusts for the benefit of the shareholders as the liquidator shall think fit, but so that no shareholder will be compelled to accept any assets, shares or other securities upon which there is a liability.

The consideration received by each holder of a Class A common share and a holder of a Class B common share will be the same in any liquidation event.

Variation of Rights

Alterations to our memorandum and articles of association may only be made by special resolution, meaning a majority of not less than two-thirds of votes cast at a shareholders' meeting.

Subject to applicable laws and our memorandum and articles of association, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time be varied, modified or abrogated by a special resolution passed at a separate general meeting of the holders of the shares of that class. All the provisions of our articles of association relating to general meetings shall, mutatis mutandis, apply, but so that:

- separate general meetings of the holders of a class or series of shares may be called only by (i) the chairman of our board of directors, or (ii) a majority of our board of directors (unless otherwise specifically provided by the terms of issue of the shares of such class or series). Our articles of association does not give any shareholder(s) the right to call a class or series meeting;
- the necessary quorum shall be a person or persons (or in the case of a shareholder being a corporation, its duly authorized representative) together holding or representing by proxy not less than one-third in nominal value of the issued shares of that class;
- every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and
- any holder of shares of the class present (whether in person or by proxy (or, in the case of a shareholder being a corporation, by its authorized representative) or by means of Communication Facilities (as defined in our articles of association), if permitted) may demand a poll.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking pari passu with such existing shares or class of shares.

Alteration of Capital

We may from time to time by ordinary resolution in accordance with the Companies Act alter the conditions of our memorandum of association to:

- increase our capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of larger amounts than our existing shares;
- cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so canceled subject to the provisions of the Companies Act;

- sub-divide our shares or any of them into shares of smaller amount than is fixed by our memorandum of association, subject nevertheless to the Companies Act, so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others, as we have power to attach to unissued or new shares; and
- divide our shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares, attach to the shares respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions that in the absence of any such determination in a general meeting may be determined by our directors.

We may, by special resolution, subject to any confirmation or consent required by the Companies Act, reduce our share capital or any capital redemption reserve in any manner authorized by law.

Transfer of Shares

Subject to any applicable restrictions set forth in our articles of association, including, for example, the board of directors' discretion to refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under share incentive plans for employees upon which a restriction on transfer imposed thereby still subsists, or a transfer of any share to more than four joint holders, any of our shareholders may transfer all or any of his or her shares by an instrument of transfer in the usual or common form or in a form prescribed by the Nasdaq Global Select Market or in another form that our directors may approve.

Our directors may decline to register any transfer of any share which is not paid up or on which we have a lien. Our directors may also decline to register any transfer of any share unless:

- the instrument of transfer is lodged with us and is accompanied by the certificate for the shares to which it relates and such other evidence as our directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of share;
- the instrument of transfer is properly stamped (in circumstances where stamping is required); and
- fee of such maximum sum as the Nasdaq Global Select Market may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer, they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice requirement of the Nasdaq Global Select Market, be suspended and the register closed at such times and for such periods as our directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our directors may determine.

Register of Members

In accordance with Section 48 of the Companies Act, the register of members is prima facie evidence of the registered holder or member of shares of a company. Therefore, a person becomes a registered holder or member of shares of the company only upon entry being made in the register of members. Our directors will maintain one register of members, at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, which provides us with corporate administrative services. We will perform the procedures necessary to register the shares in the register of members as required in "PART III—Distribution of Capital and Liability of Members of Companies and Associations" of the Companies Act, and will ensure that the entries on the register of members are made without any delay.

The underlying Class A common shares represented by our ADSs are not shares in bearer form, but are in registered form and are “non-negotiable” or “registered” shares and accordingly the underlying Class A common shares represented by our ADSs can only be transferred on the books of the company in accordance with Section 166 of the Companies Act.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Share Repurchases

We are empowered by the Companies Act and our articles of association to purchase our own shares, subject to certain restrictions. Our directors may only exercise this power on our behalf, subject to the Companies Act, our memorandum and articles of association and to any applicable requirements imposed from time to time by the Nasdaq Global Select Market, the U.S. Securities and Exchange Commission, or by any other recognized stock exchange on which our securities are listed.

Dividends

Subject to the Companies Act, our company in a general meeting or our directors may declare dividends in any currency to be paid to our shareholders, but no dividend shall be declared in excess of the amount recommended by our board of directors. Dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our directors determine is no longer needed. Our board of directors may also declare and pay dividends out of our share premium account or any other fund or account that can be authorized for this purpose in accordance with the Companies Act. However, even if our company has sufficient profits or share premium, it may not pay a dividend if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provides, (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for this purpose as paid up on that share and (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Our directors may also pay interim dividends, whenever our financial position, in the opinion of our directors, justifies such payment.

Our directors may deduct from any dividend or bonus payable to any shareholder all sums of money (if any) presently payable by such shareholder to us on account of calls or otherwise.

No dividend or other money payable by us on or in respect of any share shall bear interest against us.

In respect of any dividend proposed to be paid or declared on our share capital, our directors may resolve and direct that (a) such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that our shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if our directors so determine) in cash in lieu of such allotment or (b) the shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as our directors may think fit. Our shareholders may, upon the recommendation of our directors, by ordinary resolution resolve in respect of any particular dividend that, notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend interest or other sum payable in cash to the holder of shares may be paid by check or warrant sent by mail addressed to the holder at his registered address, or addressed to such person and at such addresses as the holder may direct. Every check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to us.

All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by our board of directors for the benefit of our company until claimed. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and reverted to us.

Whenever our directors have resolved that a dividend be paid or declared, our directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe for our securities or securities of any other company. Where any difficulty arises with regard to such distribution, our directors may settle it as they think expedient. In particular, our directors may issue fractional certificates, ignore fractions altogether or round the same up or down, fix the value for distribution purposes of any such specific assets, determine that cash payments shall be made to any of our shareholders upon the footing of the value so fixed in order to adjust the rights of the parties, vest any such specific assets in trustees as may seem expedient to our directors, and appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, which appointment shall be effective and binding on our shareholders.

Untraceable Shareholders

We are entitled to sell any shares of a shareholder who is untraceable, provided that no such sale shall be made unless:

- all checks or warrants in respect of dividends of such shares, not being less than three in number, for any sums payable in cash to the holder of such shares have remained un-cashed for a period of 12 years prior to the publication of the advertisement and during the three months referred to in the third bullet point below;
- we have not during that time received any indication of the existence of the shareholder or person entitled to such shares by death, bankruptcy or operation of law; and
- we, if so required by the rules of the Nasdaq Global Select Market, have given notice to, and caused an advertisement to be published in newspapers in accordance with such applicable rules giving notice of our intention to sell these shares, and a period of three months (or such shorter period as permitted under the applicable rules) has elapsed since the date of such advertisement.

The net proceeds of any such sale shall belong to us, and when we receive these net proceeds we shall become indebted to the former shareholder for an amount equal to such net proceeds.

Exclusive Forum

Unless we consent in writing to the selection of an alternative forum, the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) shall be the exclusive forum within the United States for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, regardless of whether such legal suit, action, or proceeding also involves parties other than us. Any person or entity purchasing or otherwise acquiring any share or other securities in our company, or purchasing or otherwise acquiring American depositary shares issued pursuant to deposit agreements, shall be deemed to have notice of and consented to the provisions of this article. Without prejudice to the foregoing, if the provision in this article is held to be illegal, invalid or unenforceable under applicable law, the legality, validity or enforceability of the rest of articles of association shall not be affected and this article shall be interpreted and construed to the maximum extent possible to apply in the relevant jurisdiction with whatever modification or deletion may be necessary so as best to give effect to our intention.

Differences Between the Law of Different Jurisdictions

The Companies Act of the Cayman Islands is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Act of the Cayman Islands and the current Companies Act of England. In addition, the Companies Act of the Cayman Islands differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act of the Cayman Islands applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The plan must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a “parent” of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by (a) 75% in value of the shareholders or class of shareholders, as the case may be, or (b) a majority in number representing 75% in value of the creditors or each class of creditors, as the case may be, with whom the arrangement is to be made, that are, in each case, present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the “squeeze out” of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction by way of scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted in accordance with the foregoing statutory procedures, a dissenting shareholder would have no rights comparable to appraisal rights, save that objectors to a takeover offer may apply to the Grand Court of the Cayman Islands for various orders that the Grand Court of the Cayman Islands has a broad discretion to make, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company and as a general rule, a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, there are exceptions to the foregoing principle which permit a minority shareholder to commence a class action against, or derivative actions in the name of, a company, including when:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles of Association provide that our Company shall indemnify our officers and directors from and against all actions, costs, charges, losses, damages and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty or fraud of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our Memorandum and Articles of Association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Anti-Takeover Provisions in the Memorandum and Articles of Association. Some provisions of our current Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association, as amended and restated from time to time, for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so) and a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Our Memorandum and Articles of Association do not allow our shareholders to approve matters to be determined at shareholders' meetings by way of written resolutions without a meeting.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. These rights may be provided in a company's articles of association. However, our memorandum and articles of association do not allow our shareholders to requisition any general meeting of our shareholders and do not provide our shareholders with any other right to put proposals before any annual general meetings or extraordinary general meetings. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings. Our third amended and restated memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting. In addition, extraordinary general meetings of our shareholders may be convened only by a majority of our board of directors or the chairman of our board of directors. Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. While there is nothing under the laws of the Cayman Islands which specifically prohibits or restricts the creation of cumulative voting rights for the election of directors of our company, it is not a concept that is accepted as a common practice in the Cayman Islands, and our company has made no provisions in our Memorandum and Articles of Association to allow cumulative voting for such elections. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, a director may be removed by a special resolution of our shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Restructuring. A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company: (a) is or is likely to become unable to pay its debts; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time be varied, modified or abrogated by a special resolution passed at a separate general meeting of the holders of the shares of that class. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law and our Memorandum and Articles of Association, our Memorandum and Articles of Association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our Memorandum and Articles of Association on the rights of nonresident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association which require our company to disclose shareholder ownership above any particular ownership threshold.

Exempted Company. The Companies Act in the Cayman Islands distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of members is not required to be open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue no par value shares;
- an exempted company may obtain an undertaking against the imposition of taxation on profits, capital gains or inheritance (such undertakings are given for a period of up to 30 years);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Inspection of Books and Records

Holders of our common shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than our memorandum and articles of association, special resolutions passed by our shareholders, and our register of mortgages and charges). Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies in the Cayman Islands. However, we will provide our shareholders with annual audited financial statements.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described elsewhere in "Item 4. Information on the Company—B. Business Overview," "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions," or elsewhere in this annual report.

D. Exchange Controls

See "Item 4. Information on the Company—B. Business Overview—Regulations in Multiple Jurisdictions Where We Operate—Regulations on Foreign Currency Exchange and Dividend Distribution—mainland China."

E. Taxation

The following summary of material Cayman Islands, Singapore, U.S. and mainland China tax consequences of an investment in our ADSs or ordinary shares is based upon laws and interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the holders of our ordinary shares or ADSs levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of, the Cayman Islands.

There are no exchange control regulations or currency restrictions in the Cayman Islands.

Pursuant to Section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, we have obtained an undertaking from the Governor-in-Cabinet:

3. that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and
4. that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (a) on or in respect of our shares, debentures or other obligations; or
 - (b) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (As Revised) of the Cayman Islands.

The undertaking for us is for a period of 20 years from August 2, 2011.

Singapore Taxation

The following discussion is a summary of Singapore income tax, goods and services tax and stamp duty considerations relevant to the acquisition, ownership and disposition of ADSs or our common shares. The statements made herein regarding taxation are general in nature and based upon certain aspects of the current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date hereof and are subject to any changes in such laws or administrative guidelines or the interpretation of such laws or guidelines occurring after such date, which changes could be made on a retrospective basis. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to acquire, own or dispose of our ADSs or our common shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of our ADSs and our common shares, taking into account their own particular circumstances. It is emphasized that neither we nor any other persons involved in this annual report accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal of our ADSs or our common shares.

Income Tax

Under the Singapore Income Tax Act (Chapter 134 of Singapore), a company established outside Singapore but whose governing body, being the board of directors, usually exercises de facto control and management of its business in Singapore could be considered tax residents in Singapore. However, such control and management of the business should not be deemed to be in Singapore if physical board meetings are mainly conducted outside Singapore. Where board resolutions are passed in the form of written consent signed by the directors each acting in their own jurisdictions, or where the board meetings are held by teleconference or videoconference, it is possible that the place of de facto control and management will be considered to be where the majority of the board are located when they sign such consent or attend such conferences.

We believe that JOYY Inc. is not a Singapore tax resident for Singapore income tax purposes. However, the tax resident status of JOYY Inc. is subject to determination by the Inland Revenue Authority of Singapore and uncertainties remain with respect to our tax residence status. It is not certain if JOYY Inc. will be classified as a Singapore tax resident. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Jurisdictions We Operate— If we are classified as a tax resident of certain jurisdictions for income tax purposes, such classification could result in unfavorable tax consequences to us and our shareholders or ADS holders” for a discussion of the Singapore tax consequences to non-resident investors if JOYY Inc. is deemed to be a Singapore tax resident. The statements below are based on the assumption that JOYY Inc. is not a tax resident in Singapore for Singapore income tax purposes.

Dividends With Respect to Our ADSs or Our Common Shares

Where JOYY Inc. is not considered a tax resident in Singapore for Singapore income tax purposes, the dividend payments made by JOYY Inc. would be considered sourced outside Singapore (unless our ADSs or our common shares are held as part of a trade or business carried out in Singapore, in which case the holders of our ADSs or our common shares may be taxed on the dividends distributed to them). Foreign-sourced dividends received or deemed to be received in Singapore by non-resident individuals are exempt from Singapore income tax. This exemption also applies to Singapore tax resident individuals who have received or, are deemed to have received his foreign-sourced income in Singapore on or after January 1, 2004 (except where such income is received through a partnership in Singapore).

Foreign-sourced dividends received or deemed to be received in Singapore by corporate investors who do not have a business presence in Singapore, are not tax resident in Singapore, and who do not have a permanent establishment or tax presence in Singapore, will generally not be subject to income tax in Singapore. Foreign-sourced dividends received or deemed to be received in Singapore by corporate investors who are tax residents in Singapore will generally be subject to Singapore income tax. Since JOYY Inc. is a company incorporated in the Cayman Islands, and the prevailing rate of tax in the Cayman Islands, being a tax of a similar character to the Singapore income tax, is 0%, dividends received in Singapore by resident corporate investors would be subject to Singapore income tax at the prevailing rate of 17%.

Dividends received in respect of our ADSs or our common shares whether by a Singapore tax resident or a non-Singapore tax resident as a shareholder are not subject to any withholding tax in Singapore.

Gains With Respect to Disposition of Our ADSs or Our Common Shares

There is no capital gain tax in Singapore and there is no specific law or regulation in Singapore dealing with the characterization of a gain as income or capital in nature. Gains arising from disposition of our ADSs or our common shares may be construed as income and subject to Singapore income tax if they arise from or are otherwise connected with a trade or business activity in Singapore. Factors that determine the existence of a trade include, inter alia, the length of ownership, the frequency of similar transactions, and the motive of acquisition.

Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if our ADSs or our common shares were purchased with the intention or purpose of making a profit by sale rather than holding for long-term investment purposes in Singapore. Conversely, gains from disposition of our ADSs or our common shares in Singapore, if considered as capital gains rather than income by the Inland Revenue Authority of Singapore, are not taxable in Singapore.

For corporate shareholders who are subject to Singapore income tax treatment under Section 34A or 34AA of the Income Tax Act (Chapter 134 of Singapore) in relation to the adoption of Singapore Financial Reporting Standard 39—Financial Instruments: Recognition and Measurement (FRS 39) or Singapore Financial Reporting Standard 109—Financial Instruments (FRS 109), for accounting purposes, they may be required to recognize gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of our ADSs or our common shares has been made. Our corporate shareholders who may be subject to such provisions should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, ownership and disposition of our ADSs and our common shares arising from the adoption of FRS 39 or FRS 109.

Notwithstanding the above, foreign investors may claim that the gains from disposition of their ADSs or common shares are not sourced or received in Singapore (so that such gains will not be subject to Singapore income tax) if (i) the foreign investor is not a tax resident in Singapore, (ii) the foreign investor does not maintain a permanent establishment in Singapore, to which the disposition gains may be effectively connected, and (iii) the entire process (including the negotiation, deliberation, execution of the acquisition and sale, etc.) leading up to the actual acquisition and sale of our ADSs or our common shares is performed outside of Singapore.

Goods and Services Tax

The issuance of our ADSs or our common shares is not subject to Singapore goods and services tax (GST).

The sale of our ADS or our common shares by a GST-registered investor in Singapore to another person belonging in Singapore is an exempt supply (i.e., not subject to GST). Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply is generally not recoverable and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or satisfies certain GST concessions.

Where our ADS or our common shares are sold by a GST-registered investor in the course or furtherance of a business carried on by such an investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at a zero rate (i.e., 0%). Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in making this zero-rated supply for the purpose of his business will, subject to the conditions prescribed under the GST legislation, be recoverable from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our ADSs or our common shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of our ADSs or our common shares will be subject to GST at the prevailing rate (currently at 9%). Similar services rendered contractually to an investor belonging outside Singapore should, subject to certain conditions prescribed under the GST legislation, qualify for GST at zero rate (i.e., 0%).

Stamp Duty

No stamp duty is payable on the subscription and issuance of our ADSs or our common shares. As JOYY Inc. is incorporated in the Cayman Islands and our ADSs and our common shares are not registered in any register kept in Singapore, no stamp duty is payable in Singapore on any instrument of transfer upon a sale or gift of our ADSs or our common shares. This position would remain as long as JOYY Inc. is not considered a residential property-holding entity.

United States Federal Income Tax Considerations

The following is a summary of certain United States federal income tax considerations relating to the ownership and disposition of our ADSs or Class A common shares by a U.S. holder (as defined below) that holds our ADSs or Class A common shares as “capital assets” (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended (the “Code”). This summary is based upon existing United States federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. There can be no assurance that the Internal Revenue Service or a court will not take a contrary position. This summary does not discuss all aspects of United States federal income taxation that may be important to particular holders in light of their particular circumstances, including holders subject to special tax rules (for example, banks and other financial institutions, insurance companies, broker-dealers, pension plans, cooperatives, real estate investment trusts, regulated investment companies, traders in securities that have elected the mark-to-market method of accounting for their securities, certain former U.S. citizens or long-term residents, partnerships or entities or arrangements taxable as partnerships for U.S. federal income tax purposes and their partners, and tax-exempt organizations (including private foundations), holders who are not U.S. holders, holders who own (directly, indirectly, or constructively) 10% or more of our stock (by vote or value), holders that hold their ADSs or Class A common shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United States federal income tax purposes, persons who acquired ADSs or Class A common shares pursuant to the exercise of any employee share option or otherwise as compensation, or holders that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below). In addition, except to the extent described below, this summary does not discuss any state, local or non-United States tax considerations, Medicare tax, any minimum tax or any non-income tax (such as the United States federal estate or gift tax) considerations. Each U.S. holder is urged to consult its tax advisor regarding the United States federal, state, local, and non-United States income and other tax considerations relating to the ownership and disposition of our ADSs or Class A common shares.

General

For purposes of this summary, a “U.S. holder” is a beneficial owner of our ADSs or Class A common shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the law of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) is a beneficial owner of our ADSs or Class A common shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or Class A common shares and partners in such partnerships are urged to consult their tax advisors regarding the ownership and disposition of our ADSs or Class A common shares.

It is generally expected that a holder of ADSs should be treated, for United States federal income tax purposes, as the beneficial owner of the Class A common shares represented by the ADSs. The remainder of this discussion assumes that a holder of ADSs will be treated in this manner. Predicated upon such treatment, deposits or withdrawals of common shares for ADSs will not be subject to United States federal income tax.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be classified as a “passive foreign investment company,” or “PFIC,” for United States federal income tax purposes, for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of its assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are categorized as passive assets and the company’s unbooked intangibles not reflected on its balance sheet are taken into account for determining the value of its assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Although the law in this regard is unclear, we treat the variable interest entities as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their operating results in our consolidated financial statements.

Based on the market price of our ADSs and the nature and composition of our assets (in particular, the retention of substantial amounts of cash, deposits and investments), we believe that we were a PFIC for United States federal income tax purposes for the taxable year ended December 31, 2024, and we will likely be a PFIC for our current taxable year unless the market price of our ADSs increases and/or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of active income.

If we are a PFIC for any year during which a U.S. holder holds our ADSs or Class A common shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or Class A common shares even if we cease to meet the threshold requirements for PFIC status, unless a U.S. holder makes a taxable “deemed sale” election that may allow the U.S. holder to eliminate the continuing PFIC status under certain circumstances.

The United States federal income tax rules that apply if we are classified as a PFIC for the current taxable year or any subsequent taxable year are generally discussed below under “Passive Foreign Investment Company Rules.”

Dividends

Subject to the discussion below under “Passive Foreign Investment Company Rules,” any cash distributions (including the amount of any taxes withheld) paid on our ADSs or Class A common shares out of our current or accumulated earnings and profits, as determined under United States federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of common shares, or by the Depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid will generally be treated as a “dividend” for United States federal income tax purposes. A non-corporate recipient of dividend income will generally be subject to tax on dividend income from a “qualified foreign corporation” at a reduced United States federal tax rate rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period requirements are met.

A non-United States corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) will generally be considered to be a qualified foreign corporation with respect to any dividend it pays on stock (or ADSs in respect of such stock) which is readily tradable on an established securities market in the United States. Although no assurances may be given, our ADSs are expected to be readily tradable on the Nasdaq Global Select Market, which is an established securities market in the United States. Since we do not expect that our Class A common shares will be listed on established securities markets, it is unclear whether dividends that we pay on our Class A common shares that are not backed by ADSs currently meet the conditions required for these reduced tax rates. There can be no assurance that our ADSs will be considered readily tradable on an established securities market in the current taxable year or future taxable years. Furthermore, as mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2024, and we will likely be classified as a PFIC for our current taxable year. U.S. holders are urged to consult their tax advisors regarding the availability of the reduced tax rate on dividends with respect to our ADSs or Class A common shares in their particular circumstances.

Dividends received on the ADSs or Class A common shares are not expected to be eligible for the dividends received deduction allowed to corporations. Each U.S. holder is advised to consult its tax advisor regarding the rate of tax that will apply to such holder with respect to dividend distributions, if any, received from us.

Dividends generally will be treated as income from foreign sources for United States foreign tax credit purposes and generally will constitute passive category income. A U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or Class A common shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld, may instead claim a deduction, for United States federal income tax purposes, in respect of such withholdings, but only for a year in which such U.S. holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. Each U.S. holder is advised to consult its tax advisor regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Common Shares

Subject to the discussion below under “Passive Foreign Investment Company Rules,” a U.S. holder generally will recognize capital gain or loss upon the sale or other disposition of ADSs or Class A common shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder’s adjusted tax basis in such ADSs or Class A common shares. Any capital gain or loss will be long-term if the ADSs or Class A common shares have been held for more than one year and will generally be United States source gain or loss for United States foreign tax credit purposes, which will generally limit the availability of foreign tax credits. Long-term capital gains of individuals and other non-corporate U.S. holders generally are eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations.

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2023, and we will likely be classified as a PFIC for our current taxable year. U.S. holders are urged to consult their tax advisors regarding the tax considerations of the sale or other disposition of our ADSs or Class A common shares under their particular circumstances.

Passive Foreign Investment Company Rules

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2024, and we will likely be classified as a PFIC for our current taxable year. If we are classified as a PFIC for any taxable year during which a U.S. holder holds our ADSs or Class A common shares, and unless the U.S. holder makes a mark-to-market election (as described below), the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder’s holding period for the ADSs or Class A common shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or Class A common shares. Under the PFIC rules:

- such excess distribution and/or gain will be allocated ratably over the U.S. holder’s holding period for the ADSs or Class A common shares;
- such amount allocated to the taxable year of the distribution or gain and any taxable years in the U.S. holder’s holding period prior to the first taxable year in which we are classified as a PFIC, or pre-PFIC year, will be taxable as ordinary income;
- such amount allocated to each prior taxable year, other than each taxable year in the U.S. holder’s holding period prior to the first taxable year in which we were classified as a PFIC, will be subject to tax at the highest tax rate in effect applicable to the U.S. holder for that year; and increased by an additional tax equal to the interest on the resulting tax deemed deferred with respect to each such taxable year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or Class A common shares and any of our non-United States subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC and would be subject to the rules described above on certain distributions by a lower-tier PFIC and a disposition of shares of a lower-tier PFIC even though such U.S. holder would not receive the proceeds of those distributions or dispositions. Each U.S. holder is advised to consult its tax advisor regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the tax treatment discussed above. The mark-to-market election is available only for “marketable stock,” which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market, as defined in applicable United States Treasury regulations. Our ADSs are listed on the Nasdaq Global Select Market, which is a qualified exchange or market for these purposes. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. Because a mark-to-market election technically cannot be made for equity interests in any lower-tier PFICs that we own, a U.S. holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes. If a mark-to-market election is made, the U.S. holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder’s adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election.

If a U.S. holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not classified as a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. holder owns our ADSs or Class A common shares during any taxable year that we are a PFIC, such holder is required to file an annual report containing such information as the United States Treasury Department may require and may be required to file an annual IRS Form 8621. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become classified as a PFIC, including the possibility of making a mark-to-market election.

Mainland China Taxation

Under the existing tax laws in mainland China, we are qualified as a non-resident enterprise. We are a holding company incorporated in the Cayman Islands. Our holding company indirectly holds 100% of the equity interests in our subsidiaries in mainland China. Our business operations within mainland China are principally conducted through our subsidiaries in mainland China and the variable interest entities. The PRC Enterprise Income Tax Law, which was most recently amended on December 29, 2018, and its implementation rules, which was most recently amended on April 23, 2019, provide that income of foreign enterprises sourced from mainland China, such as dividends paid by a subsidiary in mainland China to its overseas parent that is not a PRC resident enterprise and has no establishment in mainland China, will normally be subject to PRC withholding tax at a rate of 10% (a further reduced WHT rate may be available according to the applicable double tax treaty or arrangement).

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934 or the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year which is December 31. All information we file with the SEC can be obtained over the internet at the SEC's website at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish JPMorgan Chase Bank, N.A., the depository of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depository will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depository from us.

I. Subsidiary Information

For a list of our principal subsidiaries, see "Item 4. Information on the Company—C. Organizational Structure."

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Currency Exchange Risk

We are exposed to currency exchange risks arising from various currency exposures. While a majority of our revenues and expenses are denominated in U.S. dollars, some of our expenses and revenues are denominated in various other foreign currencies, such as Renminbi, Euro, Singapore dollars, Japanese yen, Indonesian rupiah, Vietnamese dong, Thai baht, Malaysian ringgit, Turkish lira, among other currencies. We do not rely on any single currency as we earn revenue in different local currencies across our markets and keep a significant cash position in U.S. dollars.

Our expenses may become higher and our revenue and operating metrics may become lower than would be the case if exchange rates were stable or if we were operating and reporting in one currency. For example, if the U.S. dollar weakens relative to currencies in our local markets, our revenue and operating expenses will be higher than if currencies had remained constant. Likewise, if the U.S. dollar strengthens relative to currencies in our local markets, our revenue and operating expenses will be lower than if currencies had remained constant. Movements in foreign currency exchange rates may have a material adverse effect on our results of operations, which may cause our financial and operational metrics reported in the U.S. dollar to be not fully representative of the underlying business performance. We believe that our diversification in geographic coverage benefits our shareholders over the long-term. We had used and may enter into derivative financial instruments including the forward exchange contracts to hedge our exposure to potential foreign currency risks. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the Jurisdictions Where We Operate—Fluctuations in foreign currency exchange rates may adversely affect our operational and financial results, which we report in U.S. dollars."

As of December 31, 2024, we had RMB-denominated cash and cash equivalents, restricted cash and cash equivalents, short-term deposits and long-term deposits of RMB4,020.0 million. A 10% depreciation of Renminbi against the U.S. dollars based on the foreign exchange rate on December 31, 2024 would result in a decrease of US\$55.9 million in cash and cash equivalents, restricted cash and cash equivalents and short-term deposits. A 10% appreciation of Renminbi against the U.S. dollars based on the foreign exchange rate on December 31, 2024 would result in an increase of US\$55.9 million in cash and cash equivalents, restricted cash and cash equivalents and short-term deposits.

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in market interest rates. However, our future interest income may fall short of expectations due to changes in market interest rates. Based on our interest instruments as of December 31, 2024, a hypothetical one percentage point decrease in interest rates would have resulted in a decrease of US\$22.1 million in our total amount of net interest income.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS holders May Have to Pay

Our current depository, JPMorgan Chase Bank, N.A., may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split we declared or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are canceled or reduced for any other reason, US\$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, canceled or surrendered, or upon which a share distribution or elective distribution is made or offered (as the case may be). The depository may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split we declared or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of up to US\$0.05 per ADS for any cash distribution made, or any elective cash/stock dividend offered, pursuant to the deposit agreement;
- a fee of up to US\$0.05 per ADS held for the direct or indirect distribution of securities (other than ADSs or rights to purchase additional ADSs) or the net cash proceeds from the public or private sale of any such securities, regardless of whether any such distribution and/or sale is made by, for, or received from, or (in each case) on behalf of, the depository, us and/or any third party (which fee may be assessed against the holders as of a record date set by the depository);
- a fee of up to US\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depository in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depository during each calendar year and shall be payable in the manner described in the next succeeding provision);

- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depository and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depository's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against holders as of the record date or dates set by the depository and shall be payable at the sole discretion of the depository by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- stock transfer or other taxes and other governmental charges;
- a transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication) as disclosed on the "Disclosure" page (or successor page) of www.adr.com (as updated by the depository from time to time) and any applicable delivery expenses; and
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities.

The depository collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect its annual fee for depository services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them.

Fees and Other Payments Made by the Depository to Us

On February 21, 2025, JPMorgan Chase Bank, N.A. replaced Citibank, N.A. and became our current depository. Our current depository may reimburse us for certain expenses we incur that are related to the establishment and maintenance of the ADS program upon such terms and conditions as we and the depository may agree from time to time.

For the year ended December 31, 2024, Citibank, N.A. acted as our depository. Citibank, N.A. agreed to reimburse us for a portion of certain expenses we incur that are related to the establishment and maintenance of the ADS program, including investor relations expenses. There are limits on the amount of expenses for which Citibank, N.A. will reimburse us, but the amount of reimbursement available to us is not related to the amount of fees Citibank, N.A. collects from investors. Further, Citibank, N.A. has agreed to reimburse us certain fees payable to Citibank, N.A. by holders of ADSs. For the year ended December 31, 2024, we were entitled to reimbursement of US\$0.22 million from Citibank, N.A. for our expenses incurred in connection with the establishment and maintenance of our ADS program.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

See “Item 10. Additional Information” for a description of the rights of securities holders, which remain unchanged.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our management, including our chief executive officer, and our vice president of finance, performed an evaluation of the effectiveness of our disclosure controls and procedures, as that term is defined in Rules 13a-15(e) of the Exchange Act, as of the end of the period covered by this annual report. Based on that evaluation, our management has concluded that our disclosure controls and procedures as of December 31, 2024, were effective in ensuring that the information required to be disclosed by us in the reports that we file and furnish under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and vice president of finance, to allow timely decisions regarding required disclosure.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures of our company are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our company’s assets that could have a material effect on the consolidated financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our company’s internal control over financial reporting as of December 31, 2024 based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

Attestation Report of the Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP, our independent registered public accounting firm, audited the effectiveness of our company’s internal control over financial reporting as of December 31, 2024, as stated in its report, which appears on page F-2 of this Form 20-F.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 that occurred during the year ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Peter Andrew Schloss is our audit committee financial expert, who is an independent director under the standards set forth in Nasdaq Stock Market Rule 5605(a)(2) and Rule 10A-3 of the Exchange Act. Mr. Schloss is the chairman of our audit committee.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of business conduct and ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our chief executive officer, vice president of finance, vice presidents and any other persons who perform similar functions for us, as amended and restated from time to time. In May 2022, our board of directors approved the amendment and restatement of our code of business conduct and ethics. We have filed our amended and restated code of business conduct and ethics, representing the currently effective one, as an exhibit to our annual report on Form 20-F, and have posted a copy of our amended and restated code of business conduct and ethics on our website at <http://ir.joyy.com/corporate-governance>.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees in connection with certain professional services rendered by our independent registered public accounting firms and their affiliates, for the years indicated. We did not pay any other fees to our independent registered public accounting firm during the periods other than those indicated below.

	For the Year Ended December 31,	
	2023	2024
	(US\$ in thousands)	
Audit fees ⁽¹⁾	3,108	3,477
Tax fees ⁽²⁾	—	29

Note:

- (1) "Audit fees" means the aggregate fees billed for professional services rendered by our independent registered public accounting firm for the annual audit, the quarterly reviews of our consolidated financial statements and other statutory and regulatory filings, and the audit of internal controls over financial reporting of our company.
- (2) "Tax fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors for tax service.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firms and its affiliates, including audit services, audit-related services, tax services and other services, other than those for de minimis services which are approved by the audit committee prior to the completion of the audit. Our audit committee has approved all of our audit and non-audit fees for the year ended December 31, 2024.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On November 29, 2023, our board of directors authorized the renewal and continued usage of a then existing share repurchase plan, initially approved in November 2021, under which we may repurchase up to US\$530 million of our shares in the 12-month period beginning from November 30, 2023. In August 2024, our board of directors authorized the further extension of this program for another 12-month period (the "2021 Program").

On March 19, 2025, our board of directors approved a new share repurchase program under which we may repurchase up to US\$300 million of our shares until the end of 2027 (the "2025 Program"). The 2025 Program is effective immediately upon approval and replaced the 2021 Program.

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The table below is a summary of the ADSs repurchased by us in 2024. All ADSs were repurchased in the open market and pursuant to the 2021 Program. Quota under the 2025 Program is not reflected.

Period	Total Number of ADSs Purchased	Average Price Paid Per ADS (US\$)	Total Number of ADSs Purchased as Part of the Publicly Announced Plan	Approximate Dollar Value of ADSs that May Yet Be Purchased Under the Plan (US\$ in thousands)
January 2024	—	—	—	526,514
February 2024	—	—	—	526,514
March 2024	1,571,479	34.68	1,571,479	472,022
April 2024	676,883	33.26	2,248,362	449,512
May 2024	378,070	33.19	2,626,432	436,963
June 2024	1,251,005	29.08	3,877,437	400,588
July 2024	1,310,356	33.58	5,187,793	356,581
August 2024	1,282,589	34.31	6,470,382	312,574
September 2024	840,425	35.42	7,310,807	282,805
October 2024	1,072,959	34.52	8,383,766	245,765
November 2024	826,445	34.40	9,210,211	217,332
December 2024	1,801	35.82	9,212,012	217,267
Total	9,212,012	33.57	9,212,012	217,267

ITEM 16F. CHANGES IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

As a Cayman Islands company listed on the Nasdaq Global Select Market, we are subject to the Nasdaq Global Select Market corporate governance requirements. However, Nasdaq Global Select Market rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq Global Select Market corporate governance requirements.

In lieu of the requirements of Rule 5605(b) of the Nasdaq Rules that a majority of a Nasdaq-listed company’s board of directors be independent directors as defined in Rule 5605(a)(2), we follow our home country practices with respect to the composition of our board of directors. We also relied on the exemption available to foreign private issuers to the requirement that each member of the compensation committee and the corporate governance and nominating committee be an independent director, following our home country practice in the Cayman Islands. Our compensation committee is chaired by a non-independent director, Mr. David Xueling Li, whose extensive experience in talent management and human resource in the internet industry is considered to be valuable for the functioning of our compensation committee. One of the members of our corporate governance and nominating committee, Mr. Qin Liu, is a non-independent director, whose extensive experience is considered to be valuable for functioning of our corporate governance and nominating committee. We also relied on home country practice exemption and did not hold an annual general meeting of shareholders within one year after the end of our fiscal year-end or solicit proxies or provide proxy statements for all meetings of shareholders and provide copies of proxy solicitation to Nasdaq. If we continue to rely on the above and other exemptions available to foreign private issuers in the future, our shareholders may be afforded less protection than they otherwise would under the Nasdaq Global Select Market corporate governance requirements applicable to U.S. domestic issuers. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our ADSs—We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.”

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTION THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our board of directors has established insider trading policies and procedures to provide guidance on the purchases, sales, and other dispositions of our securities by our directors, officers, employees, and consultants, with the goal of promoting compliance with applicable insider trading laws, rules, and regulations.

The Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading, adopted by our board of directors on November 29, 2023, is filed as Exhibit 11.2 to this annual report on Form 20-F.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

We have implemented comprehensive cybersecurity risk assessment procedures to ensure effectiveness in cybersecurity management, strategy and governance and reporting cybersecurity risks. We have also integrated cybersecurity risk management into our overall enterprise risk management system.

We have developed a comprehensive cybersecurity threat defense system to address both internal and external cyber threats. This system spans multiple security domains, including network, host and application layers. It integrates a range of security capabilities, such as threat defense, continuous monitoring, in-depth analysis, rapid response, as well as strategic deception and countermeasures. Our approach to managing cybersecurity risks and safeguarding sensitive data is multi-faceted, involving technological safeguards, procedural protocols, a rigorous program of surveillance on our corporate network, continuous testing of aspects of our security posture internally and with third-party business partners and third-party service providers, such as third-party online payment system provider, a solid incident response framework and regular cybersecurity training sessions for our employees. Our IT department is actively engaged in continuous monitoring of the performance of our infrastructure to ensure prompt identification and response to potential issues, including potential cybersecurity threats.

We rely on our own professional team and capabilities to manage network security matters, and have completed third-party security certifications such as the PCI-DSS certification and the Equal Protection evaluation. As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

Our board of directors is responsible for overseeing our cybersecurity risk management and is informed on risks from cybersecurity threats. Our board of directors shall review, approve and maintain oversight of the disclosure (i) on Form 6-K for material cybersecurity incidents (if any) and (ii) related to cybersecurity matters in the periodic reports (including annual report on Form 20-F) of our Company.

On the management level, our chief executive officer, vice president of finance, and cybersecurity officer who has over 10 years of experience as cybersecurity officer in technology companies and extensive knowledge and skills in security products development, security risk management, and security compliance, are responsible for assessing, identifying and managing material risks from cybersecurity threats to our company and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incidents. They are collectively referred to as the Cybersecurity Risk Management Officers. Our Cybersecurity Risk Management Officers report to our board of directors (i) on a quarterly basis regarding their assessment, identification and management of material risks from cybersecurity threats which arise in the ordinary course of our business operations and (ii) on disclosure concerning cybersecurity matters in our Form 6-K for material cybersecurity incidents (if any) and our annual report on Form 20-F.

If a cybersecurity incident occurs, our Cybersecurity Risk Management Officers will promptly organize relevant personnel for internal assessment and, depending on the situation, seek the opinions of external experts and legal advisors. If it is determined that the incident could potentially be a material cybersecurity event, our Cybersecurity Risk Management Officers will promptly report the incident and relevant assessment results to our board of directors and our board of directors will decide on the relevant response measures and whether any disclosure is necessary. If such disclosure is determined to be necessary, our Cybersecurity Risk Management Officers shall promptly prepare disclosure material for review and approval by our board of directors before it is disseminated to the public.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of JOYY Inc. are included at the end of this annual report.

ITEM 19. EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1	Third Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated herein by reference to Exhibit 3.1 to the current report on Form 6-K (File No. 001-35729), furnished with the Securities and Exchange Commission on December 27, 2021).
2.1	Registrant's Specimen American Depositary Receipt (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form S-8 (File No. 333-229099), filed with the Securities and Exchange Commission on December 31, 2018).
2.2	Registrant's Specimen Certificate for Common Shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1, as amended (File No. 333-184414), initially filed with the Securities and Exchange Commission on December 31, 2018).
2.3*	Second Amended and Restated Deposit Agreement dated February 21, 2025 among the Registrant, JPMorgan Chase Bank, N.A., as depository, and holders and beneficial owners of American Depositary Shares evidenced by American Depositary Receipts issued thereunder
2.4	Description of Securities (incorporated herein by reference to Exhibit 2.5 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 27, 2023).
4.1	2009 Employee Equity Incentive Scheme of the Registrant, as amended and restated. (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form F-1, as amended (File No. 333-184414), initially filed with the Securities and Exchange Commission on October 15, 2012).
4.2	Amended and Restated 2011 Share Incentive Plan of the Registrant (incorporated herein by reference to Exhibit 99.1 to the current report on Form 6-K (File No. 001-35729), furnished with the Securities and Exchange Commission on July 2, 2021).
4.3	Form of Indemnification Agreement with the Registrant's directors and officers (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1, as amended (File No. 333-184414), initially filed with the Securities and Exchange Commission on October 15, 2012).
4.4	Form of Employment Agreement between the Registrant and an executive officer of the Registrant (incorporated herein by reference to Exhibit 10.4 to the registration statement on Form F-1, as amended (File No. 333-184414), initially filed with the Securities and Exchange Commission on October 15, 2012).
4.5	English translation of Equity Pledge Agreement dated January 15, 2021 among Guangzhou BaiGuoYuan, BaiGuoYuan Technology and the shareholder of Guangzhou BaiGuoYuan (incorporated herein by reference to Exhibit 4.15 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021).
4.6	English translation of Exclusive Service Agreement dated January 15, 2021 between Guangzhou BaiGuoYuan and BaiGuoYuan Technology (incorporated herein by reference to Exhibit 4.16 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021).

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.7	English translation of Exclusive Option Agreement dated January 15, 2021 among Guangzhou BaiGuoYuan, BaiGuoYuan Technology and the shareholder of Guangzhou BaiGuoYuan (incorporated herein by reference to Exhibit 4.17 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.8	English translation of Shareholder Voting Rights Proxy Agreement dated January 15, 2021 among Guangzhou BaiGuoYuan, BaiGuoYuan Technology and the shareholder of Guangzhou BaiGuoYuan (incorporated herein by reference to Exhibit 4.18 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.9	English translation of Equity Pledge Agreement dated January 15, 2021 among Guangzhou Qianxun, BaiGuoYuan Technology and each of shareholders of Guangzhou Qianxun (incorporated herein by reference to Exhibit 4.19 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.10	English translation of Exclusive Service Agreement dated January 15, 2021 between Guangzhou Qianxun and BaiGuoYuan Technology (incorporated herein by reference to Exhibit 4.20 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.11	English translation of Exclusive Option Agreement dated January 15, 2021 among Guangzhou Qianxun, BaiGuoYuan Technology and each of shareholders of Guangzhou Qianxun (incorporated herein by reference to Exhibit 4.21 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.12	English translation of Shareholder Voting Rights Proxy Agreement dated January 15, 2021 among Guangzhou Qianxun, BaiGuoYuan Technology and each of shareholders of Guangzhou Qianxun (incorporated herein by reference to Exhibit 4.22 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.13	English translation of Equity Pledge Agreement dated January 15, 2021 among Guangzhou Shangying Internet Technology Co., Ltd. (“Guangzhou Shangying”), BaiGuoYuan Technology and each of shareholders of Guangzhou Shangying (incorporated herein by reference to Exhibit 4.23 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.14	English translation of Exclusive Service Agreement dated January 15, 2021 between Guangzhou Shangying and BaiGuoYuan Technology (incorporated herein by reference to Exhibit 4.24 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.15	English translation of Exclusive Option Agreement dated January 15, 2021 among Guangzhou Shangying, BaiGuoYuan Technology and each of shareholders of Guangzhou Shangying (incorporated herein by reference to Exhibit 4.25 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.16	English translation of Shareholder Voting Rights Proxy Agreement dated January 15, 2021 among Guangzhou Shangying, BaiGuoYuan Technology and each of shareholders of Guangzhou Shangying (incorporated herein by reference to Exhibit 4.26 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.17	English translation of Partnership Interest Pledge Agreement dated January 15, 2021 among Guangzhou Fangu Internet Technology L.P. (“Guangzhou Fangu”), BaiGuoYuan Technology and each of partners of Guangzhou Fangu (incorporated herein by reference to Exhibit 4.27 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.18	English translation of Exclusive Service Agreement dated January 15, 2021 between Guangzhou Fangu and BaiGuoYuan Technology (incorporated herein by reference to Exhibit 4.28 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.19	<u>English translation of Exclusive Option Agreement dated January 15, 2021 among Guangzhou Fangu, BaiGuoYuan Technology and each of partners of Guangzhou Fangu (incorporated herein by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.20	<u>English translation of Partner Voting Rights Proxy Agreement dated January 15, 2021 among Guangzhou Fangu, BaiGuoYuan Technology and each of partners of Guangzhou Fangu (incorporated herein by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.21	<u>English translation of Partnership Interest Pledge Agreement dated January 15, 2021 among Guangzhou Wanyin Internet Technology L.P. (“Guangzhou Wanyin”), BaiGuoYuan Technology and each of partners of Guangzhou Wanyin (incorporated herein by reference to Exhibit 4.31 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.22	<u>English translation of Exclusive Service Agreement dated January 15, 2021 between Guangzhou Wanyin and BaiGuoYuan Technology (incorporated herein by reference to Exhibit 4.32 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.23	<u>English translation of Exclusive Option Agreement dated January 15, 2021 among Guangzhou Wanyin, BaiGuoYuan Technology and each of partners of Guangzhou Wanyin (incorporated herein by reference to Exhibit 4.33 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.24	<u>English translation of Partner Voting Rights Proxy Agreement dated January 15, 2021 among Guangzhou Wanyin, BaiGuoYuan Technology and each of partners of Guangzhou Wanyin (incorporated herein by reference to Exhibit 4.34 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.25	<u>English translation of Equity Pledge Agreement dated December 9, 2020 among Guangzhou Ruicheng Internet Technology Co., Ltd. (“Guangzhou Ruicheng”), Guangzhou Huanju Shidai and each of shareholders of Guangzhou Ruicheng (incorporated herein by reference to Exhibit 4.35 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.26	<u>English translation of Exclusive Service Agreement dated December 9, 2020 between Guangzhou Ruicheng and Guangzhou Huanju Shidai (incorporated herein by reference to Exhibit 4.36 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.27	<u>English translation of Exclusive Option Agreement dated December 9, 2020 among Guangzhou Ruicheng, Guangzhou Huanju Shidai and each of shareholders of Guangzhou Ruicheng (incorporated herein by reference to Exhibit 4.37 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.28	<u>English translation of Shareholder Voting Rights Proxy Agreement dated December 9, 2020 among Guangzhou Ruicheng, Guangzhou Huanju Shidai and each of shareholders of Guangzhou Ruicheng (incorporated herein by reference to Exhibit 4.38 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.29	<u>English translation of Equity Pledge Agreement dated December 9, 2020 among Guangzhou Xuancheng Internet Technology Co., Ltd. (“Guangzhou Xuancheng”), Guangzhou Huanju Shidai and each of shareholders of Guangzhou Xuancheng (incorporated herein by reference to Exhibit 4.39 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.30	<u>English translation of Exclusive Service Agreement dated December 9, 2020 between Guangzhou Xuancheng and Guangzhou Huanju Shidai (incorporated herein by reference to Exhibit 4.40 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.31	<u>English translation of Exclusive Option Agreement dated December 9, 2020 among Guangzhou Xuancheng, Guangzhou Huanju Shidai and each of shareholders of Guangzhou Xuancheng (incorporated herein by reference to Exhibit 4.41 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.32	<u>English translation of Shareholder Voting Rights Proxy Agreement dated December 9, 2020 among Guangzhou Xuancheng, Guangzhou Huanju Shidai and each of shareholders of Guangzhou Xuancheng (incorporated herein by reference to Exhibit 4.42 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.33	<u>English translation of Partnership Interest Pledge Agreement dated December 9, 2020 among Guangzhou Xuanyi Internet Technology L.P. (“Guangzhou Xuanyi”), Guangzhou Huanju Shidai and each of partners of Guangzhou Xuanyi (incorporated herein by reference to Exhibit 4.43 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.34	<u>English translation of Exclusive Service Agreement dated December 9, 2020 between Guangzhou Xuanyi and Guangzhou Huanju Shidai (incorporated herein by reference to Exhibit 4.44 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.35	<u>English translation of Exclusive Option Agreement dated December 9, 2020 among Guangzhou Xuanyi, Guangzhou Huanju Shidai and each of partners of Guangzhou Xuanyi (incorporated herein by reference to Exhibit 4.45 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.36	<u>English translation of Partner Voting Rights Proxy Agreement dated December 9, 2020 among Guangzhou Xuanyi, Guangzhou Huanju Shidai and each of partners of Guangzhou Xuanyi (incorporated herein by reference to Exhibit 4.46 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.37	<u>English translation of Partnership Interest Pledge Agreement dated December 9, 2020 among Guangzhou Yueyi Internet Technology L.P. (“Guangzhou Yueyi”), Guangzhou Huanju Shidai and each of partners of Guangzhou Yueyi (incorporated herein by reference to Exhibit 4.47 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.38	<u>English translation of Exclusive Service Agreement dated December 9, 2020 between Guangzhou Yueyi and Guangzhou Huanju Shidai (incorporated herein by reference to Exhibit 4.48 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.39	<u>English translation of Exclusive Option Agreement dated December 9, 2020 among Guangzhou Yueyi, Guangzhou Huanju Shidai and each of partners of Guangzhou Yueyi (incorporated herein by reference to Exhibit 4.49 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.40	<u>English translation of Partner Voting Rights Proxy Agreement dated December 9, 2020 among Guangzhou Yueyi, Guangzhou Huanju Shidai and each of partners of Guangzhou Yueyi (incorporated herein by reference to Exhibit 4.50 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)</u>
4.41	<u>English summary of Contract for State-owned Construction Land Use Rights Assignment, dated August 20, 2015, by and between Guangzhou Land Resources and Real Estate Administration Bureau and Guangzhou Huaduo (incorporated herein by reference to Exhibit 4.27 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2016)</u>
4.42	<u>2019 Share Incentive Awards Arrangement (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form S-8 (File No. 333-234003), filed with the Securities and Exchange Commission on September 30, 2019)</u>

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.43	Amended and Restated Share Purchase Agreement among the Buyer as defined therein, Baidu (Hong Kong) Limited, JOYY Inc. and certain investors party thereto, dated February 7, 2021 (incorporated herein by reference to Exhibit 4.105 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 28, 2021)
4.44	English summary of Contract for State-owned Construction Land Use Right Assignment dated February 26, 2021, by and between Foshan Natural Resources Bureau and Foshan Tusheng Network Technology Co., Ltd. (incorporated herein by reference to Exhibit 4.110 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 29, 2022)
4.45*	Share Purchase Agreement by and between the Buyer as defined therein, Baidu (Hong Kong) Limited, JOYY Inc. and certain investors party thereto, dated February 25, 2025
8.1*	List of Significant Subsidiaries and Variable Interest Entities
11.1	Amended and Restated Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 11.1 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 27, 2023)
11.2*	Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading
12.1*	Certification by Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Maples and Calder (Hong Kong) LLP
15.2*	Consent of Fangda Partners
15.3*	Consent of PricewaterhouseCoopers LLP, an independent registered public accounting firm
97.1	Clawback Policy of the Registrant (incorporated herein by reference to Exhibit 97.1 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 26, 2024)
101 INS*	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File—the cover page XBRL tags are embedded within the Exhibit 101 Inline XBRL document set

Notes:

* Filed with this annual report on Form 20-F.

** Furnished with this annual report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

JOYY INC.

/s/ Ting Li

By: Ting Li

Title: Chairperson and Chief Executive Officer

Date: April 29, 2025

JOYY INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of JOYY Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of JOYY Inc. and its subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in shareholders’ equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Annual goodwill impairment assessment - Bigo and Shopline reporting units

As described in Note 16 to the consolidated financial statements, the Company's consolidated goodwill balance was US\$2,194.3 million as of December 31, 2024. Management performs its annual goodwill impairment test of each reporting unit in the fourth quarter, or more frequently, if certain events or circumstances warrant. The quantitative goodwill impairment test compares the fair value of a reporting unit with its carrying amount, including goodwill. An impairment is identified and recorded for a reporting unit if the carrying amount exceeds its fair value. Management determined that the Bigo reporting unit was not impaired as at December 31, 2024. An impairment charge of US\$370.0 million was identified and recorded for the Shopline reporting unit during the year ended December 31, 2024. When determining the fair value of the Bigo and Shopline reporting units for its annual goodwill impairment testing for the year ended December 31, 2024, management used an income approach. The income approach determines fair value based on a discounted cash flow model derived from the reporting units' long-term forecasts which included a five-year future cash flow projection and an estimated terminal value. Significant assumptions used to determine estimated fair values include revenue growth, terminal year long-term future growth rate, and discount rate.

The principal considerations for our determination that performing procedures relating to the annual goodwill impairment assessment of the Bigo and Shopline reporting units is a critical audit matter are the significant judgment by management when determining the fair value of each reporting unit. This, in turn, led to a high degree of auditor judgment, subjectivity and audit effort in performing procedures and evaluating management's significant assumptions related to revenue growth, terminal year long-term future growth rate and discount rate. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's annual goodwill impairment assessment, including controls over the valuation of the Bigo and Shopline reporting units. These procedures also included, among others, testing management's process for developing the fair value estimate; evaluating the appropriateness of the utilization of the income approach; testing the completeness and accuracy of underlying data used in the income approach; and evaluating the reasonableness of the significant assumptions used by management related to the revenue growth, terminal year long-term future growth rate and discount rate by considering (i) the current and past performance of the reporting units, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the management's use of the income approach, terminal year long-term future growth rate and discount rate significant assumptions.

Revenue recognition - identification of distinct performance obligations and estimate of their standalone selling price

As described in Note 2(u) to the consolidated financial statements, the Company's sources of revenue include live streaming and others. The consolidated revenues were US\$2,237.8 million for the year ended December 31, 2024, of which US\$1,788.0 million were revenues from live streaming. In the live streaming business, the Company may enter into contracts that can include various combinations of virtual items, which are generally capable of being distinct and accounted for as separate performance obligations. With respect to such contracts, management judgment is required as follow: (1) determining whether those virtual items are considered distinct performance obligations that should be accounted for separately versus together, (2) estimating the standalone selling price for each distinct performance obligation, and (3) allocating of the arrangement consideration to the separate accounting of each distinct performance obligation based on their relative standalone selling prices. In instances where standalone selling price is not directly observable as management does not sell the virtual item separately, management determines the standalone selling price based on pricing strategies, market factors and strategic objectives.

The principal considerations for our determination that performing procedures relating to the identification of distinct performance obligations and the estimation of their standalone selling price is a critical audit matter are that there was significant judgment by management in determining whether certain virtual items are considered distinct performance obligations that should be accounted for separately versus together due to the complexity of the contracts and estimating the standalone selling price for each distinct performance obligation. Certain virtual items are provided to customers over time and have the same pattern of transfer to customers. Management exercises judgement in determining the number of distinct performance obligations by accounting for virtual items that have the same pattern of transfer to customers as a single performance obligation. This in turn led to significant auditor judgment and effort in performing procedures and in evaluating management's significant judgment in determining whether the distinct performance obligations were appropriately identified and whether the estimated standalone selling price of each distinct performance obligation was reasonable.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including identification of distinct performance obligations and assessing estimates of standalone selling prices. These procedures also included, among others, on a test basis: (i) testing the completeness and accuracy of management's identification of the distinct performance obligations by evaluating customer arrangements and (ii) testing management's process for estimating standalone selling prices which included testing the completeness, accuracy and reasonableness of input data used, including a consideration of market and pricing conditions and other observable inputs such as historical pricing practices.

/s/ PricewaterhouseCoopers LLP
Singapore
April 29, 2025

We have served as the Company's auditor since 2022.

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2024

(All amounts in thousands, except share, ADS, per share and per ADS data)

	As of December 31,	
	2023	2024
	US\$	US\$
Assets		
Current assets		
Cash and cash equivalents	1,063,956	444,761
Restricted cash and cash equivalents	319,250	371,332
Short-term deposits	1,970,346	1,061,011
Restricted short-term deposits	57,243	20,722
Short-term investments	274,846	288,589
Accounts receivable, net of allowance of US\$20,093 and US\$20,938 as of December 31, 2023 and 2024, respectively	130,700	121,861
Amounts due from related parties, net of allowance of US\$3 and US\$1 as of December 31, 2023 and 2024, respectively	810	467
Financing receivables, net of allowance of US\$18,213 and nil as of December 31, 2023 and 2024, respectively	—	—
Prepayments and other current assets, net of allowance of US\$13,086 and US\$20,486 as of December 31, 2023 and 2024, respectively	255,489	247,538
Total current assets	4,072,640	2,556,281
Non-current assets		
Long-term deposits and held-to-maturity investments	130,000	1,124,308
Deferred tax assets	—	2,563
Investments	544,542	530,685
Property and equipment, net	390,681	499,723
Land use rights, net	316,070	303,115
Intangible assets, net	333,715	277,257
Right-of-use assets, net	30,173	20,457
Goodwill	2,649,281	2,194,324
Other non-current assets	16,763	19,084
Total non-current assets	4,411,225	4,971,516
Total assets	8,483,865	7,527,797
Liabilities, mezzanine equity and shareholders' equity		
Current liabilities (including amounts of the consolidated VIEs without recourse to the Company of US\$204,655 and US\$190,356 as of December 31, 2023 and 2024, respectively)		
Accounts payable	66,755	84,015
Deferred revenue	73,673	66,813
Advances from customers	6,047	4,031
Income taxes payable	86,100	78,304
Accrued liabilities and other current liabilities	2,381,189	2,393,923
Amounts due to related parties	2,533	1,378
Lease liabilities due within one year	12,388	10,775
Short-term loans	52,119	34,853
Convertible bonds	405,603	—
Total current liabilities	3,086,407	2,674,092

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2024 (CONTINUED)

(All amounts in thousands, except share, ADS, per share and per ADS data)

	As of December 31,	
	2023	2024
	US\$	US\$
Non-current liabilities (including amounts of the consolidated VIEs without recourse to the Company of US\$17,477 and US\$14,259 as of December 31, 2023 and 2024, respectively)		
Lease liabilities	18,422	9,948
Deferred revenue	12,932	12,635
Deferred tax liabilities	53,955	47,631
Total non-current liabilities	85,309	70,214
Total liabilities	3,171,716	2,744,306
Commitments and contingencies (Note 30)		
Mezzanine equity	22,133	23,733
Shareholders' equity		
Class A common shares (US\$0.00001 par value; 10,000,000,000 and 10,000,000,000 shares authorized, 1,317,840,464 shares issued and 890,843,639 shares outstanding as of December 31, 2023; 1,317,840,464 shares issued and 714,663,197 shares outstanding as of December 31, 2024, respectively)	9	7
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, 2023 and December 31, 2024, respectively)	3	3
Treasury Shares (US\$0.00001 par value; 426,996,825 and 603,177,267 shares held as of December 31, 2023 and December 31, 2024, respectively)	(913,939)	(1,223,186)
Additional paid-in capital	3,282,754	3,345,536
Statutory reserves	37,709	40,500
Retained earnings	2,947,160	2,796,745
Accumulated other comprehensive loss	(197,010)	(247,615)
Total JOYY Inc.'s shareholders' equity	5,156,686	4,711,990
Non-controlling interests	133,330	47,768
Total shareholders' equity	5,290,016	4,759,758
Total liabilities, mezzanine equity and shareholders' equity	8,483,865	7,527,797

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

(All amounts in thousands, except share, ADS, per share and per ADS data)

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Net revenues			
Live streaming	2,225,518	1,979,371	1,788,021
Others	185,998	288,499	449,767
Total net revenues	<u>2,411,516</u>	<u>2,267,870</u>	<u>2,237,788</u>
Cost of revenues ⁽¹⁾	(1,559,388)	(1,454,842)	(1,431,585)
Gross profit	<u>852,128</u>	<u>813,028</u>	<u>806,203</u>
Operating expenses ⁽¹⁾			
Research and development expenses	(261,807)	(295,503)	(278,740)
Sales and marketing expenses	(400,435)	(369,577)	(333,334)
General and administrative expenses	(141,826)	(122,661)	(152,517)
Goodwill impairment	(14,830)	—	(454,935)
Total operating expenses	<u>(818,898)</u>	<u>(787,741)</u>	<u>(1,219,526)</u>
(Loss) gain on deconsolidation and disposal of subsidiaries	—	(6,177)	1,643
Other income	17,505	9,705	6,055
Operating income (loss)	<u>50,735</u>	<u>28,815</u>	<u>(405,625)</u>
Interest expense	(12,770)	(10,420)	(4,847)
Interest income and investment income	93,148	185,212	175,556
Foreign currency exchange gains (losses), net	11,666	(2,906)	764
Gain on disposal and deemed disposal of investments	4,113	74,851	—
Gain on fair value changes of investments	424,304	12,425	6,636
Gain on extinguishment of debt and derivative	63,378	—	—
Income (loss) before income tax expenses	<u>634,574</u>	<u>287,977</u>	<u>(227,516)</u>
Income tax expenses	(34,575)	(18,856)	(13,485)
Income (loss) before share of (loss) income in equity method investments, net of income taxes	<u>599,999</u>	<u>269,121</u>	<u>(241,001)</u>
Share of (loss) income in equity method investments, net of income taxes	(498,431)	3,297	(1,637)
Net income (loss)	<u>101,568</u>	<u>272,418</u>	<u>(242,638)</u>
Net loss attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	27,323	29,398	96,402
Net income(loss) attributable to controlling interest of JOYY Inc.	<u>128,891</u>	<u>301,816</u>	<u>(146,236)</u>
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	(5,426)	(5,048)	(1,388)
Cumulative dividend on subsidiary's Series A Preferred Shares	(4,000)	(2,000)	—
Gain on repurchase of redeemable convertible preferred shares of a subsidiary	—	52,583	—
Net income (loss) attributable to common shareholders of JOYY Inc.	<u>119,465</u>	<u>347,351</u>	<u>(147,624)</u>
Other comprehensive loss:			
Foreign currency translation adjustments, net of nil tax	(246,959)	(35,327)	(27,497)
Unrealized losses on available-for-sale investment, net of nil tax	—	—	(23,108)
Comprehensive (loss) income attributable to the common shareholders of JOYY Inc.	<u>(127,494)</u>	<u>312,024</u>	<u>(198,229)</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 (CONTINUED)

(All amounts in thousands, except share, ADS, per share and per ADS data)

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Net income (loss) per ADS*			
—Basic	1.66	5.31	(2.55)
—Diluted	1.59	4.87	(2.55)
Weighted average number of ADS used in calculating net income (loss) per ADS			
—Basic	71,969,510	65,434,782	57,892,728
—Diluted	82,272,422	73,148,827	57,892,728
Net income(loss) per common share*			
—Basic	0.08	0.27	(0.13)
—Diluted	0.08	0.24	(0.13)
Weighted average number of common shares used in calculating net income (loss) per common share			
—Basic	1,439,390,191	1,308,695,642	1,157,854,559
—Diluted	1,645,448,440	1,462,976,544	1,157,854,559

* Each ADS represents 20 common shares.

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

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Cost of revenues	8,185	3,575	1,720
Research and development expenses	25,170	19,415	12,408
Sales and marketing expenses	777	797	615
General and administrative expenses	9,964	8,192	8,457

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

(All amounts in thousands, except share, ADS, per share and per ADS data)

	Class A common shares		Class B common shares		Treasury shares Amount	Additional paid-in capital	Statutory reserves	Retained earnings	Accumulated other comprehensive income (loss)	Total JOYY Inc.'s shareholders' equity	Non-controlling interests	Total shareholders' equity
	Number of shares	Amount	Number of shares	Amount								
Balance as of December 31, 2021	1,146,336,305	13	326,509,555	3	(526,724)	3,246,523	26,804	2,712,534	69,175	5,528,328	34,137	5,562,465
Issuance of common shares for vested restricted shares and restricted share units	780,263	—	—	—	—	—	—	—	—	—	—	—
Transfer from treasury shares to issued common shares for vested restricted share units	3,567,640	—	—	—	10,260	(10,260)	—	—	—	—	—	—
Share-based compensation	—	—	—	—	—	42,446	—	—	—	42,446	1,650	44,096
Appropriation to statutory reserves	—	—	—	—	—	—	5,732	(5,732)	—	—	—	—
Share of changes in the equity method investments' capital accounts	—	—	—	—	—	146	—	(14)	15,549	15,681	—	15,681
Repurchase of common shares	(84,507,180)	—	—	—	(138,677)	—	—	—	—	(138,677)	—	(138,677)
Dividends declared	—	—	—	—	—	—	—	(145,190)	—	(145,190)	(63)	(145,253)
Net income attributable to JOYY Inc. and non-controlling interest shareholders	—	—	—	—	—	—	—	128,891	—	128,891	(27,323)	101,568
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	—	—	—	—	—	—	—	(5,426)	—	(5,426)	(108)	(5,534)
Exercise/settlement of RSU's in subsidiaries	—	—	—	—	—	(877)	—	—	—	(877)	932	55
Noncontrolling interest arising from an acquisition	—	—	—	—	—	—	—	—	—	—	222,741	222,741
Other comprehensive loss	—	—	—	—	—	—	—	—	(246,959)	(246,959)	1,183	(245,776)
Balance as of December 31, 2022	<u>1,066,177,028</u>	<u>13</u>	<u>326,509,555</u>	<u>3</u>	<u>(655,141)</u>	<u>3,277,978</u>	<u>32,536</u>	<u>2,685,063</u>	<u>(162,235)</u>	<u>5,178,217</u>	<u>233,149</u>	<u>5,411,366</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 (CONTINUED)

(All amounts in thousands, except share, ADS, per share and per ADS data)

	Class A common shares		Class B common shares		Treasury shares Amount	Additional paid-in capital	Statutory reserves	Retained earnings	Accumulated other comprehensive income (loss)	Total JOYY Inc.'s shareholders' equity	Non-controlling interests	Total shareholders equity
	Number of shares	Amount US\$	Number of shares	Amount US\$								
Balance as of December 31, 2022	1,066,177,028	13	326,509,555	3	(655,141)	3,277,978	32,536	2,685,063	(162,235)	5,178,217	233,149	5,411,366
Issuance of common shares for vested restricted shares and restricted share units	3,471	—	—	—	—	—	—	—	—	—	—	—
Transfer from treasury shares to issued common shares for vested restricted share units	7,240,060	—	—	—	14,085	(14,085)	—	—	—	—	—	—
Share-based compensation	—	—	—	—	—	30,263	—	—	—	30,263	1,716	31,979
Appropriation to statutory reserves	—	—	—	—	—	—	5,179	(5,179)	—	—	—	—
Capital injection in subsidiaries from non-controlling interest shareholders	—	—	—	—	—	68,738	—	—	—	68,738	(86,934)	(18,196)
Share of changes in the equity method investments' capital accounts	—	—	—	—	—	(26,175)	—	(9)	1,687	—	(24,497)	(24,497)
Repurchase of common shares	(182,576,920)	(4)	—	—	(272,883)	(50,000)	—	—	—	(322,887)	—	(322,887)
Repurchase of non-controlling interest and redeemable noncontrolling interests	—	—	—	—	—	(389)	—	—	—	(389)	—	(389)
Deconsolidation of subsidiaries	—	—	—	—	—	—	(6)	6	(1,135)	(1,135)	6,415	5,280
Dividends declared	—	—	—	—	—	—	—	(82,072)	—	(82,072)	—	(82,072)
Net income attributable to JOYY Inc. and non-controlling interest shareholders	—	—	—	—	—	—	—	301,816	—	301,816	(29,398)	272,418
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	—	—	—	—	—	—	—	(5,048)	—	(5,048)	(302)	(5,350)
Gain on repurchase of redeemable convertible preferred shares of a subsidiary	—	—	—	—	—	—	—	52,583	—	52,583	—	52,583
Exercise/settlement of RSU's in subsidiaries	—	—	—	—	—	(11,351)	—	—	—	(11,351)	11,500	149
Settlement of capped call options	—	—	—	—	—	7,775	—	—	—	7,775	—	7,775
Other comprehensive loss	—	—	—	—	—	—	—	—	(35,327)	(35,327)	(2,816)	(38,143)
Balance as of December 31, 2023	890,843,639	9	326,509,555	3	(913,939)	3,282,754	37,709	2,947,160	(197,010)	5,156,686	133,330	5,290,016

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 (CONTINUED)

(All amounts in thousands, except share, ADS, per share and per ADS data)

	Class A common shares		Class B common shares		Treasury shares Amount	Additional paid-in capital	Statutory reserves	Retained earnings	Accumulated other comprehensive income (loss)	Total JOYY Inc.'s shareholders' equity	Non-controlling interests	Total shareholders' equity
	Number of shares	Amount US\$	Number of shares	Amount US\$								
Balance as of December 31, 2023	890,843,639	9	326,509,555	3	(913,939)	3,282,754	37,709	2,947,160	(197,010)	5,156,686	133,330	5,290,016
Issuance of common shares for vested restricted shares and restricted share units	(3,962)	—	—	—	—	—	—	—	—	—	—	—
Transfer from treasury shares to issued common shares for vested restricted share units	8,063,760	—	—	—	—	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	—	22,168	—	—	—	22,168	1,032	23,200
Appropriation to statutory reserves	—	—	—	—	—	—	2,814	(2,814)	—	—	—	—
Repurchase of common shares	(184,240,240)	(2)	—	—	(309,247)	50,000	—	—	—	(259,249)	—	(259,249)
Repurchase of non-controlling interest and redeemable non-controlling interests	—	—	—	—	—	(180)	—	—	—	(180)	—	(180)
Deconsolidation of subsidiary	—	—	—	—	—	—	(23)	23	—	—	—	—
Net income attributable to JOYY Inc. and non-controlling interest shareholders	—	—	—	—	—	—	—	(146,236)	—	(146,236)	(96,402)	(242,638)
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	—	—	—	—	—	—	—	(1,388)	—	(1,388)	(212)	(1,600)
Exercise/settlement of RSU's in subsidiaries	—	—	—	—	—	(9,206)	—	—	—	(9,206)	9,385	179
Other comprehensive loss	—	—	—	—	—	—	—	—	(50,605)	(50,605)	635	(49,970)
Balance as of December 31, 2024	<u>714,663,197</u>	<u>7</u>	<u>326,509,555</u>	<u>3</u>	<u>(1,223,186)</u>	<u>3,345,536</u>	<u>40,500</u>	<u>2,796,745</u>	<u>(247,615)</u>	<u>4,711,990</u>	<u>47,768</u>	<u>4,759,758</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

(All amounts in thousands)

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Cash flows from operating activities			
Net income (loss)	101,568	272,418	(242,638)
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation of property and equipment	83,396	46,576	25,388
Amortization of acquired intangible assets and land use rights	65,204	73,383	65,517
Amortization of right-of-use assets	14,779	12,541	11,702
Expected credit loss of receivables	14,553	1,654	10,682
Gain on disposal of property and equipment, intangible assets and other long-term assets	(4,118)	(274)	(141)
Impairment of investments	—	—	9,386
Impairment of intangible assets	1,356	—	—
Impairment of goodwill	14,830	—	454,935
Share-based compensation	44,096	31,979	23,200
Share of loss (income) in equity method investments, net of income taxes	498,431	(3,297)	1,637
Gain on disposal and deemed disposal of investments	(4,113)	(74,851)	—
Loss (gain) on deconsolidation and disposal of subsidiaries	—	6,177	(1,643)
Cash dividend received from equity investees	848	—	—
Deferred income taxes, net	(1,935)	(11,808)	(7,982)
Foreign currency exchange (gains) losses, net	(11,666)	2,906	(764)
Interest expense	12,770	3,143	1,831
Investment loss	1,360	—	—
Gain on fair value changes of investments	(424,304)	(12,425)	(6,636)
Gain on extinguishment of debt and derivative	(63,378)	—	—
Accounts receivable	(20,201)	(32,422)	(13,651)
Interest receivables recorded in financing receivables	9	9	1
Prepayments and other assets	(33,357)	(30,660)	(2,852)
Amounts due from related parties	7,247	5,622	7,695
Lease liabilities	(12,343)	(12,546)	(11,712)
Amounts due to related parties	(41,268)	(1,783)	(28,128)
Accounts payable	19,052	(5,563)	(22,726)
Deferred revenue	8,594	(9,163)	(7,151)
Advances from customers	(2,589)	2,557	(1,914)
Income taxes payable	17,610	7,883	(7,813)
Accrued liabilities and other current liabilities	30,063	23,523	52,434
Net cash provided by operating activities	316,494	295,579	308,657
Cash flows from investing activities			
Placements of short-term and long-term deposits	(4,425,191)	(3,046,581)	(3,061,621)
Maturities of short-term and long-term deposits	3,711,568	3,293,451	3,247,560
Placements of short-term investments	(418,578)	(657,639)	(369,904)
Maturities of short-term investments	889,905	752,196	19,433
Purchase of property and equipment	(69,022)	(81,567)	(83,722)
Purchase of intangible assets and land use right	(197)	(445)	(775)
Cash paid for investments	(175,719)	(66,014)	(26,575)
Cash received from disposal of investments	15,174	222,097	—
Proceeds from disposal of a subsidiary	—	—	70,715
Acquisition of businesses, net of cash, cash equivalents and restricted cash acquired	27,926	—	—
(Payments on behalf of) repayments from related parties, net	(36,522)	1	9
Loans to related parties	(28,062)	—	—
Loans to employees and third parties	(1,025)	(650)	(18)
Repayments of loans from employees, related parties and third parties	1,385	1,048	785
Principal collection from financing receivables	174	70	27
Proceeds from disposal of property and equipment	7,508	3,830	721
Others	(9,608)	576	(6,884)
Net cash (used in) provided by investing activities	(510,284)	420,373	(210,249)

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024
(CONTINUED)**

(All amounts in thousands)

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Cash flows from financing activities			
Proceeds from exercise of vested share options	—	180	113
Capital contributions from the non-controlling interest shareholders	17,045	—	—
Dividends paid to shareholders	(145,925)	(84,197)	—
Purchase of non-controlling interests and redeemable non-controlling interests	—	(22,000)	—
Purchase of capped call option in relation to repurchase of common shares	—	(50,000)	—
Proceeds from bank borrowings	44,504	95,169	42,168
Repayment of bank borrowings	(11,718)	(82,544)	(84,646)
Repurchase of shares	(138,079)	(273,896)	(259,428)
Cash paid on extinguishment of convertible bonds	(87,736)	(432,232)	(406,038)
Settlement of capped call options	—	7,775	—
Net cash used in financing activities	(321,909)	(841,745)	(707,831)
Net decrease in cash, cash equivalents and restricted cash	(515,699)	(125,793)	(609,423)
Cash, cash equivalents and restricted cash at the beginning of the year	2,134,492	1,565,560	1,440,449
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(53,233)	682	5,789
Cash, cash equivalents and restricted cash at the end of the year	1,565,560	1,440,449	836,815

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$

Supplemental disclosure of cash flows information:

—Cash paid for interest, net of amounts capitalized	(8,706)	(7,829)	(3,016)
—Income taxes paid	(19,150)	(22,084)	(29,052)

Supplemental disclosures of non-cash investing and financing activities:

—Accrued capital expenditure	29,501	47,109	95,049
—Disposal of investments and business	144	—	—

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

1. Organization and principal activities

(a) Organization and principal activities

JOYY Inc. (the “Company” or “JOYY”), together with its subsidiaries, its VIEs (also referred to as VIEs and their subsidiaries as a whole, where appropriate) (collectively, the “Group”), is a leading global social media platform, offering users around the world a uniquely engaging and immersive experience across various video-based products and services, such as live streaming, short-form videos and video communication.

On November 16, 2020, the Company entered into definitive agreements with affiliates of Baidu, Inc. (Nasdaq: BIDU) (“Baidu”). Pursuant to the agreements, Baidu would acquire JOYY’s domestic video-based entertainment live streaming business (“YY Live”), which includes YY mobile app, YY.com website and PC YY, among others, for an aggregate purchase price of approximately US\$3.6 billion in cash, subject to certain adjustments. Out of the total cash consideration of US\$3.6 billion, consideration of US\$300 million is subject to adjustment based on the achievement of certain conditions of YY Live. Subsequently, the sale was substantially completed on February 8, 2021, with certain matters remaining to be completed, including necessary regulatory approvals with respect to this transaction from government authorities. On February 25, 2025, the Company entered into agreements with Baidu, Inc. and closed the sale of its video-based entertainment live streaming business in mainland China (known as YY Live) to Baidu, Inc. for an aggregate purchase price of approximately US\$2.1 billion in cash. The Company previously received approximately US\$1.86 billion in February 2021. On February 25, 2025, the Company received additional cash consideration of approximately US\$240 million. The details of this disposal are disclosed in Note 3.

(b) Initial Public Offering

The Company completed its initial public offering (“IPO”) on November 21, 2012 on the “NASDAQ Global Select Market”. Effective March 31, 2025, the Company changed its ticker symbol on the Nasdaq Stock Market from “YY” to “JOYY”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

1. Organization and principal activities (continued)

(c) Principal subsidiaries and VIEs

The details of the principal subsidiaries and VIEs through which the Company conducts its business operations as of December 31, 2024 are set out below:

Name	Place of incorporation	Date of incorporation or acquisition	% of direct or indirect economic ownership	Principal activities
Principal subsidiaries				
Duowan Entertainment Corporation (“Duowan BVI”)	British Virgin Islands (“BVI”)	November 6, 2007	100 %	Investment holding
Huanju Shidai Technology (Beijing) Co., Ltd. (“Beijing Huanju Shidai”)	PRC	March 19, 2008	100 %	Investment holding
Guangzhou Huanju Shidai Information Technology Co., Ltd. (“Guangzhou Huanju Shidai”)	PRC	December 2, 2010	100 %	Software development
Bigo Inc.	Cayman Islands	March 4, 2019	100 %	Investment holding
Bigo Technology Pte. Ltd. (“Bigo Singapore”)	Singapore	March 4, 2019	100 %	Investment holding, operation of live streaming platform
Bigo (Hong Kong) Limited (“Bigo HK”)	Hong Kong	March 4, 2019	100 %	Investment holding
Guangzhou BaiGuoYuan Information Technology Co., Ltd. (“BaiGuoYuan Technology”)	PRC	March 4, 2019	100 %	Software development and provision of information technology services
Principal VIEs				
Guangzhou Huaduo Network Technology Co., Ltd. (“Guangzhou Huaduo”)	PRC	April 11, 2005		Holder of internet content provider licenses and internet value added services
Guangzhou BaiGuoYuan Network Technology Co., Ltd. (“Guangzhou BaiGuoYuan”)	PRC	March 4, 2019		Holder of internet content provider licenses and internet value added services

(d) Variable Interest Entities

To comply with PRC laws and regulations that prohibit or restrict foreign ownership of companies that provide internet-content, the Group conducts its operations primarily through its principal VIEs, Guangzhou Huaduo and Guangzhou BaiGuoYuan, which hold the internet value-added service license and approvals to provide such internet services in the PRC. The Company, via its subsidiaries Beijing Huanju Shidai and BaiGuoYuan Technology, controlled Guangzhou Huaduo and Guangzhou BaiGuoYuan, respectively, through the exercise of contractual agreements discussed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

1. Organization and principal activities (continued)

(d) Variable Interest Entities (continued)

(i) VIE agreements amongst Beijing Huanju Shidai, Guangzhou Huaduo and its nominee shareholders

The following is a summary of the contractual arrangements entered among Beijing Huanju Shidai, Guangzhou Huaduo and its nominee shareholders:

- Exclusive Technology Support and Technology Services Agreement

Under the exclusive technology support and technology services agreement between Beijing Huanju Shidai and Guangzhou Huaduo, Beijing Huanju Shidai has the exclusive right to provide to Guangzhou Huaduo technology support and technology services related to all technologies needed for its business. Beijing Huanju Shidai owns the exclusive intellectual property rights created as a result of the performance of this agreement. The service fee payable by Guangzhou Huaduo to Beijing Huanju Shidai is determined by various factors, including the expenses Beijing Huanju Shidai incurs for providing such services and Guangzhou Huaduo's revenues, and the amount of service fee is ultimately (unilaterally) determined by Beijing Huanju Shidai. The term of this agreement will expire in 2028 and may be extended with Beijing Huanju Shidai's written confirmation prior to the expiration date. Beijing Huanju Shidai is entitled to terminate the agreement at any time by providing 30 days' prior written notice to Guangzhou Huaduo.

- Exclusive Business Cooperation Agreement

Under the exclusive business cooperation agreement between Beijing Huanju Shidai and Guangzhou Huaduo, Beijing Huanju Shidai has the exclusive right to provide to Guangzhou Huaduo technology support, business support and consulting services related to the services provided by Guangzhou Huaduo, the scope of which is to be determined by Beijing Huanju Shidai from time to time. Beijing Huanju Shidai owns the exclusive intellectual property rights created as a result of the performance of this agreement. The service fee payable by Guangzhou Huaduo to Beijing Huanju Shidai is a certain percentage of its earnings. The term of this agreement will expire in 2038 and may be extended with Beijing Huanju Shidai's written confirmation prior to the expiration date. Beijing Huanju Shidai is entitled to terminate the agreement at any time by providing 30 days' prior written notice to Guangzhou Huaduo.

- Exclusive Option Agreement

The parties to the exclusive option agreement are Beijing Huanju Shidai, Guangzhou Huaduo and each of the shareholders of Guangzhou Huaduo. Under the exclusive option agreement, each of the shareholders of Guangzhou Huaduo irrevocably granted Beijing Huanju Shidai or its designated representative(s) an exclusive option to purchase, to the extent permitted under PRC law, all or part of his or its equity interests in Guangzhou Huaduo. Beijing Huanju Shidai or its designated representative(s) have sole discretion as to when to exercise such options, either in part or in full. Without Beijing Huanju Shidai's prior written consent, Guangzhou Huaduo's shareholders shall not sell, transfer, mortgage or otherwise dispose their equity interests in Guangzhou Huaduo. The term of this agreement is ten years and may be extended at Beijing Huanju Shidai's sole discretion.

- Powers of Attorney

Pursuant to the irrevocable power of attorney executed by each shareholder of Guangzhou Huaduo, each such shareholder appointed Beijing Huanju Shidai as its attorney-in-fact to exercise such shareholders' rights in Guangzhou Huaduo, including, without limitation, the power to vote on its behalf on all matters of Guangzhou Huaduo requiring shareholder approval under PRC laws and regulations and the articles of association of Guangzhou Huaduo. Each power of attorney will remain in force until the shareholder ceases to hold any equity interest in Guangzhou Huaduo.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

1. Organization and principal activities (continued)

(d) Variable Interest Entities (continued)

(i) VIE agreements amongst Beijing Huanju Shidai, Guangzhou Huaduo and its nominee shareholders (continued)

- Share Pledge Agreement

Pursuant to the share pledge agreement between Beijing Huanju Shidai and the shareholders of Guangzhou Huaduo, the shareholders of Guangzhou Huaduo have pledged all of their equity interests in Guangzhou Huaduo to Beijing Huanju Shidai to guarantee the performance by Guangzhou Huaduo and its shareholders' performance of their respective obligations under the exclusive business cooperation agreement, exclusive option agreement, exclusive technology support and technology services agreement and powers of attorney. If Guangzhou Huaduo and/or its shareholders breach their contractual obligations under those agreements, Beijing Huanju Shidai, as pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests.

(ii) VIE agreements amongst BaiGuoYuan Technology, Guangzhou BaiGuoYuan and its nominee shareholders

The following is a summary of the contractual arrangements entered among BaiGuoYuan Technology, Guangzhou BaiGuoYuan and its nominee shareholders.

- Exclusive Business Cooperation Agreement

Under the exclusive business cooperation agreement between BaiGuoYuan Technology and Guangzhou BaiGuoYuan, BaiGuoYuan Technology has the exclusive right to provide Guangzhou BaiGuoYuan technology support, business support and consulting services related to the services provided by Guangzhou BaiGuoYuan, the scope and service fees of which is to be determined by BaiGuoYuan Technology from time to time. BaiGuoYuan Technology owns the exclusive intellectual property rights created as a result of the performance of this agreement. BaiGuoYuan Technology receives substantially all of the economic interest returns generated by Guangzhou BaiGuoYuan. The term of this agreement will not expire unless with BaiGuoYuan Technology's written confirmation to terminate the agreement.

- Exclusive Option Agreement

The parties to the exclusive option agreement are BaiGuoYuan Technology, Guangzhou BaiGuoYuan and each of the shareholders of Guangzhou BaiGuoYuan. Under the exclusive option agreement, each of the shareholders of Guangzhou BaiGuoYuan irrevocably granted BaiGuoYuan Technology or its designated representative(s) an exclusive option to purchase, to the extent permitted under the PRC laws, all or part of his or its equity interests in Guangzhou BaiGuoYuan. BaiGuoYuan Technology or its designated representative(s) have sole discretion as to when to exercise such options, either in part or in full. Without BaiGuoYuan Technology's prior written consent, Guangzhou BaiGuoYuan's shareholders shall not sell, transfer, mortgage or otherwise dispose their equity interests in Guangzhou BaiGuoYuan. The term of this agreement is ten years and may be extended at BaiGuoYuan Technology's sole discretion.

- Powers of Attorney

Pursuant to the irrevocable power of attorney executed by each shareholder of Guangzhou BaiGuoYuan, each such shareholder appointed BaiGuoYuan Technology as its attorney-in-fact to exercise such shareholders' rights in Guangzhou BaiGuoYuan, including, without limitation, the power to vote on its behalf on all matters of Guangzhou BaiGuoYuan requiring shareholders' approval under the PRC laws and regulations and the articles of association of Guangzhou BaiGuoYuan. Each power of attorney will remain in force until the shareholder ceases to hold any equity interest in Guangzhou BaiGuoYuan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

1. Organization and principal activities (continued)

(d) Variable Interest Entities (continued)

(ii) VIE agreements amongst BaiGuoYuan Technology, Guangzhou BaiGuoYuan and its nominee shareholders (continued)

- Share Pledge Agreement

Pursuant to the share pledge agreement between BaiGuoYuan Technology and the shareholders of Guangzhou BaiGuoYuan, the shareholders of Guangzhou BaiGuoYuan have pledged all of their equity interests in Guangzhou BaiGuoYuan to BaiGuoYuan Technology to guarantee the performance by Guangzhou BaiGuoYuan and its shareholders' performance of their respective obligations under the exclusive business cooperation agreement, exclusive option agreement and powers of attorney. If Guangzhou BaiGuoYuan and/or its shareholders breach their contractual obligations under those agreements, BaiGuoYuan Technology, as pledgee, will be entitled to voting right and the right to sell the pledged equity interests.

Through the aforementioned contractual agreements, Guangzhou Huaduo and Guangzhou BaiGuoYuan are consolidated under US GAAP (ASC 810) because the Company, through Beijing Huanju Shidai and BaiGuoYuan Technology, respectively, has the ability to:

- exercise effective control over Guangzhou Huaduo and Guangzhou BaiGuoYuan;
- receive substantially all of the economic benefits and residual returns, and absorb substantially all the risks and expected losses from these VIEs as if it were their sole shareholder; and
- have an exclusive option to purchase all of the equity interests in these VIEs.

In addition to the aforementioned contractual agreements, Beijing Huanju Shidai also entered into similar contractual agreements with Beijing Tuda Science and Technology Co., Ltd. ("Beijing Tuda"). Guangzhou Huanju Shidai also entered into similar contractual agreements with Guangzhou Xuancheng Network Technology Co., Ltd. ("Guangzhou Xuancheng"), Guangzhou Yueyi Network Technology Partnership (LP) ("Guangzhou Yueyi"), Guangzhou Xuanyi Network Technology Partnership (LP) ("Guangzhou Xuanyi") and Guangzhou Ruicheng Network Technology Co., Ltd. ("Guangzhou Ruicheng"). Guangzhou Wangxing Information Technology Co., Ltd. ("Guangzhou Wangxing") also entered into similar contractual agreements with Chengdu Yunbu Network Technology Co., Ltd. ("Chengdu Yunbu"), Chengdu Luota Network Technology Co., Ltd. ("Chengdu Luota") and Chengdu Jiyue Network Technology Co., Ltd. ("Chengdu Jiyue"). BaiGuoYuan Technology also entered into similar contractual agreements with Guangzhou Shangying Network Technology Co., Ltd. ("Guangzhou Shangying"), Guangzhou Fangu Network Technology Partnership (LP) ("Guangzhou Fangu"), Guangzhou Wanyin Network Technology Partnership (LP) ("Guangzhou Wanyin") and Guangzhou Qianxun Network Technology Co., Ltd. ("Guangzhou Qianxun"). Through these contractual agreements, Beijing Tuda, Guangzhou Xuancheng, Guangzhou Yueyi, Guangzhou Xuanyi, Guangzhou Ruicheng, Chengdu Yunbu, Chengdu Luota, Chengdu Jiyue, Guangzhou Shangying, Guangzhou Fangu, Guangzhou Wanyin and Guangzhou Qianxun are considered VIEs of the Group. The VIEs disclosed in this paragraph are not material and do not have any significant impact on the Company's results and financial position.

In accordance with the aforementioned agreements, the Company has power to direct activities of the VIEs, and can have assets transferred out of the VIEs. These agreements provide the Company with a controlling financial interest in each of the VIEs (as well as being the primary beneficiary for each) and provide basis for the consolidation of the financial results of each VIE under US GAAP (ASC 810). The Company considers that there is no asset in the VIEs that can be used only to settle obligations of the VIEs, except for registered capital and PRC statutory reserves of the VIEs amounting to US\$744,087 as of December 31, 2024. The VIEs were incorporated as limited liability companies under the PRC Company Law and in accordance with the PRC Company Law, the creditors do not have recourse to the general credit of the Company for all the liabilities of the VIEs as the Company does not have direct legal ownership over the VIEs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

1. Organization and principal activities (continued)

(d) Variable Interest Entities (continued)

(ii) VIE agreements amongst BaiGuoYuan Technology, Guangzhou BaiGuoYuan and its nominee shareholders (continued)

Currently there is no contractual arrangement that could require the Company to provide additional financial support to the VIEs. As the Company is conducting its PRC internet value-added services business through the VIEs, the Company will, if needed, provide such support on a discretionary basis in the future, which could expose the Company to a loss.

There is no VIE where the Company has variable interest but is not the primary beneficiary.

Please refer to Note 4(a) for the consolidated financial information of the Group's VIEs as of December 31, 2022, 2023 and 2024.

2. Principal accounting policies

(a) Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with the U.S. GAAP to reflect the financial position, results of operations and cash flows of the Group. Significant accounting policies followed by the Group in the preparation of the consolidated financial statements are summarized below.

(b) Consolidation

The Group's consolidated financial statements include the financial statements of the Company, its subsidiaries and VIEs for which the Company or its subsidiaries is the primary beneficiary. All transactions and balances among the Company, its subsidiaries and VIEs have been eliminated upon consolidation.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting powers; or has the power to appoint or remove the majority of the members of the board of directors; or to cast a majority of votes at the meeting of directors; or has the power to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

A VIE is an entity in which the Company, or its subsidiary, through contractual agreements, bears the risks of, and enjoys the rewards normally associated with ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity. In determining whether the Company or its subsidiaries are the primary beneficiary, the Company considered whether it has the power to direct activities that are significant to the VIEs economic performance, and also the Company's obligation to absorb losses of the VIEs that could potentially be significant to the VIEs or the right to receive benefits from the VIEs that could potentially be significant to the VIEs. Beijing Huanju Shidai, BaiGuoYuan Technology, Guangzhou Wangxing and ultimately the Company hold all the variable interests of the VIEs and have been determined to be the primary beneficiaries of the VIEs.

The Company deconsolidates its subsidiaries or business in accordance with ASC 810 as of the date the Company ceased to have a controlling financial interest in the subsidiaries.

The Company accounts for the deconsolidation of its subsidiaries or business by recognizing a gain or loss in net income/loss attributable to the Company in accordance with ASC 810. This gain or loss is measured at the date the subsidiaries are deconsolidated as the difference between (a) the aggregate of the fair value of any consideration received, the fair value of any retained non-controlling interest in the subsidiaries being deconsolidated, and the carrying amount of any non-controlling interest in the subsidiaries being deconsolidated, including any accumulated other comprehensive income/loss attributable to the non-controlling interest, and (b) the carrying amount of the assets and liabilities of the subsidiaries being deconsolidated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(c) Use of estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, mezzanine equity and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period in the consolidated financial statements and accompanying notes. Actual results could differ materially from such estimates. The Company believes that the assessment of the revenue recognition for contracts with multiple performance obligations, income taxes, expected credit loss of receivables, purchase price allocation in a business combination, estimated useful lives of long-lived assets, impairment assessment of goodwill, long-lived assets and intangible assets, and subsequent adjustments due to significant observable price change for the equity investments without readily determinable fair values and not accounted for by the equity method, fair value determination for available-for-sale debt investments, represent critical accounting policies that reflect the more significant judgments and estimates used in the preparation of its consolidated financial statements.

Management bases the estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from these estimates.

(d) Foreign currency translation

The Group uses US\$ as its reporting currency. The functional currency of the Company and its subsidiaries incorporated in the Cayman Islands, British Virgin Islands, Hong Kong, Singapore, United States, India, Egypt and other regions is US\$ or their respective local currency, while the functional currency of the other subsidiaries incorporated in Mainland China is Renminbi ("RMB"). In the consolidated financial statements, the financial information of the Company and its subsidiaries, which use RMB or their respective local currency as their functional currency, have been translated into US\$. Assets and liabilities are translated at the exchange rates on the balance sheet date, equity amounts are translated at historical exchange rates, and revenues, expenses, gains, and losses are translated using the average exchange rate for the period. Translation adjustments arising from these are reported as foreign currency translation adjustments and are shown as a component of other comprehensive income or loss in the statement of comprehensive income.

Foreign currency transactions denominated in currencies other than functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are remeasured at the applicable rates of exchange in effect at that date. Non - monetary assets and liabilities denominated in foreign currencies are measured using historical exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from remeasurement at year-end are recognized in foreign currency exchange gains/losses, net in the consolidated statement of comprehensive income.

(e) Cash and cash equivalents and restricted cash

Cash includes currency on hand and deposits held by financial institutions that can be added to or withdrawn without limitation. Cash equivalents represent short-term and highly liquid investments placed with banks, which have both of the following characteristics:

- i) Readily convertible to known amounts of cash throughout the maturity period;
- ii) So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

The Group considers all highly liquid investments with original maturities of three months or less as cash equivalents.

Cash, cash equivalents and restricted cash presented on the consolidated statements of cash flows included cash, cash equivalents, restricted cash and restricted cash within restricted short-term deposits in the consolidated balance sheets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(f) Short-term deposits

Short-term deposits represent time deposits placed with banks with original maturities between three months and one year. Interest earned is recorded as interest income in the consolidated statements of comprehensive income during the periods presented.

(g) Long-term deposits

Long-term deposits represent time deposits placed with banks with original maturities more than one year. Interest earned is recorded as interest income in the consolidated statements of comprehensive income during the periods presented.

(h) Short-term investments

For investments in financial instruments with a variable interest rate indexed to the performance of underlying assets, the Group elected the fair value method at the date of initial recognition and carried these investments subsequently at fair value. Changes in fair values are reflected in the consolidated statements of comprehensive income.

(i) Accounts receivable

The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist, primarily based on similar business line, service or product offerings and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data, including global GDP and external rates of non - performing loans.

(j) Financing receivables

Financing receivables represent receivables derived from finance business, including micro-credit personal loans and corporate loans. The Group has ceased to extend credit in finance business since 2019. Financing receivables are recorded at amortized cost, reduced by a valuation allowance estimated as of the balance sheet date. The amortized cost is equal to the unpaid principal amount, accrued interest receivables and net deferred origination costs. The origination costs are the direct costs attributable to originating the financing charged by third-party companies. The cash flows related to the principal of finance business are included in the investing activities category in the consolidated statement of cash flows.

The Group assesses the allowance for credit losses on financing receivables at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Group adopted ASU 2016-13 from January 1, 2020 and maintains an allowance for credit losses in accordance with Topic 326 and records the allowance for credit losses as an offset to financing receivable. The Company assesses collectability by reviewing financing receivable on a collective basis where similar characteristics exist, primarily based on similar business line, service or product offerings and on an individual basis when the Company identifies specific customers with known disputes or collectability issues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****2. Principal accounting policies (continued)****(k) Investments***Equity Investments Accounted for Using the Equity Method*

The Group accounts for its equity investment over which it has significant influence but does not own a majority equity interest or otherwise control using the equity method. The Group adjusts the carrying amount of the investment and recognizes investment income or loss for share of the earnings or loss of the investee after the date of investment. The Group assesses its equity investment for other-than-temporary impairment (which would require an adjustment to estimated fair value) by considering factors including, but not limited to, current economic and market conditions, operating performance of the entities, including current earnings trends and undiscounted cash flows, and other entity-specific information. The fair value determination, particularly for investment in privately held entities, requires judgment to determine appropriate estimates and assumptions. Changes in these estimates and assumptions could affect the calculation of the fair value of the investment and determination of whether any identified impairment is other-than-temporary.

Equity Investments with Readily Determinable Fair Values

Equity investments with readily determinable fair values are measured and recorded at fair value using the market approach based on the quoted prices in active markets at the reporting date. The Group classifies the valuation techniques that use these inputs as Level 1 of fair value measurements. Gains or losses arising from changes in fair value of these investments are recorded in earnings.

Equity Investments without Readily Determinable Fair Values

Equity investments without readily determinable fair values and not accounted for under the equity method are recorded at cost, less impairment, adjusted for subsequent observable price changes on a nonrecurring basis, and report changes in the carrying value of the equity investments in current earnings. Changes in the carrying value of the equity investments are required to be made whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer. The implementation guidance notes that an entity should make a “reasonable effort” to identify price changes that are known or that can reasonably be known.

Available-for-sale debt investments

Available-for-sale debt investment of the Group are redeemable preference shares issued by private companies that is redeemable at the Group’s option, which is measured at fair value. Interest income is recognized in earnings. All other changes in the carrying amount of this debt investment are recognized in other comprehensive income (loss).

(l) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated using the straight-line method over their estimated useful lives. Residual rate is determined based on the economic value of the property and equipment at the end of the estimated useful lives as a percentage of the original cost.

	<u>Estimated useful lives</u>	<u>Residual rate</u>
Buildings	32-40 years	0 %
Servers, computers and equipment	3-5 years	0%-5 %
Leasehold improvements	Shorter of lease term or 5 years	0 %
Renovation of buildings	10 years	0 %
Motor vehicles	3-10 years	0%-5 %
Furniture, fixture and office equipment	3-5 years	0%-5 %

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****2. Principal accounting policies (continued)****(l) Property and equipment (continued)**

Expenditures for maintenance and repairs are expensed as incurred. The gain or loss on the disposal of property and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets and is recognized in the consolidated statements of comprehensive income.

All direct and indirect costs that are related to the construction of property and equipment and incurred before the assets are ready for their intended use are capitalized as construction in progress. Construction in progress is transferred to specific property and equipment items and depreciation of these assets commences when they are ready for their intended use.

(m) Business combinations

Business combinations are recorded using the purchase method of accounting, and the cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the total of consideration of acquisition, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the subsidiary acquired over (ii) the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the consideration of acquisition is less than the fair value of the net assets of the business acquired, the difference is recognized directly in the consolidated statements of comprehensive income.

(n) Intangible assets

Intangible assets mainly consist of trademark, customer relationships, non-compete agreement, operating rights, software, domain names, technology, licenses and others. Identifiable intangible assets are carried at acquisition cost less accumulated amortization and impairment loss, if any. Finite-lived intangible assets are tested for impairment if impairment indicators arise. Amortization of finite-lived intangible assets is computed using the straight-line method over their estimated useful lives, which are as follows:

	<u>Estimated useful lives</u>
Trademark	6 - 10 years
Customer relationships	3 - 5 years
Licenses	15 years
Non-compete agreement	1 year
Operating rights	Shorter of the economic life or contract terms
Software	1 - 10 years
Domain names	10 - 15 years
Technology	5 - 6 years
Others	Shorter of the economic life or contract terms

(o) Land use rights

Land use rights are carried at cost less accumulated amortization. Amortization of the land use rights is made on straight-line basis over 40 years from the date when the Group first obtained the land use rights certificate from the local authorities. In 2021, we entered into a long-term borrowing agreement with the Agricultural Bank of China as borrower and the loan was pledged by our entitlement to the rental income from such building and our land use right to the parcel of land located in Guangzhou. In 2022, we drew down an aggregate principal amount of US\$12.4 million under such loan facility. In April 2023, the loan has been fully repaid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(p) Impairment of long-lived assets

For long-lived assets other than investments and goodwill whose impairment policy is discussed elsewhere in the financial statements, the Group evaluates for impairment whenever events or changes (triggering events) indicate that the carrying amount of an asset may no longer be recoverable. The Group assesses the recoverability of the long-lived assets by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to receive from use of the assets group and their eventual disposition. Such assets are considered to be impaired if the sum of the expected undiscounted cash flows is less than the carrying amount of the assets. The impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Group tests impairment of long-lived assets at the asset group level when impairment indicator appeared and recognizes impairment in the event that the carrying value exceeds the fair value of each reporting unit.

The impairment charges of long-lived assets recorded in general and administrative expenses for the years ended December 31, 2022, 2023 and 2024 were amounting to US\$1,356, nil, and nil respectively.

(q) Goodwill

Goodwill represents the excess of the purchase price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed of an acquired business.

(r) Annual test for impairment of goodwill

The Group assesses goodwill for impairment in accordance with ASC Subtopic 350-20, Intangibles—Goodwill and Other: Goodwill (“ASC 350-20”), which requires that goodwill be tested for impairment at the reporting unit level at least annually and more frequently upon the occurrence of certain events, as defined by ASC 350-20. A reporting unit is defined as an operating segment or one level below an operating segment referred to as a component. The Group determines its reporting units by first identifying its operating segments, and then assesses whether any components of these segments constituted a business for which discrete financial information is available and where the Company’s segment manager regularly reviews the operating results of that component. The Group determined that it has three reporting units.

In January 2017, the FASB issued ASU 2017-04, simplifying the Test for Goodwill Impairment, which simplifies the accounting for goodwill impairment by eliminating Step two from the goodwill impairment test. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, versus determining an implied fair value in Step two to measure the impairment loss. The Group adopted this guidance on a prospective basis on January 1, 2020 with no material impact on its consolidated financial statements and related disclosures as a result of adopting the new standard.

The Group has the option to assess qualitative factors first to determine whether it is necessary to perform the quantitative impairment test in accordance with ASC 350-20. If the Group believes, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, the quantitative impairment test described above is required. Otherwise, no further testing is required. In the qualitative assessment, the Group considers primary factors such as industry and market considerations, overall financial performance of the reporting unit, and other specific information related to the operations. The quantitative goodwill impairment test, used to identify both the existence of impairment and the amount of impairment loss, compares the fair value (determined using a discounted cash flow analysis or a market approach, when appropriate) of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit is greater than zero and its fair value exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. Conversely, an impairment is identified and recorded for a reporting unit if the carrying amount exceeds its fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(r) Annual test for impairment of goodwill (continued)

In the annual goodwill impairment quantitative assessment using the income approach, judgments are made as to the assumptions regarding expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact the assumptions as to revenue, profit margin, growth rate or other factors that may result in changes in the estimates of future cash flows. For the annual goodwill impairment quantitative assessment using the market approach, judgments are made as to the assumptions, including those related to the determination of comparable entities and related market multiples to be applied in estimating the fair value of a reporting unit. The Company concluded that the carrying amount of a certain reporting unit exceeded its respective fair value and recorded an impairment loss of US\$14,830, nil and US\$454,935 during the years ended December 31, 2022, 2023 and 2024, respectively. Although the Company believes the assumptions that it has used in testing for impairment are reasonable, significant changes in any one of the assumptions could produce a significant adverse impact.

(s) Convertible bonds

On January 1, 2021, the Company early adopted ASU 2020-06, “Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity” using modified-retrospective transition approach. Pursuant to ASU 2020-06, the embedded conversion features no longer are separated from the host contract for convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, Derivatives and Hedging, or that do not result in substantial premiums accounted for as paid-in capital. Consequently, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost as long as no other features require bifurcation and recognition as derivatives.

(t) Mezzanine equity and non-controlling interests

Mezzanine equity

For the Company’s majority-owned subsidiaries and consolidated VIEs, a non-controlling interest is recognized to reflect the portion of their equity which is not attributable, directly or indirectly, to the Company. When the non-controlling interest is contingently redeemable upon the occurrence of a conditional event, which is not solely within the control of the Company, the non-controlling interest is classified as mezzanine equity.

In accordance with ASC Subtopic 480-10, the Group calculated, on a cumulative basis from the acquisition date, (i) the amount of accretion that would increase the balance of non-controlling interests to their estimated redemption value over the period from the date of acquisition to the earliest redemption date of the non-controlling interests and (ii) the amount of net profit attributable to non-controlling shareholders of certain subsidiaries based on their ownership percentage. The carrying value of the non-controlling interests as mezzanine equity was adjusted by a cumulative amount equal to the higher of (i) and (ii).

Each type of increase in carrying amount shall be recorded as charges against retained earnings or, in the absence of retained earnings, by charges against additional paid-in capital.

Non-controlling interests

Non-controlling interests are recognized to reflect the portion of the equity of majority-owned subsidiaries and VIEs which is not attributable, directly or indirectly, to the controlling shareholder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(u) Revenue

Revenue recognition and significant judgments

Revenues from live streaming are mainly generated from Bigo Live, Likee, imo and Hago platforms. Other revenues are mainly generated from online games, advertising and e-commerce business. Disaggregated revenues are disclosed in Note 33 “Segment Reporting”.

Revenues are recognized when control of the promised virtual items or services is transferred to the Group’s customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those virtual items or services.

The Group has a recharge system for users to purchase the Group’s virtual currency. Users can recharge via various online payment platforms provided by third parties. Virtual currency is non-refundable and without expiry. As the virtual currency is often consumed soon after it is purchased based on history of turnover, the Group considers the impact of the breakage amount for virtual currency coupons is insignificant. Unconsumed virtual currency is recorded as deferred revenue. Virtual currencies used to purchase virtual items are recognized as revenue according to the prescribed revenue recognition policies of virtual items addressed below unless otherwise stated.

(i) Live streaming

Live streaming mainly consists of Bigo Live, Likee, imo and Hago platforms. It generates revenue from sales of virtual items in the platforms. The Group shares a portion of the sales proceeds of virtual items (“revenue sharing fee”) with performers and talent agencies in accordance with their revenue sharing arrangements. Those performers who do not have revenue sharing arrangements with the Group are not entitled to any revenue sharing fee.

The Group evaluates and determines that it is the principal and views users to be its customers. The Group reports live streaming revenues on a gross basis. Accordingly, the amounts billed to users are recorded as revenues and revenue sharing fee paid to performers and talent agencies are recorded as cost of revenues. Where the Group is the principal, it controls the virtual items before they are transferred to users. Its control is evidenced by the Group’s sole ability to monetize the virtual items before they are transferred to users, and is further supported by the Group being primarily responsible to users and having discretion in establishing pricing.

The Group designs, creates and offers various virtual items for sales to users with pre-determined selling price. Sales proceeds are recorded as deferred revenue and recognized as revenue based on the consumption of the virtual items. Virtual items are categorized as consumable and time-based items. Consumable items are consumed upon purchase and use while time-based items could be used for a fixed period of time. Users can purchase and present consumable items to performers to show support for their favorite performers, or purchase time-based virtual items for one or multiple months for a monthly fee, which provide users with recognized status, such as priority speaking rights or special symbols over a period of time. Accordingly, live streaming revenue is recognized immediately when the consumable virtual item is used, or in the case of time-based virtual items, revenue is recognized ratably over the fixed period on a straight-line basis. The Group does not have further obligations to the user after the virtual items are consumed immediately or after the stated period of time for time-based items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(u) Revenue (continued)

Revenue recognition and significant judgments (continued)

(i) Live streaming (continued)

The Group may also enter into contracts that can include various combinations of virtual items, which are generally capable of being distinct and accounted for as separate performance obligations, such as the noble member program. Judgments are required as follow: 1) determining whether those virtual items are considered distinct performance obligations that should be accounted for separately versus together, 2) determining the standalone selling price for each distinct performance obligation, and 3) allocating of the arrangement consideration to the separate accounting of each distinct performance obligation based on their relative standalone selling prices. Certain virtual items are provided to customers over time and have the same pattern of transfer to customers. The Group exercises judgment in determining the number of distinct performance obligations by accounting for items that have the same pattern of transfer to customers as a single performance obligation. In instances where standalone selling price is not directly observable as the Group does not sell the virtual item separately, the Group estimates the standalone selling price based on pricing strategies, market factors and strategic objectives. The Group recognizes revenue for each of the distinct performance obligations identified in accordance with the applicable revenue recognition method relevant for that obligation.

As the Group's live streaming virtual items are generally sold without right of return and the Group does not provide any other credit and incentive to its users, therefore accounting of variable consideration when estimating the amount of revenue to recognize is not applicable to the Group's live streaming business.

(ii) Others

Other revenues mainly generated from advertising, e-commerce business and online games.

(1) Advertising revenues

The Group primarily generates advertising revenues from sales of various forms of advertising and provision of promotion campaigns on the live streaming platforms by way of advertisement display or integrated promotion activities in shows and programs on the live streaming platforms. Advertisements on the Group's platforms are generally charged on the basis of duration, and advertising contracts are signed to establish the fixed price and the advertising services to be provided. Where collectability is probable, advertising revenues from advertising contracts are recognized ratably over the contract period of display.

The Group enters into advertising contracts directly with advertisers or third-party advertising agencies that represent advertisers. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 1 to 3 months. Both third-party advertising agencies and direct advertisers are generally billed at the end of the display period and payments are due usually within 3 months. In instances where the timing of revenue recognition differs from the timing of billing, the Group has determined the advertising contracts generally do not include a significant financing component. The primary purpose of the credits terms is to provide customers with simplified and predictable ways of purchasing the Group's advertising services, not to receive financing from its customers or to provide customers with financing.

Certain customers may receive sales incentives in the forms of discounts and rebates to advertisers or advertising agencies based on purchase volume, which are accounted for as variable consideration. The Group estimates these amounts based on the expected amount to be provided to customers considering the contracted rebate rates and estimated sales volume based on historical experience, and reduce revenues recognized. The Group believes that there will not be significant changes to the estimates of variable consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(u) Revenue (continued)

Revenue recognition and significant judgments (continued)

(ii) Others (continued)

(2) E-commerce business revenues

The Company operates a global smart commerce platform that enables merchants to easily build their brands online and sell their products to users around the world. The Group recognizes revenue when the identified performance obligation is satisfied by rendering the promised service to the customer and when specific criteria have been met. Services are rendered when or as the customers benefit from the services rendered.

The Group also used to operates an e-commerce platform and displays goods for end customers to select and order. The Group is responsible to arrange delivery of the goods to the end customers after customers place an order in the platforms. The Group recognizes e-commerce business revenue equal to the sales price (net of sales discount) to the end customers when control of the inventory is transferred. Revenues derived from e-commerce business are recorded on a gross basis, because (i) the Group is primarily responsible for fulfilling the promise to provide the specified good, (ii) the Group is subject to inventory risks before the specified goods have been transferred to a customer or after transfer of control to the customers, and (iii) the Group has discretion in establishing the price of the specified goods.

(3) Online games revenues

The Group generates revenues from offering virtual items in online games developed by third parties or the Group itself to game players. Users play games through the Group's platform free of charge and are charged for purchases of virtual items, including consumable and perpetual items, which can be utilized in the online games to enhance their game-playing experience. Consumable items represent virtual items that can be consumed by a specific user within a specified period of time. Perpetual items represent virtual items that are accessible to the users' account over the life of the online games.

Pursuant to contracts signed between the Group and the respective game developers, game developers own the games' copyrights and other intellectual property, and take primary responsibilities of game development and game operation, including designing, developing and updating of the games related to game content, pricing of virtual items, providing ongoing updates of new contents and bug fixing. The Group's responsibilities under the agreements with the game developers to offer certain standard promotions that include providing access to the platform, announcing the new games to users on the platform, and occasional advertising on the Group's platforms. Therefore, revenues derived from third party developed games are recorded on a net basis, net of the amount paid to game developers.

The Group has adopted a policy to recognize revenues relating to game tokens for third party developed games over the estimated user relationship period with the Group on a game-by-game basis, which is approximately one to six months for the periods presented. The estimated user relationship period is based on data collected from those users who have acquired game tokens. Revenues from in-game payments of each month are recognized over the user relationship period estimated for that game.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(u) Revenue (continued)

Contract balances

The Group collects accounts receivable from various online payment platforms, distribution platforms and advertising customers. The allowance of expected credit loss of receivables reflects the Group's best estimate of probable losses inherent in the accounts receivable balance. The Group determines the allowance based on known troubled accounts, historical experience, and other currently available evidence. The activity in the allowance for doubtful accounts for the periods presented is disclosed and detailed in Note 9.

Contract liabilities primarily consists of deferred revenue for unconsumed virtual items and unamortized revenue from virtual items in the Group's platforms, where there is still an obligation to be provided by the Group, which will be recognized as revenue when all of the revenue recognition criteria are met.

As of December 31, 2023 and 2024, deferred revenue related to live streaming business were US\$62,333 and US\$56,414, respectively. During the years ended December 31, 2023 and 2024, the Group recognized revenue related to its live streaming business of US\$63,303 and US\$56,817, respectively, which was included in the corresponding contract liability balance at the beginning of the periods.

As of December 31, 2023 and 2024, deferred revenue related to other revenue were US\$24,272 and US\$23,034, respectively. During the years ended December 31, 2023 and 2024, the Group recognized revenue related to other businesses of US\$22,711 and US\$16,856, respectively, that was included in the corresponding contract liability balance at the beginning of the periods.

As of December 31, 2024, the aggregate amount of the transaction price allocated to the remaining performance obligation is US\$79,448, the Group expects to recognize US\$66,813 performance obligation as revenue in 2025, the remaining performance obligation is expected to be recognized as revenue in 2026 and after years. However, the amount and timing of revenue recognition is largely driven by customer usage, which can extend beyond the original contractual term.

(v) Advances from customers and deferred revenue

Advances from customers and deferred revenue primarily consists of the unamortized game tokens, prepaid subscriptions under the membership program, services fee received from customers that relate to services to be provided in the future and unamortized revenue from virtual items in various channels in the Group's platforms, where there is still an implied obligation to be provided by the Group, which will be recognized as revenue when all of the revenue recognition criteria are met.

(w) Cost of revenues

Amounts recorded as cost of revenue relate to direct expenses incurred in order to generate revenue. Such costs are recorded as incurred. Cost of revenues primarily consists of (i) revenue sharing fees and content costs, including payments to various channel owners and performers, and content providers, (ii) bandwidth costs, (iii) payment handling costs, (iv) salary and welfare, (v) technical service fee, (vi) depreciation and amortization expense for servers, other equipment and intangibles directly related to operating the platform, (vii) share-based compensation and (viii) other costs. The Group reported other taxes and surcharges in cost of revenues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(x) Research and development expenses

Research and development expenses primarily consist of (i) salary and welfare for research and development personnel, (ii) share-based compensation for research and development personnel, (iii) depreciation of office premise and servers utilized by research and development personnel, and (iv) rental expenses. Costs incurred during the research stage are expensed as incurred. Costs incurred in the development stage, prior to the establishment of technological feasibility, which is when a working model is available, are expensed when incurred.

The Group recognizes internal use software development costs in accordance with guidance on intangible assets and internal use software. This requires capitalization of qualifying costs incurred during the software's application development stage and to expense costs as they are incurred during the preliminary project and post implementation/operation stages. The Group has not capitalized any costs related to internal use software during the years ended December 31, 2022, 2023 and 2024, respectively.

(y) Sales and marketing expenses

Sales and marketing expenses primarily consist of (i) advertising and market promotion expenses, (ii) amortization of certain intangible assets from business acquisitions, and (iii) salary and welfare for sales and marketing personnel. The advertising and market promotion expenses amounted to approximately US\$321,424, US\$270,439 and US\$240,315 during the years ended December 31, 2022, 2023 and 2024, respectively.

(z) General and administrative expenses

General and administrative expenses primarily consist of (i) share-based compensation for management and administrative personnel, (ii) salary and welfare for general and administrative personnel, (iii) impairment charges (if any), and (iv) professional service fees.

(aa) Employee social security and welfare benefits

Employees of the Group in the PRC are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurance, medical insurance, unemployment benefit and housing fund plans through a PRC government-mandated multi-employer defined contribution plan. The Group is required to accrue for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group is required to make contributions to the plans out of the amounts accrued. The PRC government is responsible for the medical benefits and the pension liability to be paid to these employees and the Group's obligations are limited to the amounts contributed and no legal obligation beyond the contributions made. Employee social security and welfare benefits included as expenses in the accompanying statements of comprehensive income amounted to US\$65,098, US\$69,717 and US\$67,750 for the years ended December 31, 2022, 2023 and 2024, respectively.

(bb) Share-based compensation

The Group grants stock-based award, such as, but not limited to, share options, restricted shares, restricted share units of the Company, share options, restricted share units and ordinary shares of the Company's subsidiaries to eligible employees, officers, directors, and non-employee consultants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(bb) Share-based compensation (continued)

Awards granted are initially accounted for as equity-classified awards. The related share-based compensation expenses are measured at the grant date fair value of the award and are recognized using the graded vesting method, net of estimated forfeiture rates, over the requisite service period, which is generally the vesting period. Forfeitures are estimated at the time of grant based on historical forfeiture rates and will be revised in the subsequent periods if actual forfeitures differ from those estimates.

For an award with a performance and/or service condition that affects vesting, the performance and/or service condition is not considered in determining the award's fair value on the grant date. Performance and service conditions should be considered when the Group is estimating the quantity of awards that will vest. Compensation cost will reflect the number of awards that are expected to vest and will be adjusted to reflect those awards that do ultimately vest. The Group recognizes compensation cost for awards with performance conditions if and when the Group concludes that it is probable that the performance condition will be achieved, net of an estimate of pre-vesting forfeitures over the requisite service period. The Group reassesses the probability of vesting at each reporting period for awards with performance conditions and adjusts compensation cost based on its probability assessment, unless on certain situations, the Group may not be able to determine that it is probable that a performance condition will be satisfied until the event occurs.

The Group accounts for the effects of modifications, if any, to its equity award in accordance to Topic 718: Compensation—Stock Compensation.

The details of the Group's share-based awards are disclosed in Note 26. Fair value determination of these share-based awards is summarized as below:

(1) Restricted share units

In determining the fair value of restricted share units granted, the fair value of the underlying shares of JOYY on the grant dates is applied. The grant date fair value of restricted share units is based on stock price of JOYY in the Nasdaq Global Select Market.

(2) Share options

In determining the fair value of share options granted, a binomial option-pricing model is applied. The determination of the fair value is affected by the stock price of JOYY in the Nasdaq Global Select Market, as well as assumptions regarding a number of complex and subjective variables, including risk-free interest rates, exercise multiples, expected forfeiture rates, the expected share price volatility rates, and expected dividends.

(3) Restricted shares

Upon the acquisition of Bigo, Class A common shares are issued for the replacement awards to Bigo's employees to replace their original share-based awards, namely restricted shares. In determining the fair value of restricted share granted to Bigo's employees, the fair value of the underlying shares of JOYY on the grant dates is applied. The grant date fair value of restricted shares is based on stock price of JOYY in the Nasdaq Global Select Market.

(cc) Other income

Other income primarily consists of government grants which represent cash subsidies received by the Group entities. For grants with no conditions attached, such amounts are recognized in the consolidated income statements upon receipt. For grants with attached conditions, such amounts are recorded as deferred revenue when received upfront and recognized as operating income after all of the conditions specified in the grants have been met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(dd) Leases

The Group leases facilities under non-cancellable operating leases expiring on different dates. On January 1, 2019, the Company adopted ASU No. 2016-02 (Topic 842) "Leases" using the optional transition method. Results and disclosure requirements for reporting periods beginning after January 1, 2019 are presented under Topic 842, while prior period amounts have not been adjusted and continue to be reported in accordance with our historical accounting under Topic 840. Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases. A contract is or contains a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. The Company determines whether a contract conveys the right to control the use of an identified asset for a period of time by assessing whether the Company has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

The Company accounts for short-term leases with terms less than 12 months in accordance with ASC 842-20-25-2 to recognize the lease payments in profit or loss on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

Operating leases are included in operating lease right-of-use assets, current lease liabilities and non-current lease liabilities on the consolidated balance sheets.

(i) Right-of-use assets

Right-of-use assets, which mainly comprise of office lease, are initially measured at the present value of the lease payments. Amortization of the right-of-use assets is made over the lease term on a generally straight-line basis.

(ii) Lease liabilities

Lease liabilities are lessees' obligations to make the lease payments arising from a lease, measured on a discounted basis.

As a lessee, the weighted average remaining lease terms of the right-of-use assets was 2.06 years and the discount rate for the lease is the rate implicit in the lease unless that rate cannot be readily determined. In that case, the lessee is required to use its incremental borrowing rate. A weighted average incremental borrowing rate of 5.28% was adopted at commencement date in determining the present value of lease payments.

For the year ended December 31, 2023, operating lease cost and short-term lease cost were US\$14,681 and US\$8,660, respectively. There were no other lease cost other than operating lease cost and short-term lease cost for the year ended December 31, 2023. For the year ended December 31, 2023, cash paid for operating leases included in operating cash flows was US\$14,513. For the year ended December 31, 2023, lease liabilities arising from obtaining right-of-use assets was US\$11,063.

For the year ended December 31, 2024, operating lease cost and short-term lease cost were US\$13,428 and US\$9,289, respectively. There were no other lease cost other than operating lease cost and short-term lease cost for the year ended December 31, 2024. For the year ended December 31, 2024, cash paid for operating leases included in operating cash flows was US\$14,315. For the year ended December 31, 2024, lease liabilities arising from obtaining right-of-use assets was US\$2,534.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****2. Principal accounting policies (continued)****(dd) Leases (continued)**

A maturity analysis of the Company's operating lease liabilities and reconciliation of the undiscounted cash flows to the operating lease liabilities recognized on the consolidated balance sheet was as below:

	<u>Office rental</u> US\$
2025	11,714
2026	7,851
2027	2,509
2028 and after	28
Total undiscounted cash flows	<u>22,102</u>
Less: imputed interest	<u>(1,379)</u>
Present value of lease liabilities	<u>20,723</u>

(ee) Income taxes

Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. Deferred income taxes are accounted for using an asset and liability method. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purpose. The effect on deferred taxes of a change in tax rates is recognized in statement of comprehensive income in the period of change. A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion of, or all of the deferred tax assets will not be realized.

Uncertain tax positions

The guidance on accounting for uncertainties in income taxes prescribes a more likely than not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Guidance was also provided on derecognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, accounting for income taxes in interim periods, and income tax disclosures. When uncertain tax positions identified, significant judgment is required in evaluating the Group's uncertain tax positions and determining its provision for income taxes. The Group recognizes interests and penalties, if any, under accrued expenses and other current liabilities on its balance sheet and under other expenses in its statements of comprehensive income. The Group did not recognize any significant interest and penalties associated with uncertain tax positions for the years ended December 31, 2022, 2023 and 2024. As of December 31, 2023 and 2024, the Group did not have any significant unrecognized uncertain tax positions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(ff) Statutory reserves

The Group's subsidiaries and VIEs established in the PRC are required to make appropriations to certain non-distributable reserve funds.

In accordance with the laws applicable to China's Foreign Investment Enterprises, the Group's subsidiaries registered as wholly owned foreign enterprises have to make appropriations from its after-tax profit (as determined under the Accounting Standards for Business Enterprises as promulgated by the Ministry of Finance of the People's Republic of China ("PRC GAAP")) to reserve funds including general reserve fund, and staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the reserve fund has reached 50% of the registered capital of the company. Appropriation to the staff bonus and welfare fund is at the company's discretion.

In addition, in accordance with the Company Laws of the PRC, the VIEs of the Company registered as PRC domestic companies must make appropriations from its after-tax profit as determined under the PRC GAAP to non-distributable reserve funds including a statutory surplus fund and a discretionary surplus fund. The appropriation to the statutory surplus fund must be at least 10% of the after-tax profits as determined under the PRC GAAP. Appropriation is not required if the surplus fund has reached 50% of the registered capital of the company. Appropriation to the discretionary surplus fund is made at the discretion of the company.

The use of the general reserve fund, statutory surplus fund and discretionary surplus fund are restricted to the offsetting of losses or increasing capital of the respective company. The staff bonus and welfare fund is a liability in nature and is restricted to fund payments of special bonus to staff and for the collective welfare of employees. All these reserves are not allowed to be transferred to the Company in terms of cash dividends, loans or advances, nor can they be distributed except under liquidation.

During the years ended December 31, 2022, 2023 and 2024, appropriations to general reserve fund and statutory surplus fund amounted to US\$5,732, US\$5,179, and US\$2,814, respectively.

(gg) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence, such as a family member or relative, shareholder, or a related corporation.

(hh) Dividends

Dividends are recognized when declared.

(ii) Income per share

Basic income per share is computed on the basis of the weighted-average number of common shares outstanding during the period under measurement. Diluted income per share is based on the weighted-average number of common shares outstanding and potential common shares. Potential common shares result from the assumed exercise of outstanding share options, restricted shares and restricted share units or other potentially dilutive equity instruments, when they are dilutive under the treasury stock method or the if-converted method.

(jj) Comprehensive income

Comprehensive income is defined as the change in equity of the Company during a period arising from transactions and other events and circumstances excluding transactions resulting from investments by shareholders and distributions to shareholders. Comprehensive income is reported in the consolidated statements of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(kk) Segment reporting

Operating segments are defined as components of an enterprise engaging in businesses activities for which separate financial information is available that is regularly evaluated by the Group's chief operating decision makers ("CODM") in deciding how to allocate resources and assess performance. The Group's chief operating decision maker has been identified as the Chief Executive Officer and director, who reviews segment results when making decisions about allocating resources and assessing performance of the Group. The Company operates two operating and reportable segments consisting of: (1) BIGO; and (2) All other.

(ll) Recently issued accounting pronouncements

Recently adopted accounting pronouncements

In December 2019, the FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes" to remove specific exceptions to the general principles in Topic 740 and to simplify accounting for income taxes. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2023. Early adoption is permitted. The standard is effective for the fiscal year beginning January 1, 2022. The Group adopted the ASU on January 1, 2022, which did not have a material impact on the Group's financial results or financial position.

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform: Facilitation of the Effects of Reference Rate Reform on Financial Reporting" in Topic 848. The standard is effective for all entities as of March 12, 2020 through December 31, 2022. The standard provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The Group adopted the ASU on January 1, 2023, which did not have a material impact on the Group's financial results or financial position.

In November 2021, the FASB issued ASU No. 2021-10, Government Assistance (Topic 832). This ASU requires business entities to disclose information about government assistance they receive if the transactions were accounted for by analogy to either a grant or a contribution accounting model. The disclosure requirements include the nature of the transaction and the related accounting policy used, the line items on the balance sheets and statements of operations that are affected and the amounts applicable to each financial statement line item and the significant terms and conditions of the transactions. The ASU is effective for annual periods beginning after December 15, 2021. The disclosure requirements can be applied either retrospectively or prospectively to all transactions in the scope of the amendments that are reflected in the financial statements at the date of initial application and new transactions that are entered into after the date of initial application. The Group adopted the ASU on January 1, 2022, which did not have a material impact on the Group's financial results or financial position.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting: Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which focuses on improving reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. A public entity shall disclose for each reportable segment the significant expense categories and amounts that are regularly provided to the CODM and included in reported segment profit or loss. ASU 2023-07 also requires public entities to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Entities are permitted to disclose more than one measure of a segment's profit or loss if such measures are used by the CODM to allocate resources and assess performance, as long as at least one of those measures is determined in a way that is most consistent with the measurement principles used to measure the corresponding amounts in the consolidated financial statements. ASU 2023-07 is applied retrospectively to all periods presented in financial statements, unless it is impracticable. This update will be effective for the Group's fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2023. Early adoption is permitted. The Company adopted this guidance as of January 1, 2024, and the adoption did not have a material impact on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

2. Principal accounting policies (continued)

(II) Recently issued accounting pronouncements (continued)

Recently issued accounting pronouncements not yet adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which improves income tax disclosures. The amendments require the disclosure of specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold. The amendments also require disaggregated information about the amount of income taxes paid (net of refunds received), Income (or loss) from continuing operations before income tax expense (or benefit) and Income tax expense (or benefit) from continuing operations. The new guidance is required to be applied either prospectively or retrospectively. This guidance is effective for the Group’s fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently in the process of evaluating the disclosure impact of adopting ASU 2023-09.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) (“ASU 2024-03”), which improves financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. In January 2025, the FASB issued ASU 2025-01, which clarifies the effective date of ASU 2024-03. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. This ASU should be applied prospectively with the option to apply the standard retrospectively. The Company is currently evaluating the provisions of this ASU.

In November 2024, the FASB issued ASU 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20) (“ASU 2024-04”). This new guidance clarifies the assessment of whether a transaction should be accounted for as an induced conversion or extinguishment of convertible debt when changes are made to conversion features as part of an offer to settle the instrument. The guidance is effective for fiscal years beginning after December 15, 2025, with early adoption permitted, and it can be adopted either on a prospective or retrospective basis. The Company is currently in the process of evaluating the disclosure impact of adopting ASU 2024-04.

3. Discontinued operations

Disposal of YY Live business

On November 16, 2020, the Company entered into definitive agreements with Baidu to dispose of the YY Live business. As a result, assets and liabilities of this business were classified as assets and liabilities held for sale and the results of YY Live business were presented as discontinued operations. The transaction was substantially completed on February 8, 2021, with certain matters remaining to be completed, including necessary regulatory approvals from government authorities. The Company no longer was able to operate and exert control over the YY Live business, including but not limited to the assets, liabilities, business and employee contracts necessary for the operation of the YY Live business. Accordingly, the Company ceased consolidation of the YY Live business since February 8, 2021 and also ceased to present the results of the YY Live business within discontinued operations since that same date.

As a result of the pending regulatory approvals discussed above, the Company has not recognized any gain from the transaction. Instead, the Company has classified and presented all the assets and liabilities related to the YY Live business amounting to US\$38,194 on a net basis within prepayments and other current assets (Note 11). The total consideration of the transaction is approximately US\$3.6 billion in cash and subject to certain adjustments. The Company received part of the consideration amounting to US\$1.9 billion by December 31, 2024, which was recorded as advance payments received within accrued liabilities and other current liabilities (Note 18). If the transaction is ultimately closed, the Company will recognize the gain related to the disposal of YY Live business transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****3. Discontinued operations (continued)****Disposal of YY Live business (continued)**

On February 25, 2025, the Company entered into agreements with Baidu, Inc. and closed the sale of its video-based entertainment live streaming business in mainland China (known as YY Live) to Baidu, Inc. for an aggregate purchase price of approximately US\$2.1 billion in cash. The Company previously received approximately US\$1.86 billion in February 2021. On February 25, 2025, the Company received additional cash consideration of approximately US\$240 million.

The following tables set forth the assets, liabilities, statement of operations and cash flows of discontinued operations which were included in the Group's consolidated financial statements. The net amount of the assets and liabilities as of December 31, 2023 and 2024 shown below are recorded within prepayments and other current assets in the consolidated balance sheet.

	As of December 31,	
	2023	2024
	US\$	US\$
Assets		
Current assets		
Cash and cash equivalents	201,393	201,393
Accounts receivable, net	18,239	18,239
Prepayments and other current assets	4,986	4,986
Total current assets	224,618	224,618
Non-current assets		
Deferred tax assets	4,294	4,294
Property and equipment, net	10,356	10,356
Intangible assets, net	7,456	7,456
Other non-current assets	3,814	3,814
Total non-current assets	25,920	25,920
Total assets	250,538	250,538
Liabilities		
Current liabilities		
Accounts payable	1,117	1,117
Deferred revenue	49,495	49,495
Advances from customers	12,663	12,663
Income taxes payable	9,787	9,787
Accrued liabilities and other current liabilities	139,282	139,282
Total current liabilities	212,344	212,344
Total liabilities	212,344	212,344

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

4. Certain risks and concentration

(a) PRC regulations

Foreign ownership of internet-based businesses is subject to significant restrictions under the current PRC laws and regulations. The PRC government regulates internet access, the distribution of online information and the conduct of online commerce through strict business licensing requirements and other government regulations. These laws and regulations also limit foreign ownership in PRC companies that provide internet information distribution services. Specifically, foreign ownership in an internet information provider or other value-added telecommunication service providers may not exceed 50%. Foreigners or foreign invested enterprises are currently not able to apply for the required licenses for operating online games in the PRC. The Company is incorporated in the Cayman Islands and accordingly, the Company is considered as a foreign invested enterprise under PRC law.

As mentioned in Note 1(d), in order to comply with the PRC laws restricting foreign ownership in the online business in China, the Group operates the online business in China through contractual arrangements with its principal VIEs, namely Guangzhou Huaduo and Guangzhou BaiGuoYuan. In January 2021, Mr. David Xueling Li and other nominal shareholder transferred in total 100% of the nominee shares of Guangzhou BaiGuoYuan to Guangzhou Qianxun Network Technology Co., Ltd. (“Guangzhou Qianxun”), a VIE of the Company. In February 2021, Beijing Tuda and Mr. David Xueling Li transferred their respective nominee shares in Guangzhou Huaduo to Guangzhou Tuyue Network Technology Co., Ltd. (“Guangzhou Tuyue”), a VIE of the Company. As of December 31, 2024, Guangzhou Tuyue holds the majority of nominee shares of Guangzhou Huaduo., and Guangzhou Qianxun holds 100% of the nominee shares of Guangzhou BaiGuoYuan.

Guangzhou Huaduo and Guangzhou BaiGuoYuan hold the licenses and permits necessary to conduct its internet value-added services in the PRC. If the Company had direct ownership of the VIE, it would be able to exercise its rights as a shareholder to effect changes in the board of directors, which in turn could affect changes at the management level, subject to any applicable fiduciary obligations. However, under the current contractual arrangements, it relies on the VIE and its shareholders’ performance of their contractual obligations to exercise effective control. In addition, the Group’s contractual agreements have terms range from 10 to 30 years, which are subject to Beijing Huanju Shidai and BaiGuoYuan Technology’s unilateral termination right. Under the respective service agreements, Beijing Huanju Shidai and BaiGuoYuan Technology will provide services including technology support, technology services, business support and consulting services to Guangzhou Huaduo and Guangzhou BaiGuoYuan, respectively, in exchange for service fees. The amount of service fees payable is determined by various factors, including (a) a percentage of Guangzhou Huaduo and Guangzhou BaiGuoYuan’s revenues or earnings, and (b) the expenses that Beijing Huanju Shidai and BaiGuoYuan Technology incur for providing such services. Beijing Huanju Shidai and BaiGuoYuan Technology may charge up to 100% of the income in Guangzhou Huaduo and Guangzhou BaiGuoYuan and a multiple of the expenses incurred for providing such services, as determined by Beijing Huanju Shidai and BaiGuoYuan Technology, respectively, from time to time. The service fees payable by Guangzhou Huaduo and Guangzhou BaiGuoYuan to Beijing Huanju Shidai and BaiGuoYuan Technology are determined to be up to 100% of the profits of Guangzhou Huaduo and Guangzhou BaiGuoYuan, with the timing of such payment to be determined at the sole discretion of Beijing Huanju Shidai and BaiGuoYuan Technology. If fees were incurred, it would be significant to the Company and the operating companies’ economic performance because it will be incurred and paid at up to 100% of the earnings of the VIE. Fees incurred would be remitted, subject to further PRC restrictions. None of the VIEs or their shareholders are entitled to terminate the contracts prior to the expiration date, unless under remote circumstances such as a material breach of agreement or bankruptcy as it pertains to the service and business operation agreements and their amendment.

For the years ended December 31, 2022, 2023 and 2024, the Company’s wholly owned subsidiaries, mainly including Beijing Huanju Shidai, BaiGuoYuan Technology, determined the service fees which were charged to the Group’s VIEs, respectively.

Further, the Group believes that the contractual arrangements among the Company’s subsidiaries (mainly including Beijing Huanju Shidai and BaiGuoYuan Technology), the VIEs, and the VIE’s shareholders are in compliance with PRC laws and are legally enforceable and binding. However, there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations including those that govern the contractual arrangements, which could limit the Group’s ability to enforce these contractual arrangements and if the nominee shareholders of the VIEs were to reduce their interests in the Group, their interest may diverge from that of the Group and that may potentially increase the risk that they would seek to act contrary to the contractual arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

4. Certain risks and concentration (continued)

(a) PRC regulations (continued)

In March 2019, the National People's Congress enacted PRC Foreign Investment Law which would be effective starting from January 1, 2020. The Foreign Investment Law does not explicitly classify contractual arrangements as a form of foreign investment, but it contains a catch-all provision under the definition of "foreign investment," which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Existing laws or administrative regulations remain unclear whether the contractual arrangements with variable interest entities will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations. However, the possibility that such entities will be deemed as foreign invested enterprise and subject to relevant restrictions in the future shall not be excluded. If VIEs fall within the definition of foreign investment entities, the Group's ability to use the contractual arrangements with its VIEs and the Group's ability to conduct business through the VIEs could be severely limited. The Group's ability to control the VIEs also depends on the power of attorney that the wholly owned subsidiary of the Group has to vote on all matters requiring shareholder approval in the VIEs. As noted above, the Group believes these power of attorney are legally enforceable but may not be as effective as direct equity ownership. In addition, if the Group's corporate structure and the contractual arrangements with the VIEs through which the Group conducts its business in the PRC were found to be in violation of any existing or future PRC laws and regulations, the Group's relevant PRC regulatory authorities could:

- revoke or refuse to grant or renew the Group's business and operating licenses;
- restrict or prohibit related party transactions between the wholly owned subsidiary of the Group and the VIE;
- impose fines, confiscate income or other requirements which the Group may find difficult or impossible to comply with;
- require the Group to alter, discontinue or restrict its operations;
- restrict or prohibit the Group's ability to finance its operations, and;
- take other regulatory or enforcement actions against the Group that could be harmful to the Group's business.

The imposition of any of these restrictions or actions could result in a material adverse effect on the Group's ability to conduct its business. In such case, the Group may not be able to operate or control the VIEs, which may result in deconsolidation of the VIEs in the Group's consolidated financial statements. In the opinion of management, the likelihood for the Group to lose such ability is remote based on current facts and circumstances. The Group's operations depend on the VIEs to honor their contractual arrangements with the Group. These contractual arrangements are governed by PRC law and disputes arising out of these agreements are expected to be decided by arbitration in the PRC. The management believes that each of the contractual arrangements constitutes valid and legally binding obligations of each party to such contractual arrangements under PRC laws. However, the interpretation and implementation of the laws and regulations in the PRC and their application to an effect on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect and enforceability of each of the contractual arrangements. Meanwhile, since the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Group to enforce the contractual arrangements should the VIEs or the nominee shareholders of the VIEs fail to perform their obligations under those arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

4. Certain risks and concentration (continued)

(a) PRC regulations (continued)

The following consolidated financial information of the Group's VIEs and VIEs' subsidiaries was included in the accompanying consolidated financial statements. For purposes of this presentation, activity within and between the VIEs and VIEs' subsidiaries have been eliminated, but transactions with other entities within the Group have been included without elimination.

	December 31,	
	2023	2024
	US\$	US\$
Assets		
Current assets		
Cash and cash equivalents	60,482	74,242
Restricted cash and cash equivalents	3,497	3,620
Short-term deposits	355,399	301,784
Short-term investments	8,471	—
Accounts receivable, net	1,649	11,123
Amounts due from Group companies	822,281	587,774
Amounts due from related parties	728	359
Prepayments and other current assets	91,773	91,610
Total current assets	<u>1,344,280</u>	<u>1,070,512</u>
Non-current assets		
Investments	400,654	414,921
Long-term deposits	—	73,034
Property and equipment, net	292,032	388,178
Land use rights, net	316,070	303,115
Intangible assets, net	40,436	31,913
Right of use asset, net	6,706	3,644
Other non-current assets	11,375	11,594
Total non-current assets	<u>1,067,273</u>	<u>1,226,399</u>
Total assets	<u>2,411,553</u>	<u>2,296,911</u>
Liabilities		
Current liabilities		
Accounts payable	46,833	67,829
Deferred revenue	8,873	7,637
Advances from customers	52	39
Income taxes payable	21,487	9,986
Accrued liabilities and other current liabilities	69,303	64,427
Amounts due to Group companies	285,047	202,264
Amounts due to related parties	3,541	3,515
Lease liabilities due within one year	2,447	2,070
Short-term loans	52,119	34,853
Total current liabilities	<u>489,702</u>	<u>392,620</u>
Non-current liabilities		
Lease liabilities	4,370	1,693
Deferred revenue	2,667	3,067
Deferred tax liabilities	10,440	9,499
Total non-current liabilities	<u>17,477</u>	<u>14,259</u>
Total liabilities	<u>507,179</u>	<u>406,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

4. Certain risks and concentration (continued)

(a) PRC regulations (continued)

	For the year ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Net revenues from Group companies	54,587	54,280	56,762
Net revenues from third parties	478,656	301,405	220,793
Total cost and operating expenses	(547,931)	(354,306)	(289,962)
Other items of the consolidated statements of comprehensive income	52,054	21,589	23,645
Net income from continuing operations	37,366	22,968	11,238

	For the year ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Net cash (used in) provided by operating activities with Group companies	(47,155)	(31,888)	36,974
Net cash provided by operating activities with third parties	95,059	58,965	(27,111)
Net cash provided by operating activities	47,904	27,077	9,863
Net cash (used in) provided by investing activities with Group companies	(194,107)	(129,111)	177,941
Net cash used in investing activities with third parties	(42,399)	(82,360)	(96,627)
Net cash (used in) provided by investing activities	(236,506)	(211,471)	81,314
Net cash provided by financing activities with Group companies	32,753	517	3,950
Net cash provided by (used in) financing activities with third parties	754	(2,831)	(80,315)
Net cash provided by (used in) financing activities	33,507	(2,314)	(76,365)

Transactions between the VIEs and other entities in the consolidated group

For the years ended December 31, 2022, 2023 and 2024, the VIEs earned inter-company revenues from sales of software in the amounts of US\$1,415, US\$21,970 and US\$8,341, respectively. In addition, the VIEs recognized inter-company cost of revenues and operating expenses in the amounts of US\$54,127, US\$47,257 and US\$1,729 for the years ended December 31, 2022, 2023 and 2024, respectively for the purchase of software. The VIEs also recognized inter-company cost of revenues and operating expenses in the amounts of US\$55,760, US\$25,798 and US\$34,829 for the years ended December 31, 2022, 2023 and 2024, respectively for technical support services. All of these transactions have been eliminated in consolidation.

Cash flows between the VIEs and other entities in the consolidated group

For the years ended December 31, 2022, 2023 and 2024, cash paid by the VIEs to Group companies for the settlement of software transactions were US\$52,878, US\$41,070 and nil, respectively. For the years ended December 31, 2022, 2023 and 2024, cash paid by the VIEs to Group companies for the settlement of technical support fees were US\$56,823, US\$45,063 and US\$44,171, respectively. For the years ended December 31, 2022, 2023 and 2024, cash received by VIEs from Group companies were US\$9,668, US\$14,505 and US\$82,111, respectively, for the revenues earned from Group companies. All of these cash flows have been eliminated in consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

4. Certain risks and concentration (continued)

(b) Foreign exchange risk

The Group's overseas operations and related investing and financing activities are denominated in US\$. The revenues and expenses of the Group's entities in the PRC are generally denominated in RMB and their assets and liabilities are denominated in RMB. The RMB is not freely convertible into foreign currencies. Remittances of foreign currencies into the PRC or remittances of RMB out of the PRC as well as exchange between RMB and foreign currencies require approval by foreign exchange administrative authorities and certain supporting documentation. The State Administration for Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of RMB into other currencies.

(c) Credit risk

Assets that potentially expose the Group to credit risk primarily consist of cash and cash equivalents, restricted cash and cash equivalents, short-term deposits, restricted short-term deposits, short-term investments, accounts receivable, financing receivables, amounts due from related parties and prepayments, other current assets and long-term deposits and held-to-maturity investments.

As of December 31, 2023 and 2024, substantially all of the Group's cash and cash equivalents, restricted cash and cash equivalents, short-term deposits, restricted short-term deposits, short-term investments and long-term deposits and held-to-maturity investments were placed with the PRC and international financial institutions. Management chooses these institutions because of their reputations and track records for stability, and their known large cash reserves, and management periodically reviews these institutions' reputations, track records, and reported reserves. Management expects that any additional institutions that the Group uses for its cash and bank deposits will be chosen with similar criteria for soundness. Nevertheless under the PRC law, it is required that a commercial bank in the PRC that holds third party cash deposits should maintain a certain percentage of total customer deposits taken in a statutory reserve fund for protecting the depositors' rights over their interests in deposited money. PRC banks are subject to a series of risk control regulatory standards; PRC bank regulatory authorities are empowered to take over the operation and management of any PRC bank that faces a material credit crisis. The Group believes that it is not exposed to unusual risks as these financial institutions are either PRC banks or international banks with high credit quality. The Group had not experienced any losses on its deposits of cash and cash equivalents and term deposits during the years ended December 31, 2022, 2023 and 2024 and believes that its credit risk to be minimal.

The risk with respect to accounts receivable is mitigated by credit evaluations the Group performs on the payment platforms, game platforms, customers and the ongoing monitoring process of outstanding balances.

The Group is exposed to default risk on its financing receivables, which is fully provided for as disclosed in Note 10. The Group conducts credit evaluations of customers in finance business, either on an individual or collective basis. The Group also considers the value of collateral assets when assessing the collectability of certain financing receivables. Credit risk is controlled by the application of credit approvals, limits and monitoring procedures.

Amounts due from related parties, prepayments and other current assets are typically unsecured. In evaluating the collectability of the balance, the Group considers many factors, including the related parties and third parties' repayment history and their credit-worthiness. An allowance for doubtful accounts is made when collection of the full amount is no longer probable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****5. Business combination****Acquisition of Shopline Corporation Limited (“Shopline”)**

Shopline is a company that operates an e-commerce online platform, together with other ancillary services including logistics, payments and marketing, to enable and facilitate merchants to establish their e-commerce operations. Prior to this acquisition, the Company had an equity interest in Shopline and was accounted for using the equity method. On August 22, 2022, the Company announced that it has entered into a share subscription agreement with Shopline and the transaction was completed on September 6, 2022 and is accounted for as a business combination. Under the agreement, the Company subscribed for series B preferred shares of Shopline for an aggregate cash consideration of US\$182.9 million. The Company previously held interests in this acquiree before the acquisition and the fair value of the previously held equity interest is considered part of the consideration of this acquisition. After the completion of this acquisition, the Company has an effective shareholding of 70.4% in Shopline, net of the potential dilution impact of employee share options as referenced in Note 26(b).

The following table summarizes the components of the purchase consideration transferred based on the closing price of the Company’s common share as of the acquisition date:

	<u>As of acquisition date</u> US\$
Cash	182,892
Fair value of previously held equity interest in Shopline	440,692
Elimination of preexisting amounts due from Shopline	76,226
Total consideration	<u>699,810</u>

The amount of the preexisting amounts due from Shopline of US\$76,226 was included as part of the consideration, which was effectively eliminated upon the acquisition.

The results of operations since the acquisition dates of the acquiree was not significant to the Group’s consolidated results of operations.

In accordance with ASC 805, the Company’s previously held equity interest in Shopline was re-measured to fair value on the acquisition date, and a re-measurement gain of US\$440,692 was recognized as gain on fair value changes of investments in 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****5. Business combination (continued)****Acquisition of Shopline Corporation Limited (“Shopline”) (continued)**

The acquisition was accounted for as a business combination. The Group made estimates and judgments in determining the fair value of the assets acquired and liabilities assumed with the assistance from an independent valuation firm. The consideration was allocated on the acquisition date as follows:

	<u>As of acquisition date</u> US\$
Net tangible assets acquired:	
-Cash and cash equivalents, restricted cash and cash equivalents and restricted short-term deposits	210,030
-Accounts receivables	12,840
-Right-of-use assets, net	12,192
-Prepayments and other current assets	27,286
-Property and equipment, net	2,474
Identifiable intangible assets acquired:	
-Trademark	144,000
-Software	298
-Domain names	254
Accrued liabilities and other liabilities	(113,928)
Lease liabilities	(12,230)
Deferred revenue	(20,336)
Deferred tax liabilities	(28,800)
Goodwill	708,471
Non-controlling interests	(222,741)
Mezzanine Equity	(20,000)
Total	699,810

The Company estimated the fair value of the acquired trademark using the relief from royalty method. The value is estimated as the present value of the after-tax cost savings at an appropriate discount rate. The Company’s determination of the fair value of the acquired trademark involved the use of estimates and assumptions related to revenue growth rates, royalty rates and discount rates. The estimated useful lives of the trademark is 10 years.

The fair value of the non-controlling interest was calculated after determination of an overall enterprise value for the Company. The Company, through a third-party valuation expert, determined the enterprise value using the Option Pricing Model (“OPM”) Backsolve approach under the market approach.

The goodwill was mainly attributable to intangible assets that cannot be recognized separately as identifiable assets under U.S. GAAP and mainly comprised (a) the assembled work force and (b) the expected future growth, enhancing world-class user experiences and expansion in global markets as a result of the synergy resulting from the acquisition. The goodwill recognized is not expected to be deductible for income tax purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

5. Business combination (continued)

Acquisition of Shopline Corporation Limited (“Shopline”) (continued)

Pro forma information of the acquisition

The following unaudited pro forma information summarizes the results of operations for the year ended December 31, 2021 and 2022 of the Company as if the acquisition had occurred on January 1, 2021. The unaudited pro forma information includes: (i) amortization associated with estimates for the acquired intangible assets and corresponding deferred tax liability; (ii) removal of the share of loss in JOYY’s previously held interests in Shopline accounted for using equity method; (iii) removal of the remeasurement gain of JOYY’s previously held interests in Shopline; (iv) elimination of transaction between Shopline and the Group; (v) allowance for doubtful accounts related to preexisting amounts due from Shopline, if any, and (vi) the associated tax impact on these unaudited pro forma adjustments. The following pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results that would have occurred had the acquisition been completed on January 1, 2021, nor is it indicative of future operating results.

	<u>For the year ended December 31,</u> <u>2022</u> US\$
Pro forma net revenues	2,493,333
Pro forma net loss	(415,250)

6. Cash and cash equivalents and restricted cash and cash equivalents

Cash and cash equivalents represent cash on hand, demand deposits placed with banks or other financial institutions and all highly liquid investments with original maturities of three months or less. Cash and cash equivalents balance as of December 31, 2023 and 2024 primarily consist of the following currencies:

	<u>December 31, 2023</u>		<u>December 31, 2024</u>	
	<u>Amount</u>	<u>US\$ equivalent</u>	<u>Amount</u>	<u>US\$ equivalent</u>
US\$	846,754	846,754	276,110	276,110
RMB	1,100,216	155,339	753,707	104,847
Others	N/A	61,863	N/A	63,804
Total		<u>1,063,956</u>		<u>444,761</u>

As of December 31, 2023 and 2024, the Group’s restricted cash and cash equivalents were US\$319,250 and US\$371,332, respectively. The restricted cash and cash equivalents primarily consists of amounts deposited and held in escrow account owned by the Group, which was a portion of the consideration received from Baidu, in accordance with the terms set forth in the agreement with Baidu to dispose YY Live business.

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(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

7. Short-term deposits

Short-term deposits represent time deposits placed with banks with original maturities between three months and one year. The term deposits balance as of December 31, 2023 and 2024 primarily consist of the following currencies:

	December 31, 2023		December 31, 2024	
	Amount	US\$ equivalent	Amount	US\$ equivalent
US\$	1,596,592	1,596,592	702,450	702,450
RMB	2,647,185	373,754	2,162,766	300,869
Others	N/A	N/A	N/A	57,692
Total		<u>1,970,346</u>		<u>1,061,011</u>

8. Restricted short-term deposits

As of December 31, 2023, the Group's restricted short-term deposits were US\$57,243, which was mainly pledged as collateral for the banking facilities of US\$85 million.

As of December 31, 2024, the Group's restricted short-term deposits were US\$20,722, which was mainly pledged as collateral for the banking facilities of US\$37 million.

9. Accounts receivable, net

	December 31,	
	2023 US\$	2024 US\$
Accounts receivable, gross	150,793	142,799
Less: allowance for expected credit loss of receivables	(20,093)	(20,938)
Accounts receivable, net	<u>130,700</u>	<u>121,861</u>

The following table summarizes the details of the Group's allowance for expected credit losses:

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Balance at the beginning of the year	(12,426)	(20,670)	(20,093)
Additions charged to general and administrative expenses, net	(8,484)	(82)	(3,427)
Write-off during the year	240	659	2,582
Balance at the end of the year	<u>(20,670)</u>	<u>(20,093)</u>	<u>(20,938)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****10. Financing receivables, net**

Financing receivables consist of the following:

	December 31,	
	2023	2024
	US\$	US\$
Financing receivables, gross		
Micro-credit personal loans	18,213	—
Less: allowance for expected credit loss on financing receivables	(18,213)	—
Financing receivables, net	—	—

Reversal of allowance for expected credit loss of US\$45, US\$33 and nil was recognized in general and administrative expenses for the years ended December 31, 2022, 2023 and 2024, respectively.

(1) Micro-credit personal loans

Micro-credit personal loans provided by the Group are non-accrual financing receivables related to personal loans amounted to US\$18,213 and nil as of December 31, 2023 and 2024, respectively, which were past due for over 1 year and not guaranteed. The Group has ceased to extend credit in the finance business since 2019.

Movement of allowance for expected credit loss on financing receivables (micro-credit personal loans only) is as follows:

	For the year ended December 31,	
	2023	2024
	US\$	US\$
Balance at the beginning of the year	(18,556)	(18,213)
Addition for the year, net	343	—
Disposal of a subsidiary	—	18,213
Balance at the end of the year	(18,213)	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****10. Financing receivables, net (continued)***(2) Corporate loans*

A majority of the Group's corporate loan business was in the form of sale-and-leaseback arrangements, under which the Group purchases equipment from third party companies and lease back the equipment to the sellers. In 2019, one lessee was unable to repay the principal amount of approximately US\$2,416 due in January and was default. The Group has brought certain lawsuits against this lessee to the court, claiming the lessee to repay all the outstanding amount. Upon the date of the issuance of the consolidated financial statements for the year ended December 31, 2019, the court has passed the first instance judgment on all of these lawsuits, which supported the Group's claim and ordered the lessee to repay all the outstanding amounts due to the Group. Furthermore, the additional assets of the lessee or its related entity was pledged and preserved as collateral. Based on the Group's assessment on the lessee's finance condition and the recoverable amount from the collateral, the financial receivable cannot be fully recovered. As a result, an allowance for expected credit loss of US\$10,430 was recognized in general and administrative expenses for the year ended December 31, 2019 against the carrying value of the financing receivables. Based on the Group's assessment on the fair value of the pledged assets as of December 31, 2023 and 2024, nil and US\$3,308 impairment charge was recognized against the carrying value of the financing receivables for the years ended December 31, 2023 and 2024. The Group reclassified the amount due from this lessee from financing receivables to prepayments and other current assets in 2021 considering the fact that the original term of this receivable has ended by December 31, 2021 and the nature of this receivable has changed from financing receivables to other receivables as the expected means of settlement of the receivable has changed. Net amount of the receivable as of December 31, 2021 reclassified to prepayment and other current assets was US\$20,177, which is the difference between the gross amount of US\$30,607 and allowance of US\$10,430 as of December 31, 2021. The net receivable amounts of US\$17,975 and US\$14,157 as of the years ended December 31, 2023 and 2024 are disclosed in Note 11, respectively. The Group has ceased the corporate loan business during 2019.

11. Prepayments and other current assets

	December 31,	
	2023	2024
	US\$	US\$
Interest receivable	67,312	69,814
Value added taxes to be deducted	47,064	51,200
Receivables from payment platforms	27,882	22,401
Employee advances	2,146	1,500
Prepayments and deposits to vendors and content providers	8,388	8,323
Deposits	5,122	6,147
Amount due from a lessee of sale-and-leaseback arrangement - net (Note 10)	17,975	14,157
Net assets subject to disposal related to YY Live (Note 3)	38,194	38,194
Others	41,406	35,802
Total	255,489	247,538

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(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

12. Investments

	December 31,	
	2023	2024
	US\$	US\$
Equity investments accounted for using the equity method (i)	322,701	336,704
Equity investments with readily determinable fair values (ii)	1,504	3,838
Equity investments without readily determinable fair values (iii)	156,419	149,343
Available-for-sale debt investments (iv)	63,918	40,800
Total	544,542	530,685

- (i) Investments have been accounted for under the equity method where the Group has significant influence over these investees and the investments are considered as in-substance common shares.

In 2023 and 2024, the Group acquired minority stakes in a number of privately-held entities with total consideration of US\$38,427 and US\$22,540, respectively. On April 28, 2023, the Company entered into the Share Transfer Agreement with Linen Investment Limited to sell its remaining shares of Huya for a cash consideration of approximately US\$219,886. Upon the closing of such share transfer, the Company ceased to hold any shares of Huya. The Company also deemed disposed of certain interest of Huya's equity interest as a result of the vesting of Huya's share-based awards in 2022. In 2023, net income of US\$77,524 were recognized from the deemed disposal and disposal of Huya.

The following tables set forth the summarized financial information of the Group's equity method investments:

	December 31,	
	2023	2024
	US\$	US\$
Current assets	380,267	480,890
Non-current assets	1,074,993	1,276,950
Current liabilities	58,862	55,971
Non-current liabilities	16,199	12,968

	For the year ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Revenues	1,588,732	147,015	54,743
Gross profit	259,169	102,095	4,885
Net (loss) income	(103,729)	8,893	(59,519)
Net (loss) income attributable to the investees	(103,729)	8,893	(59,519)

- (ii) The Group does not have the ability to exercise significant influence over these investments. Therefore, it has been precluded from applying the equity method of accounting.

In 2023 and 2024, the Group did not dispose of any investment with readily determinable fair values.

In 2022, 2023 and 2024, fair value loss of US\$20,453, fair value gain of US\$324 and fair value gain of US\$2,334 related to investments with readily determinable fair values were recognized in the consolidated statements of comprehensive income (Note 29), respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

12. Investments (continued)

- (iii) Equity securities without readily determinable fair values and over which the Company has neither significant influence nor control through investments in common stock or in-substance common stock.

In 2023 and 2024, the Group acquired minority preferred shares or ordinary shares of a number of privately-held entities with total consideration of US\$9,757 and US\$4,035, respectively. The ownership interests were less than 20% of the investees' total equities or the ownership interests redeemable upon condition. These equity investments are not considered as debt securities or equity securities that have readily determinable fair values. Accordingly the Company elected to account for these investments at cost less impairments, adjusted by observable price changes.

In 2023 and 2024, the Group did not dispose any investment without readily determinable fair values.

For equity securities without readily determinable fair values as of December 31, 2023 and 2024, the Group recorded cumulative impairment and downward adjustments of US\$32,623 and US\$42,725 and cumulative upward adjustments of US\$55,607 and US\$55,737. For these investments, the Group recorded impairment and downward adjustments of US\$877 and US\$10,244, respectively, and upward adjustments of US\$12,056 and US\$272, respectively, in earnings during the years ended December 31, 2023 and 2024.

In 2022, fair value gain of US\$17,089 due to the observable price change, were recognized in gain on fair value changes of investments (Note 29). Out of the fair value gain of US\$17,089 for the year ended December 31, 2022, fair value gain of US\$12,968 was unrealized and fair value gain of US\$4,121 was realized. In 2023, fair value gain of US\$11,179 due to the observable price change, were recognized in gain on fair value changes of investments (Note 29). Out of the fair value gain of US\$11,179 for the year ended December 31, 2023, fair value gain of US\$11,179 was unrealized and fair value gain of nil was realized. In 2024, fair value loss of US\$587 due to the observable price change, were recognized in loss on fair value changes of investments (Note 29). Out of the fair value loss of US\$587 for the year ended December 31, 2024, fair value loss of US\$587 was unrealized and fair value loss of nil was realized.

The Group assesses the existence of indicators for other-than-temporary impairment of the investments by considering factors including, but not limited to, current economic and market conditions, the operating performance of the entities including current earnings trends and other entity-specific information. In 2022, 2023 and 2024, based on the Group's assessment, an impairment charge of nil, nil and US\$9,386 was recognized in general and administrative expenses, respectively, against the carrying value of the investments due to significant deterioration in earnings or unexpected changes in business prospects of the investees as compared to the original investment plans.

- (iv) Available-for-sale debt investments are convertible debt instruments issued by private companies and investments in preferred shares that are redeemable at the Group's option, which are measured at fair value as disclosed in Note 29(a).

	For the year ended December 31, 2023			
	Cost or amortized cost	Gross unrealized losses	Translation difference	Balance as of year end
	US\$	US\$	US\$	US\$
Available-for-sale debt investments	63,928	—	(10)	63,918
	For the year ended December 31, 2024			
	Cost or amortized cost	Gross unrealized losses	Translation difference	Balance as of year end
	US\$	US\$	US\$	US\$
Available-for-sale debt investments	63,928	(23,108)	(20)	40,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

13. Property and equipment, net

Property and equipment consist of the following:

	December 31,	
	2023	2024
	US\$	US\$
Gross carrying amount		
Servers, computers and equipment	280,619	300,157
Buildings	270,423	267,661
Construction in progress	111,573	214,728
Decoration of buildings	14,578	14,363
Leasehold improvements	5,683	5,582
Motor vehicles	17,603	17,387
Furniture, fixture and office equipment	4,810	4,868
Total of gross carrying amount	705,289	824,746
Less: accumulated depreciation	(314,608)	(325,023)
Property and equipment, net	<u>390,681</u>	<u>499,723</u>

Depreciation expense for the years ended December 31, 2022, 2023 and 2024 were US\$83,396, US\$46,576 and US\$25,388, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

14. Land use rights, net

Land use rights consist of the following:

	<u>December 31,</u>	
	<u>2023</u>	<u>2024</u>
	US\$	US\$
Gross carrying amount	374,447	368,942
Less: accumulated amortization	<u>(58,377)</u>	<u>(65,827)</u>
Land use rights, net	<u>316,070</u>	<u>303,115</u>

Amortization expense for the years ended December 31, 2022, 2023 and 2024 were US\$9,053, US\$8,473 and US\$8,397, respectively.

The estimated amortization expenses for each of the following five years are as follows:

	<u>Amortization expense</u>
	<u>of land use rights</u>
	US\$
2025	8,308
2026	8,308
2027	8,308
2028	8,308
2029	8,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****15. Intangible assets, net**

The following table summarizes the Group's intangible assets:

	December 31,	
	2023	2024
	US\$	US\$
Gross carrying amount		
Trademark	515,671	515,646
Customer relationships	154,819	154,808
Non-compete agreement	12,100	12,100
Software	9,431	9,341
Operating rights	6,530	6,434
Licenses	8,956	8,836
Technology	14,491	14,475
Domain names	1,778	1,801
Others	1,404	1,504
Total of gross carrying amount	<u>725,180</u>	<u>724,945</u>
Less: accumulated amortization		
Trademark	(197,722)	(249,890)
Customer relationships	(152,894)	(154,529)
Non-compete agreement	(12,100)	(12,100)
Software	(8,824)	(8,585)
Operating rights	(6,430)	(6,336)
Licenses	(2,438)	(2,992)
Technology	(6,801)	(8,771)
Domain names	(914)	(1,028)
Others	(537)	(681)
Total accumulated amortization	<u>(388,660)</u>	<u>(444,912)</u>
Less: accumulated impairment	<u>(2,805)</u>	<u>(2,776)</u>
Intangible assets, net	<u>333,715</u>	<u>277,257</u>

Amortization expense for the years ended December 31, 2022, 2023 and 2024 were US\$56,151, US\$64,910 and US\$57,120 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

15. Intangible assets, net (continued)

The estimated amortization expenses for each of the following five years are as follows:

	Amortization expense of intangible assets
	US\$
2025	55,345
2026	55,125
2027	52,811
2028	51,128
2029	15,101

The weighted average amortization periods of intangible assets as of December 31, 2023 and 2024 are as below:

	December 31,	
	2023	2024
Trademark	10 years	10 years
Customer relationships	5 years	5 years
License	15 years	15 years
Operating rights	2 years	2 years
Software	4 years	7 years
Domain names	15 years	14 years
Technology	6 years	6 years
Others	10 years	10 years

16. Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2023 and 2024 are as follows:

	All other	BIGO	Total
	US\$	US\$	US\$
Balance as of December 31, 2022	795,086	1,854,221	2,649,307
Foreign currency translation adjustments	(26)	—	(26)
Balance as of December 31, 2023	795,060	1,854,221	2,649,281
Impairment (i)	(454,935)	—	(454,935)
Foreign currency translation adjustments	(22)	—	(22)
Balance as of December 31, 2024	<u>340,103</u>	<u>1,854,221</u>	<u>2,194,324</u>

- (i) The Group performs its annual goodwill impairment test of each reporting unit in the fourth quarter, or more frequently, if certain events or circumstances warrant. Events or changes in circumstances which might indicate potential impairment in goodwill include the entity-specific factors, including, but not limited to, stock price volatility, market capitalization relative to net book value, and projected revenue, market growth and operating results. The estimated fair value of each reporting unit is determined using either an income approach or a market approach, when appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****16. Goodwill (continued)**

The Group performed a goodwill impairment analysis in the fourth quarter of 2022, 2023 and 2024. When determining the fair value of the Bigo reporting unit, the Group used the income approach. The income approach determines fair value based on a discounted cash flow model derived from the reporting units' long-term forecasts which included a five-year future cash flow projection and an estimated terminal value for the impairment analysis. The discounted cash flow model included a number of significant unobservable inputs. Significant assumptions used to determine the estimated fair value include: (a) the future cash flows forecasts including revenue growth, (b) an estimated terminal value using a terminal year long-term future growth rate determined based on the growth prospects of the reporting unit; and (c) a discount rate that reflects the weighted-average cost of capital adjusted for the relevant risk associated with each reporting unit's operations and the uncertainty inherent in the Group's internally developed forecasts. Based on the Group's assessment, the fair value of Bigo reporting unit exceeded its related carrying value by approximately 4%, 3% and 3% as at December 31, 2022, 2023 and 2024, respectively. Accordingly, the Group determined the Bigo reporting unit was not impaired as at December 31, 2022, 2023 and 2024. When determining the fair value of the Shopline reporting unit in 2023, the Group used the market approach, with the fair value of the Shopline reporting unit exceeded its related carrying value by approximately 1% as at December 31, 2023. In 2024, whilst both approaches continued to be considered, the Group has changed from the market approach to the income approach in determining the fair value of the Shopline reporting unit. This change was due to rapidly deteriorating macroeconomic, industry and market conditions and the related changes in business strategies by management in response.

As a result of the Group's annual goodwill impairment assessment for the years ended December 31, 2022 and 2023, impairment losses of US\$14,830 and nil was recorded respectively. For the year ended December 31, 2024, the fair values of the Shopline and the other reporting unit were assessed to be below their respective carrying amounts. Consequently, impairment charges of US\$370,010 and US\$84,925 were identified and recorded for the Shopline reporting unit and the other reporting unit, respectively. The remaining US\$340,103 of goodwill primarily relates to Shopline reporting unit. These impairments were primarily attributable to deteriorating macroeconomic, industry and market conditions and the related changes in business strategies by management in response.

17. Deferred revenue

	December 31,	
	2023	2024
	US\$	US\$
Deferred revenue, current		
Live streaming	56,817	50,728
Others	16,856	16,085
Total current deferred revenue	<u>73,673</u>	<u>66,813</u>
Deferred revenue, non-current		
Live streaming	5,516	5,686
Others	7,416	6,949
Total non-current deferred revenue	<u>12,932</u>	<u>12,635</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****18. Accrued liabilities and other current liabilities**

	December 31,	
	2023	2024
	US\$	US\$
Revenue sharing fees and content costs	105,961	82,731
Salaries and welfare	82,768	91,035
Marketing and promotion expenses	61,197	56,988
Value added taxes and other taxes payable	199,170	224,834
Bandwidth costs	18,300	20,876
Consideration received related to disposal of YY Live business (Note 3)	1,859,699	1,859,325
Others	54,094	58,134
Total	2,381,189	2,393,923

19. Short-term loans

	December 31,	
	2023	2024
	US\$	US\$
Short-term loans	52,119	34,853

The Group entered into several agreements with banks, pursuant to which the Group borrowed loans with total principal amount of US\$52 million within a banking facility of US\$85 million in 2023. These loans were all with a maturity of less than one year and the annual interest rates ranged from 1.91% to 3.00%. These loans do not include any financial or restrictive covenants.

The Group entered into several agreements with banks, pursuant to which the Group borrowed loans with total principal amount of US\$10 million within a banking facility of US\$37 million in 2024 and notes for banker's acceptance of US\$24 million accordingly. These loans were all with a maturity of less than one year and the annual interest rate is 1.13%. These loans do not include any financial or restrictive covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****20. Convertible bonds**

	December 31,	
	2023	2024
	US\$	US\$
Current		
2025 Convertible Senior Notes	—	—
2026 Convertible Senior Notes	405,603	—
	<u>405,603</u>	<u>—</u>

On June 19, 2019, the Company issued Convertible Senior Notes due 2025 with principal amount of US\$500 million (the “Notes due 2025”) and Convertible Senior Notes due 2026 with principal amount of US\$500 million (the “Notes due 2026”) (collective the “Notes”). The Notes due 2025 and Notes due 2026 bear interest at a coupon rate of 0.75% and 1.375% per year, respectively, and both of them are payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2019. The Notes due 2025 will mature on June 15, 2025 and the Notes due 2026 will mature on June 15, 2026. The Notes due 2025 and the Notes due 2026 may be converted, under certain circumstances, based on an initial conversion rate of 10.4271 ADS per US\$1,000 principal amount of the Notes (equivalent to an initial conversion price of approximately US\$95.9 per ADS).

The Notes due 2025 and Notes due 2026 are not redeemable prior to their maturity date, except that the holders of the Notes (the “Holders”) have a noncontingent option to require the Company to repurchase for cash all or any portion of their Notes on June 15, 2023 and June 15, 2024, respectively. The repurchase price will equal 100% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

Upon conversion, the Company may deliver ADS, cash, or a combination of ADS and cash at the option of the Company itself. Therefore, the Notes due 2025 and Notes due 2026 contains cash conversion features, which was an equity component and need to be bifurcated from the debt component of the Notes. Determination of the carrying amount of the debt component was based on the fair value of a similar debt instrument excluding the embedded conversion feature, by using discounted cash flow method. The equity component related to conversion features were recognized by ascribing the difference between the proceeds and the fair value of the debt component in Additional paid-in capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

20. Convertible bonds (continued)

The net proceeds to the Company from the issuance of the Notes due 2025 were US\$491 million. Debt issuance costs of the Notes due 2025 were US\$9 million. Out of the debt issuance costs, US\$7 million was amortized to interest expense from the issuance date (June 19, 2019) to the first put date of the Notes (June 15, 2023) and US\$2 million was allocated as deduction to the equity component. The net proceeds to the Company from the issuance of the Notes due 2026 were US\$491 million. Debt issuance costs of the Notes due 2026 were US\$9 million. Out of the debt issuance costs, US\$6 million was amortized to interest expense from the issuance date (June 19, 2019) to the first put date of the Notes (June 15, 2024) and US\$3 million was allocated as deduction to the equity component.

The value of Notes due 2025 and Notes due 2026 is initially measured by the cash received after deducting the issuance cost and the bifurcation of the conversion features. The Notes due 2025 and Notes due 2026 are subsequently stated at amortized cost. The difference between the principal amount of the Notes due 2025 and Notes due 2026 and the amount of the proceeds allocated to the debt component plus the issuance costs are regarded as a debt discount, which is subsequently amortized through interest expense over the Notes due 2025 and Notes due 2026's expected life using the interest method, respectively.

On January 1, 2021, the Company early adopted ASU 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" using modified-retrospective transition approach. Pursuant to ASU 2020-06, the embedded conversion features no longer are separated from the host contract for convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, Derivatives and Hedging, or that do not result in substantial premiums accounted for as paid-in capital. Consequently, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost as long as no other features require bifurcation and recognition as derivatives. Following the adoption of this guidance, the amount previously allocated to additional paid-in capital was reclassified as a liability and a cumulative effect adjustment of US\$86.7 million was credited to retained earnings as of January 1, 2021.

In 2023, the repayment amount of US\$432million related to the Notes due 2025 was fully repaid, followed by the complete repayment of US\$406 million related to the Notes due 2026 in 2024.

Interest expense related to the Notes due 2025 and Notes due 2026 recognized during the years ended December 31, 2023 and 2024 was US\$1,583 and US\$435 respectively.

Concurrently with the issuance of the Notes, the Company purchased a capped call option ("Purchased Call Option") in the amount of US\$77,000, in order to mitigate the potential future economic dilution associated with the conversion of the Notes and to increase the initial conversion price to US\$127.9 per ADS. Counterparty agreed to sell to the Company up to approximately 10.4 million ADS, which is the number of ADS initially issuable upon conversion of the Notes in full, at a price of US\$95.9 per ADS. The Purchased Call Option will be settled in ADSs and will terminate upon the maturity date of the Notes. Settlement of the Purchased Call Option in ADSs, based on the number of ADSs issued upon conversion of the Notes, on the expiration date would result in the Company receiving shares equivalent to the number of shares issuable by the Company upon conversion of the Notes. In accordance with ASC 815-10-15-83, the Purchased Call Option meets the definition of a derivative instrument. However, the scope exception in accordance with ASC 815-10-15-74 applies to the Purchased Call Option as it is indexed to its own stock, and the Purchased Call Option meets the requirements of ASC 815 and would be classified in stockholders' equity, therefore, the cost paid for Purchased Call Option was accounted for within stockholders' equity, and subsequent changes in fair value will not be recorded. During 2023, the Company entered into agreements to terminate the capped call transactions. and the cash received of US\$7,775 was recorded in additional paid-in capital accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****21. Cost of revenues**

	For the year ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Revenue sharing fees and content costs	1,020,174	945,149	1,020,440
Payment handling costs	165,421	137,989	120,292
Bandwidth costs	77,496	79,718	91,419
Salary and welfare	87,629	84,427	92,002
Depreciation and amortization	70,666	36,753	19,204
Technical service fee	63,328	60,537	41,917
Share-based compensation	8,185	3,575	1,720
Other costs	66,489	106,694	44,591
Total	1,559,388	1,454,842	1,431,585

22. Other income

	For the year ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Government grants	11,534	7,379	4,668
Others	5,971	2,326	1,387
Total	17,505	9,705	6,055

23. Income tax**(i) Cayman Islands**

Under the current tax laws of Cayman Islands, the Company and its subsidiaries are not subject to tax on income or capital gains. Besides, upon payment of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

(ii) BVI

Duowan BVI is exempted from income tax on its foreign-derived income in the BVI.

(iii) Hong Kong profits tax

Under the current Hong Kong Inland Revenue Ordinance, the subsidiaries of the Group in Hong Kong are subject to 16.5% Hong Kong profit tax on its taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiary incorporated in Hong Kong are not subject to any Hong Kong withholding tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

23. Income tax (continued)

(iv) Singapore

The income tax provision of the Group in respect of its international operations in Singapore was calculated at the tax rate of 17% on the assessable profits, based on the existing legislation, interpretations and practices in respect thereof.

According to the Development and Expansion Incentive (the “Incentive”) pursuant to the provisions of Part IIIB of the Economic Expansion Incentives (Relief from Income Tax) Act, Chapter 86, corporations engaging in new high-value-added projects, expanding or upgrading their operations, or undertaking incremental activities after their pioneer period may apply for their profits to be taxed at a reduced rate of not less than 5% for an initial period of up to ten years. The total tax relief period for each qualifying project or activity is subject to a maximum of 40 years (inclusive of the post-pioneer relief period previously granted, if applicable).

Bigo Singapore applied for the Incentive and received approval in October 2018 and started to enjoy the beneficial tax rate of 5% as the Incentive for the years 2018 through 2022. Bigo Singapore applied for the renewal of Incentive qualification and received approval in December 2022 and is entitled to enjoy the beneficial tax rate from 2023 to 2027. Other Singapore entities were subject to 17% income tax for the periods reported.

Singapore announced that it will implement the Income Inclusion Rule (“IIR”) and a domestic minimum top-up tax starting on or after January 1, 2025. Given the complex nature of the legislation and the calculations, including the determination of the adjustments required under the Pillar Two Model Rules, the Group has assessed that the quantitative impact of the potential top-up tax arising from the enacted or substantively enacted legislation is not yet reasonably estimable. The Group will continually assess the implications of such legislative changes in the jurisdictions where we operate.

(v) Mainland China

The Company’s subsidiaries and VIEs in Mainland China are governed by the Enterprise Income Tax Law (“EIT Law”), which became effective on January 1, 2008. Pursuant to the EIT Law and its implementation rules, enterprises in China are generally subject to tax at a statutory rate of 25%. Certified High and New Technology Enterprises (“HNTE”) are entitled to a favorable tax rate of 15%, but need to re-apply every three years. During this three-year period, an HNTE must conduct a qualification self-review each year to ensure it meets the HNTE criteria and is eligible for the 15% preferential tax rate for that year. If an HNTE fails to meet the criteria for qualification in any year, the enterprise cannot enjoy the preferential tax rate in that year, and must instead use the regular 25% EIT rate.

Certain PRC subsidiaries and VIEs, including Guangzhou Huanju Shidai, Guangzhou BaiGuoYuan and BaiGuoYuan Technology, etc. are qualified HNTEs and enjoy a reduced tax rate of 15% for the years presented. An entity could re-apply for the HNTE certificate when the prior certificate expires. Historically, most of the Company’s subsidiaries and VIEs successfully re-applied for the certificates when the prior ones expired.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim an additional tax deduction amounting to 50% of the qualified research and development expenses incurred in determining its tax assessable profits for that year. The additional tax deducting amount of the qualified research and development expenses have been increased from 50% to 75%, effective from 2018 onwards, according to a new tax incentives policy promulgated by the State Tax Bureau of the PRC in September 2018 (“Super Deduction”). The additional tax deducting amount of the qualified research and development expenses have been increased from 75% to 100%, effective from 2023 onwards.

Qualified subsidiaries and VIEs of the Group claimed the Super Deduction in ascertaining the tax assessable profits for the periods reported.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****23. Income tax (continued)**

(v) Mainland China (continued)

The EIT Law also imposes a withholding income tax of 10% on dividends distributed by an Foreign Invested Enterprise (“FIE”) to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company incorporated, does not have such tax treaty with China. According to the arrangement between the Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the FIE). In accordance with accounting guidance, all undistributed earnings are presumed to be transferred to the parent company and are subject to the withholding taxes. All FIEs are subject to the withholding tax from January 1, 2008. The presumption may be overcome if the Group has sufficient evidence to demonstrate that the undistributed dividends will be re-invested and the remittance of the dividends will be postponed indefinitely.

Aggregate undistributed earnings and reserves of the Group entities located in the Mainland China that are available for distribution to the Company as of December 31, 2023 and 2024 are approximately US\$2,139,085 and US\$2,446,227, respectively.

In 2022, the Group determined to cause one of its PRC subsidiaries, Guangzhou Huanju Shidai, to declare and distribute a cash dividend of part of its stand-alone 2020 earnings, amounted to US\$110,000, to its direct oversea parent company, Duowan BVI. As a result, Guangzhou Huanju Shidai paid a withholding tax in the amount of US\$11,000 in 2022.

The Group has a plan to indefinitely reinvest its aggregate undistributed earnings and reserves and any future earnings in the PRC for use in the operation. Accordingly, no deferred tax liability on 10% withholding tax of aggregate undistributed earnings and reserves of the Company’s subsidiaries located in the PRC has been accrued that would be payable upon the distribution of those amounts to the Company as of December 31, 2023 and 2024.

Composition of income tax expense

The current and deferred portions of income tax expense included in the consolidated statements of comprehensive income are as follows:

	For the year ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Current income tax expenses	(36,510)	(30,664)	(21,467)
Deferred income tax benefit	1,935	11,808	7,982
Income tax expenses	<u>(34,575)</u>	<u>(18,856)</u>	<u>(13,485)</u>

The company records annual income tax with regard to a number of tax jurisdictions, including primarily Singapore and Mainland China. Certain jurisdictions in which the Group operates have implemented the Pillar Two Model Rules. The Company took measures to assess its exposure to Pillar Two minimum taxation and no top-up taxes arose for the year ended December 31, 2024. The Group is continuing to assess the impact of the Pillar Two Model Rules on its future financial performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

23. Income tax (continued)

Reconciliation of the differences between statutory tax rate and the effective tax rate

The reconciliation of total tax expense computed by applying the respective statutory income tax rate to pre-tax income is as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Singapore statutory income tax rate (*)	17.0 %	17.0 %	17.0 %
Effect of tax holiday and preferential tax benefit	(5.3)%	(7.0)%	16.1 %
Effect of different tax rates available to different jurisdictions	(9.5)%	(19.5)%	4.0 %
Permanent differences (i)	6.8 %	14.9 %	(26.6)%
Change in valuation allowance	0.8 %	10.1 %	(26.8)%
Effect of Super Deduction available to the Group	(4.4)%	(9.0)%	10.4 %
Effective income tax rate	<u>5.4 %</u>	<u>6.5 %</u>	<u>(5.9)%</u>

*: As a majority of the Group's businesses is subject to Singapore corporate tax rate, the reconciliation of tax expenses begins at Singapore statutory income tax rate.

(i) Permanent differences mainly arise from expenses not deductible for tax purposes including primarily goodwill impairment charges, share-based compensation costs and expenses incurred by subsidiaries and VIEs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****23. Income tax (continued)***Deferred tax assets and liabilities*

Deferred taxes are measured using the enacted tax rates for the periods in which they are expected to be reversed. The tax effects of temporary differences that give rise to the deferred tax asset balances as of December 31, 2023 and 2024 are as follows:

	December 31,	
	2023	2024
	US\$	US\$
Deferred tax assets:		
Tax loss carried forward	193,219	250,387
Allowance for expected credit loss of receivable, accrued expense and others not currently deductible for tax purposes	35,457	32,441
Deferred revenue	1,609	1,507
Impairment of investment	2,813	2,922
Others	(22)	(85)
Valuation allowance (i)	(224,130)	(272,922)
Deferred tax assets, net	<u>8,946</u>	<u>14,250</u>
Deferred tax liabilities:		
Related to the fair value changes of investments	12,586	12,015
Related to acquired intangible assets	45,351	38,089
Others	4,964	9,214
Deferred tax liabilities	<u>62,901</u>	<u>59,318</u>
Classification in the consolidated balance sheets:		
Deferred tax assets, net	—	2,563
Deferred tax liabilities	53,955	47,631

- (i) Valuation allowance is provided against deferred tax assets when the Group determines that it is more likely than not that the deferred tax assets will not be utilized in the future. In making such determination, the Group considered factors including future taxable income exclusive of reversing temporary differences and tax loss carry forwards. Valuation allowance was mainly provided for net operating loss carry forwards because it was more likely than not that such deferred tax assets would not be realized based on the Group's estimate of its future taxable income. If events occur in the future that allow the Group to realize more of its deferred income tax than the presently recorded amounts, an adjustment to the valuation allowances will result in a decrease in tax expense when those events occur.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****23. Income tax (continued)***Deferred tax assets and liabilities (continued)***Movement of valuation allowance**

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Balance at beginning of the year	(213,688)	(242,051)	(224,130)
Additions	(58,968)	(31,733)	(60,805)
Reversals	30,605	49,654	12,013
Balance at end of the year	<u>(242,051)</u>	<u>(224,130)</u>	<u>(272,922)</u>

Tax loss carry forwards

As of December 31, 2024, total tax loss carry forwards of the Company's subsidiaries and VIEs in the PRC amounted to US\$924,463, which were mainly generated by non-HNTEs. The tax losses in PRC can be carried forward for five years to offset future taxable profit, and the period was extended to 10 years for entities qualified as HNTEs. The tax losses of entities in the PRC will expire from 2025 to 2029, if not utilized except for those arose from HNTEs which will expired during the period from 2025 to 2034. The accumulated tax losses of subsidiaries incorporated in Hong Kong, Singapore and other countries, subject to the agreement of the relevant tax authorities, of US\$65,074, US\$484,398 and US\$103,279, respectively, are allowed to be carried forward to offset against future taxable profits. Such carry forward of tax losses in Hong Kong and Singapore have no time limit.

In accordance with Singapore Tax Administration Law, the Singapore tax authorities generally have up to four years to claw back underpaid tax if the year of assessment is 2008 onwards. Accordingly, tax filings of the Group's Singapore subsidiaries for tax years 2021 through 2024 remain subject to the review by the relevant Singapore tax authorities. There were no ongoing tax examinations as of December 31, 2024 by Singapore tax authorities.

In accordance with PRC Tax Administration Law on the Levying and Collection of Taxes, the PRC tax authorities generally have up to five years to claw back underpaid tax plus penalties and interest for PRC entities' tax filings. Accordingly, tax filings of the Group's PRC subsidiaries and VIEs for tax years 2020 through 2024 remain subject to the review by the relevant PRC tax authorities. There were no ongoing tax examinations as of December 31, 2024 by PRC tax authorities.

24. Mezzanine equity

In 2018, a subsidiary of the Group issued 500,000,000 shares of redeemable convertible preferred shares for cash consideration of US\$50,000 to certain third-party investors. The Group classifies the redeemable convertible preferred shares as mezzanine equity and records accretion of redemption value in accordance with ASC 480-10. The Group used the interest method for the changes of redemption value over the period from the date of issuance to the earliest redemption date of the non-controlling interests. In September 2023, the company repurchase the redeemable convertible preferred shares. The Company's mezzanine equity balance was reduced by the carrying value of the preferred shares, and the difference between the agreed settlement amount between all parties of US\$22 million and the carrying value of US\$74.6 million was recorded in the statement of comprehensive income. Gain on repurchase of redeemable convertible preferred shares of a subsidiary of US\$52,583 was recognized for the year ended December 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

25. Common shares and treasury shares

During the year ended December 31, 2023, 3,471 Class A common shares were issued for the exercised share options, vested restricted shares and restricted shares. In addition, 7,240,060 Class A common shares were transferred out from the treasury shares pool and issued for vested restricted share units during the year ended December 31, 2023. The Company also repurchased an aggregate of 9,128,846 ADSs, representing 182,576,920 Class A common shares at an average price of US\$29.9584 per ADS or US\$1.4979 per Class A common share, for aggregate consideration of US\$273.5 million. Since the shares repurchased have not been cancelled, the excess of repurchase price over par value was recorded as treasury shares upon the repurchase date.

As of December 31, 2023, 10,000,000,000 Class A common shares and 1,000,000,000 Class B common shares had been authorized, 1,317,840,464 Class A common shares and 326,509,555 Class B common shares had been issued, 890,843,639 Class A common shares and 326,509,555 Class B common shares were outstanding, respectively.

During the year ended December 31, 2024, 3,962 Class A common shares were forfeited for the exercised share options, vested restricted shares and restricted share. In addition, 8,063,760 Class A common shares were transferred out from the treasury shares pool and issued for vested restricted share units during the year ended December 31, 2024. The Company also repurchased an aggregate of 9,212,012 ADSs, representing 184,240,240 Class A common shares at an average price of US\$33.5701 per ADS or US\$1.6785 per Class A common share, for aggregate consideration of US\$309.2 million. Since the shares repurchased have not been cancelled, the excess of repurchase price over par value was recorded as treasury shares upon the repurchase date.

As of December 31, 2024, 10,000,000,000 Class A common shares and 1,000,000,000 Class B common shares had been authorized, 1,317,840,464 Class A common shares and 326,509,555 Class B common shares had been issued, 714,663,197 Class A common shares and 326,509,555 Class B common shares were outstanding, respectively.

In November 2022, the Company's board of directors authorized the continued usage of the unutilized quota under the November 2021 Share Repurchase Plan, which amounted to US\$800 million then, for another 12-month period beginning from the end of November 2022. In November 2023, the Company's board of directors authorized the renewal and continued usage of the unutilized quota under the pre-existing share repurchase program of US\$530 million, which would originally expire in late November 2023, for another 12-month period commencing from the date hereof. In the full year of 2023 the Company had repurchased approximately US\$273.5 million of its shares. Pursuant to the share repurchase program which was extended by the board of directors in August 2024, or the 2024 Program, the Company may repurchase up to US\$400 million of its shares until the end of November 2025. As of December 31, 2024, the Company has utilized US\$183.3 million under the 2024 Program. On March 19, 2025, the Company's board of directors approved a new share repurchase program, or the 2025 Program, under which the Company is authorized to repurchase up to US\$300 million of its shares (including in the form of ADSs) until the end of 2027. The 2025 Program is effective immediately upon approval and replaces the 2024 Program.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****26. Share-based compensation****(a) JOYY's share-based awards****(i) Restricted Share Units**

On September 16, 2011, the board of directors of the Company approved the 2011 Share Incentive Scheme which include share options, restricted share units and restricted shares. In October 2012, the board of directors of the Company resolved that the maximum aggregate number of Class A common shares which may be issued pursuant to all awards under the 2011 Share Incentive Scheme shall be 43,000,000 plus an annual increase of 20,000,000 on the first day of each fiscal year, or such lesser amount of Class A common shares as determined by the board of directors of the Company.

In September 2021, the board of directors of the Company amended and restated the 2011 Share Incentive Scheme ("Amended and Restated 2011 Share Incentive Scheme"), pursuant to which the Company replaced the 2011 Share Incentive Scheme in its entirety and the awards granted and outstanding thereunder remain effective and binding under the Amended and Restated 2011 Share Incentive Scheme. The board of directors of the Company resolved that the maximum aggregate number of Class A common shares which may be issued pursuant to all awards under the Amended and Restated 2011 Share Incentive Scheme shall be 131,950,949 plus an annual increase of 20,000,000 on the first day of each fiscal year, beginning in 2022, or such lesser amount of Class A common shares.

During the years ended December 31, 2022, 2023 and 2024, the Company granted restricted share units to employees of 9,918,014, 7,744,374 and 10,968,657, respectively, pursuant to the 2011 Share Incentive Scheme.

The following table summarizes the restricted share units activity for the years ended December 31, 2022, 2023 and 2024:

	<u>Number of restricted shares units</u>	<u>Weighted average grant-date fair value (US\$)</u>
Outstanding, December 31, 2021	24,027,895	3.7202
Granted	9,918,014	1.5065
Forfeited	(8,023,640)	3.4889
Vested	<u>(8,386,702)</u>	3.7594
Outstanding, December 31, 2022	<u>17,535,567</u>	2.5551
Granted	7,744,374	1.7842
Forfeited	(2,688,963)	2.1666
Vested	<u>(8,058,007)</u>	2.8052
Outstanding, December 31, 2023	<u>14,532,971</u>	2.0776
Granted	10,968,657	1.7669
Forfeited	(2,047,879)	1.9403
Vested	<u>(7,319,654)</u>	2.3032
Outstanding, December 31, 2024	<u>16,134,095</u>	1.7834
Expected to vest as of December 31, 2024	<u>14,187,803</u>	1.7782

For the years ended December 31, 2022, 2023 and 2024, the Company recorded share-based compensation of US\$21,463, US\$13,766 and US\$12,554 in relation to continuing operations using the graded-vesting attribution method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

26. Share-based compensation (continued)

(a) JOYY's share-based awards (continued)

(i) Restricted Share Units (continued)

As of December 31, 2024, total unrecognized compensation expense relating to the restricted share units was US\$18,375. The expense is expected to be recognized over a weighted average period of 1.33 years using the graded-vesting attribution method.

(ii) Restricted Shares

In connection with the acquisition of Bigo in March 2019, the Group issued restricted shares of 38,042,760 without a change in vesting terms to replace Bigo's share incentive scheme.

There are mainly three types of vesting schedule under Bigo's share incentive scheme, which are: i) 50% of the share-based awards will be vested after 24 months of the grant date and the remaining 50% will be vested in two equal installments over the following 24 months, ii) share-based awards will be vested in four equal installments over the following 48 months, and iii) share-based awards will be vested in three equal installments over the following 36 months. The post-acquisition share-based compensation expenses are recognized over the remaining vesting period after the acquisition date. Except for service condition, there were no other vesting conditions for all the awards under the share incentive scheme.

During the years ended December 31, 2022, 2023 and 2024, the Company granted restricted share to employees of 2,723,629, 1,146,257 and 882,988, respectively.

The following table summarizes the restricted shares activity for the years ended December 31, 2022, 2023 and 2024:

	Number of restricted shares	Weighted average grant-date fair value (US\$)
Outstanding, December 31, 2021	15,149,405	3.2566
Granted	2,723,629	1.8427
Forfeited	(1,943,365)	3.0494
Vested	(4,994,233)	3.5657
Outstanding, December 31, 2022	10,935,436	2.8002
Granted	1,146,257	1.8259
Forfeited	(1,142,786)	2.2756
Vested	(5,426,078)	3.0559
Outstanding, December 31, 2023	5,512,829	2.4547
Granted	882,988	1.6971
Forfeited	(886,951)	2.2159
Vested	(2,258,324)	2.6870
Outstanding, December 31, 2024	3,250,542	2.1458
Expected to vest as of December 31, 2024	3,084,335	2.1404

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

26. Share-based compensation (continued)

(a) JOYY's share-based awards (continued)

(ii) Restricted Shares (continued)

For the years ended December 31, 2022, 2023 and 2024, the Company recorded share-based compensation for restricted shares in relation to continuing operations of US\$12,602, US\$7,929 and US\$2,773 using the graded-vesting attribution method.

As of December 31, 2024, total unrecognized compensation expense relating to the restricted shares was US\$2,851. The expense is expected to be recognized over a weighted average period of 1.43 years using the graded-vesting attribution method.

(iii) Share options

2011 Share Incentive Scheme

Grant of options

During the years ended December 31, 2022, 2023 and 2024, no share option had been granted to employees or non-employees.

Vesting of options

There are three types of vesting schedule, which are: i) options will be vested in three equal installments over the following 36 months, ii) 50% of the options will be vested after 24 months of the grant date and the remaining 50% will be vested in two equal installments over the following 24 months, and iii) 50% of the options will be vested after 24 months of the grant date and the remaining 50% will be vested in one installments over the following 12 months. Except for service condition, there were no other vesting conditions for all the awards under the share incentive scheme.

Movements in the number of share options granted and their related weighted average exercise prices are as follows:

	<u>Number of options</u>	<u>Weighted average exercise price (US\$)</u>	<u>Weighted average remaining contractual life (years)</u>	<u>Aggregate intrinsic value (US\$)</u>
Outstanding, January 1, 2022	9,414,400	3.7997	2.80	—
Outstanding, December 31, 2022	9,414,400	3.7997	1.80	—
Forfeited	(840,180)	3.5350	—	—
Outstanding, December 31, 2023	8,574,220	3.8256	1.61	—
Forfeited	(499,720)	3.5350	—	—
Outstanding, December 31, 2024	<u>8,074,500</u>	3.8436	0.76	—
Expected to vest as of December 31, 2024	<u>8,074,500</u>	3.8436	0.76	—
Exercisable as of December 31, 2024	<u>8,074,500</u>	3.8436	0.76	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

26. Share-based compensation (continued)

(a) JOYY's share-based awards (continued)

(iii) Share options (continued)

Vesting of options (continued)

Forfeitures are estimated at the time of grant. If necessary, forfeitures are revised in subsequent periods if actual forfeitures differ from those estimates.

The aggregate intrinsic value in the table above represents the difference between the Company's common shares as of December 31, 2022, 2023 and 2024 and the exercise price. The total intrinsic value was nil due to the higher exercise price compared to the Company's common shares as of December 31, 2022, 2023 and 2024 and the exercise price.

For the years ended December 31, 2022, 2023 and 2024, the Company recorded share-based compensation in relation to continuing operations of US\$1,022, US\$120 and nil using the graded vesting attribution method.

(b) Other share-based awards

Other than those disclosed above, for the years ended December 31, 2022, 2023 and 2024, the Company recorded share-based compensation expense of US\$9,009, US\$10,164 and US\$7,873 for other subsidiaries, including those related to Shoplevel share options as referenced in Note 5.

27. Basic and diluted net income per share

Basic and diluted net income per share for the years ended December 31, 2022, 2023 and 2024 are calculated as follows:

	For the year ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Numerator:			
Net income (loss) attributable to common shareholders of JOYY Inc.	119,465	347,351	(147,624)
Dilutive effect of convertible bonds	11,740	8,653	—
Numerator for diluted income(loss) per share	<u>131,205</u>	<u>356,004</u>	<u>(147,624)</u>
Denominator:			
Denominator for basic calculation—weighted average number of Class A and Class B common shares outstanding			
Dilutive effect of convertible bonds	1,439,390,191	1,308,695,642	1,157,854,559
Dilutive effect of restricted stock	193,704,343	141,564,583	—
Dilutive effect of restricted stock	7,524,041	8,025,901	—
Dilutive effect of restricted share units	4,829,865	4,690,418	—
Denominator for diluted calculation	<u>1,645,448,440</u>	<u>1,462,976,544</u>	<u>1,157,854,559</u>
Basic net income (loss) per Class A and Class B common share	0.08	0.27	(0.13)
Diluted net income(loss) per Class A and Class B common share	0.08	0.24	(0.13)
Basic net income (loss)per ADS*	1.66	5.31	(2.55)
Diluted net income (loss) per ADS*	1.59	4.87	(2.55)

* Each ADS represents 20 common shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

27. Basic and diluted net income per share (continued)

For the years ended December 31, 2022, 2023 and 2024, the following shares outstanding were excluded from the calculation of diluted net income (loss) per share, as their inclusion would have been anti-dilutive for the periods prescribed but which could potentially dilute EPS in the future.

	For the year ended December 31,		
	2022	2023	2024
Shares issuable upon exercise of share options	9,414,400	8,574,220	8,074,500
Shares issuable upon exercise of restricted share units	—	—	16,134,095
Shares issuable upon exercise of restricted share	—	—	3,250,542
Shares issuable upon conversion of convertible bonds	—	—	—

28. Related party transactions

The table below sets forth the major related parties and their relationships with the Group:

Major related parties	Relationship with the Group
Guangzhou Sunhongs Corp., Ltd. (“Guangzhou Sunhongs”)	Significant influence exercised by a principal shareholder of the Company
Shopline*	Investment with significant influence
Xiaomi Corporation (“Xiaomi Group”)	Controlled by a principal shareholder of the Company

* Since September 6, 2022, Shopline became a subsidiary of the Group and ceased to be a related party of the Group.

During the years ended December 31, 2022, 2023 and 2024, significant related party transactions are as follows:

	For the year ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Bandwidth service provided by Guangzhou Sunhongs	1,513	1,382	1,614
Promotion expense charged from related parties	5,322	8,008	7,553
Loan to related parties	28,062	—	—
Payments on behalf of related parties, net of repayments	36,522	(1)	(9)
Others	2,862	1,309	1,092

As of December 31, 2023 and 2024, the amounts due from/to related parties are as follows:

	December 31,	
	2023	2024
	US\$	US\$
Amounts due from related parties, current	810	467
Amounts due to related parties, current		
Due to Xiaomi Group	2,377	1,193
Others	156	185
Total	2,533	1,378

* Other receivables and payables from/to related parties are unsecured and payable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

29. Fair value measurements

Fair value reflects the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the assets or liabilities.

The Group applies a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. This guidance specifies a hierarchy of valuation techniques, which is based on whether the inputs into the valuation technique are observable or unobservable. The hierarchy is as follows:

Level 1—Valuation techniques in which all significant inputs are unadjusted quoted prices from active markets for assets or liabilities that are identical to the assets or liabilities being measured.

Level 2—Valuation techniques in which significant inputs include quoted prices from active markets for assets or liabilities that are similar to the assets or liabilities being measured and/or quoted prices for assets or liabilities that are identical or similar to the assets or liabilities being measured from markets that are not active. Also, model-derived valuations in which all significant inputs and significant value drivers are observable in active markets are Level 2 valuation techniques.

Level 3—Valuation techniques in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are valuation technique inputs that reflect the Group's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value guidance describes three main approaches to measure the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

29. Fair value measurements (continued)

(a) Fair value measurement on a recurring basis

The following table summarizes the Company's assets that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy as of December 31, 2023 and 2024:

	As of December 31, 2023			Total
	Level 1	Level 2	Level 3	
Assets				
Short-term investments (i)	—	274,846	—	274,846
Equity investment with readily determinable fair values (ii)	1,504	—	—	1,504
Available-for-sale debt investment (iii)	—	—	63,918	63,918
	<u>1,504</u>	<u>274,846</u>	<u>63,918</u>	<u>340,268</u>
As of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
Short-term investments (i)	—	288,589	—	288,589
Equity investment with readily determinable fair values (ii)	3,838	—	—	3,838
Available-for-sale debt investment (iii)	—	—	40,800	40,800
	<u>3,838</u>	<u>288,589</u>	<u>40,800</u>	<u>333,227</u>

- (i) Short-term investments represented the investments issued by commercial banks or other financial institutions with a variable interest rate indexed to the performance of underlying assets within one year. For the instruments that are publicly traded, the Company classifies the valuation techniques that use these inputs as Level 1 of fair value measurements. For the instruments whose fair value is estimated based on quoted prices of similar products provided by banks at the end of each period, the Company classifies the valuation techniques that use these inputs as Level 2 of fair value measurements.
- (ii) Equity investments with readily determinable fair values are valued using the market approach based on the quoted prices in active markets at the reporting date. The Group classifies the valuation techniques that use these inputs as Level 1 of fair value measurements.
- (iii) Available-for-sale debt investment are investments made by the Company in private companies which include certain substantive preferential rights, including redemption at the holder's option upon occurrence of certain contingent events that are out of the investee's control and liquidation preference over the rights of common shareholders. Accordingly, these investments are not considered as common stock or in-substance common stock and therefore are classified as available-for-sale debt investments. Available-for-sale debt investments do not have readily determinable market values and, are categorized as Level 3 in the fair value hierarchy. The Company uses a combination of valuation methodologies, including market and income approaches based on the Company's best estimate, which is determined by using information including but not limited to the pricing of recent rounds of financing of the investees, future cash flow forecasts, liquidity factors and multiples of a selection of comparable companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****29. Fair value measurements (continued)****(a) Fair value measurement on a recurring basis (continued)**

The following table presents the changes in Level 3 assets for the years ended December 31, 2022, 2023 and 2024:

	<u>Available-for-sale debt investment</u> US\$
Balance as of December 31, 2022	21,299
Reclassification (iv)	42,619
Balance as of December 31, 2023	63,918
Unrealized fair value change recognized in other comprehensive loss	(23,108)
Foreign currency exchange losses, net	(10)
Balance as of December 31, 2024	<u>40,800</u>

(iv) The Company reclassified a preferred stock instrument from equity investment to available-for-sale debt investment due to changes made to the investment terms which provide the Company with the right to redeem the preferred shares at its option.

(b) Fair value measurement on a non - recurring basis

The Company measures equity investments without readily determinable fair value on a nonrecurring basis when impairment charges and fair value change due to observable price change are recognized. These nonrecurring fair value measurements use significant unobservable inputs (Level 3). The Company uses a combination of valuation methodologies, including market and income approaches based on the Company's best estimate to determine the fair value of these investments. An observable price change is usually resulting from new rounds of financing of the investees. The Company determines whether the securities offered in new rounds of financing are similar to the equity securities held by the Company by comparing the rights and obligations of the securities. When the securities offered in new rounds of financing are determined to be similar to the securities held by the Company, the Company adjusts the observable price of the similar security to determine the amount that should be recorded as an adjustment in the carrying value of the security to reflect the current fair value of the security held by the Company by using the back-solve method based on the equity allocation model with adoption of some key parameters such as risk-free rate and equity volatility. Inputs used in these methodologies primarily include discount rate, the selection of comparable companies operating in similar businesses and etc. For the years ended December 31, 2022, 2023 and 2024, gain on fair value changes of investment of US\$17,089, US\$11,179 and loss on fair value changes of investment of US\$587 due to the observable price change of the investment without readily determinable fair value.

The Group assesses the existence of indicators for other-than-temporary impairment of the equity investment by considering factors including, but not limited to, current economic and market conditions, the operating performance of the entities including current earnings trends and other entity-specific information. In 2022, 2023 and 2024, based on the Group's assessment, an impairment charge of nil, nil and US\$9,386 was recognized in general and administrative expenses, respectively, against the carrying value of the investments due to significant deterioration in earnings or unexpected changes in business prospects of the investees as compared to the original investment plans.

Apart from the short-term investments, equity investment measured at fair value through earnings and derivatives, the Company's other financial instruments principally consist of cash and cash equivalent, restricted cash and cash equivalent, short-term deposits, restricted short-term deposits, accounts receivable, financing receivables, other receivables, amounts due to/from related parties, accounts payable, certain accrued expenses and convertible bonds. These financial instruments are recorded at cost which approximates fair value.

The Company has a policy to perform goodwill impairment testing at the reporting unit level on December 31 annually, and between annual tests whenever a triggering event occurs. When performing quantitative impairment test at the reporting unit level, the Company considers a number of factors including but not limited to expected future cash flows, growth rates and discount rates. The fair value of reporting units was determined using Level 3 inputs. See "Note 16" for more information on the inputs used to fair value our reporting units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

30. Commitments and contingencies

(a) Operating lease commitments

The operating lease commitments as of December 31, 2024 amounting to US\$1,541 mainly consist of the short-term lease commitments and leases that have not yet commenced but that create significant rights and obligations for the Company, which are not included in operating lease right-of-use assets and lease liabilities.

(b) Capital commitments

As of December 31, 2023 and 2024, the Group had outstanding capital commitments totaling to US\$244,917 and US\$192,855, which consisted of capital expenditures related to properties and additional investments in equity investments, respectively.

(c) Litigation

The Company and certain of its current and former officers and directors were named as defendants in a federal putative securities class action filed in November 2021 alleging that they made material misstatements and omissions in documents filed with the SEC regarding certain of the allegations contained in a short seller report. On March 9, 2022, the court granted the defendants' motion to dismiss and dismissed the operative complaint in its entirety with prejudice. On April 8, 2022, the co-lead plaintiffs filed a notice of appeal. The court heard oral arguments on April 21, 2023. The appellate court affirmed the district court's decision on May 9, 2023 and issued the formal mandate on May 31, 2023. This class action is resolved.

In addition to the above, from time to time, the Group is involved in claims and legal proceedings that arise in the ordinary course of business. Based on currently available information, management does not believe that the ultimate outcome of these unresolved matters, individually and in the aggregate, is likely to have a material adverse effect on the Group's financial position, results of operations or cash flows.

31. Dividends

On August 11, 2020, the board of directors approved a quarterly dividend policy for three years commencing in the second quarter of 2020. Under the policy, total cash dividend amount expected to be paid would be approximately US\$300 million and quarterly dividends would be set at approximately US \$25 million in each fiscal quarter. On November 20, 2020, the board of directors approved an additional quarterly dividend policy for three years, under which the total cash dividend amount expected to be paid would be approximately US\$200 million and quarterly dividend would be set at approximately US\$16.67 million in each fiscal quarter. Dividends are recognized when declared. Both quarterly dividend policies have expired, and there are no dividends payable as of December 31, 2024.

On March 19, 2025, the board of directors authorized a new quarterly dividend program under which a total of approximately US\$600 million in cash will be distributed on a quarterly basis from 2025 to 2027. On the same day, under the new quarterly dividend program, the board of directors approved the declaration of a dividend of US\$0.93 per ADS, or US\$0.0465 per common share, to holders of ADSs and holders of common shares, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

32. Restricted net assets

Relevant PRC laws and regulations permit payments of dividends by the entities incorporated in the PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. In addition, the Company's subsidiaries and VIEs in the PRC are required to annually appropriate 10% of their net after-tax income to the statutory general reserve fund prior to payment of any dividends, unless such reserve funds have reached 50% of their respective registered capital. As a result of these and other restrictions under PRC laws and regulations, the Group's subsidiaries and VIEs incorporated in the PRC are restricted in their ability to transfer a portion of their net assets to the Company either in the form of dividends, loans or advances, which restricted portion as calculated under U.S. GAAP amounted to approximately US\$856,883 and US\$744,087 for the Group's VIEs as of December 31, 2023 and 2024, respectively, and US\$189,743 and US\$182,861 for the Group's subsidiaries as of December 31, 2023 and 2024, respectively. Even though the Company currently does not require any such dividends, loans or advances from the PRC entities for working capital and other funding purposes, the Company may in the future require additional cash resources from them due to changes in business conditions, to fund future acquisitions and development, or merely to declare and pay dividends or distributions to our shareholders.

Cash transfers from the Company's PRC subsidiaries to their parent companies outside of China are subject to PRC government control of currency conversion. Shortages in the availability of foreign currency may temporarily restrict the ability of the PRC subsidiaries and consolidated affiliated entities to remit sufficient foreign currency to pay dividends or other payments to the Company, or otherwise satisfy their foreign currency denominated obligations.

Except for the above, there is no other restriction on use of proceeds generated by the Group's subsidiaries and VIEs to satisfy any obligations of the Company.

The Company performed a test on the restricted net assets of subsidiaries and VIEs in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that the restricted net assets did not exceed 25% of the consolidated net assets of the Company as of December 31, 2024 and the condensed financial information of the Company are not required to be presented.

33. Segment Reporting

There are two operating and reportable segments in the Group (defined in Note1 (a)), including "BIGO" and "All other" for the years ended December 31, 2022, 2023 and 2024. BIGO segment is the Group's core business segment which primarily includes some of our social entertainment platforms including Bigo Live, Likee, imo and others. All other segment is the Group's other business segment which primarily includes our social entertainment platform Hago, our smart commerce platform Shopline, certain audio live streaming platforms, and others. The CODM measures the performance of each segment based on metrics of revenues and net income and uses these results to evaluate the performance of, and to allocate resources to, each of the segments.

The CODM does not evaluate operating segments using asset or liability information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

33. Segment Reporting (continued)

(a) The following table presents summary information by segment:

For the year ended December 31, 2024:

	BIGO US\$	All other US\$	Elimination ⁽¹⁾ US\$	Total US\$
Net revenues				
Live streaming	1,699,591	88,430	—	1,788,021
Others	288,749	162,597	(1,579)	449,767
Total net revenues	<u>1,988,340</u>	<u>251,027</u>	<u>(1,579)</u>	<u>2,237,788</u>
Cost of revenues ⁽²⁾	(1,273,805)	(158,094)	314	(1,431,585)
Gross profit	<u>714,535</u>	<u>92,933</u>	<u>(1,265)</u>	<u>806,203</u>
Operating expenses⁽²⁾				
Research and development expenses	(172,262)	(107,402)	924	(278,740)
Sales and marketing expenses	(247,722)	(85,711)	99	(333,334)
General and administrative expenses	(57,529)	(95,230)	242	(152,517)
Goodwill impairment	—	(454,935)	—	(454,935)
Total operating expenses	<u>(477,513)</u>	<u>(743,278)</u>	<u>1,265</u>	<u>(1,219,526)</u>
Gain on deconsolidation and disposal of subsidiaries	—	1,643	—	1,643
Other income	3,877	2,178	—	6,055
Operating income (loss)	<u>240,899</u>	<u>(646,524)</u>	<u>—</u>	<u>(405,625)</u>
Interest expense	(5,728)	(3,239)	4,120	(4,847)
Interest income and investment income	55,709	123,967	(4,120)	175,556
Foreign currency exchange gains (losses), net	1,453	(689)	—	764
(Loss) gain on fair value changes of investment	(33)	6,669	—	6,636
Income (loss) before income tax (expenses) benefits	<u>292,300</u>	<u>(519,816)</u>	<u>—</u>	<u>(227,516)</u>
Income tax (expenses) benefits	(19,571)	6,086	—	(13,485)
Income (loss) before share of loss in equity method investments, net of income taxes	<u>272,729</u>	<u>(513,730)</u>	<u>—</u>	<u>(241,001)</u>
Share of loss in equity method investments, net of income taxes	—	(1,637)	—	(1,637)
Net income (loss)	<u>272,729</u>	<u>(515,367)</u>	<u>—</u>	<u>(242,638)</u>

(1) The elimination mainly consists of revenues and expenses generated from services among BIGO and All other segments, and interest income and interest expenses generated from the loan between BIGO and All other segments.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

33. Segment Reporting (continued)

(a) The following table presents summary information by segment (continued):

	<u>BIGO</u>	<u>All other</u>	<u>Total</u>
	US\$	US\$	US\$
Cost of revenues	716	1,004	1,720
Research and development expenses	6,394	6,014	12,408
Sales and marketing expenses	170	445	615
General and administrative expenses	781	7,676	8,457

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

33. Segment Reporting (continued)

(a) The following table presents summary information by segment (continued):

For the year ended December 31, 2023:

	BIGO US\$	All other US\$	Elimination ⁽¹⁾ US\$	Total US\$
Net revenues				
Live streaming	1,819,484	159,887	—	1,979,371
Others	104,836	185,002	(1,339)	288,499
Total net revenues	1,924,320	344,889	(1,339)	2,267,870
Cost of revenues ⁽²⁾	(1,189,500)	(265,662)	320	(1,454,842)
Gross profit	734,820	79,227	(1,019)	813,028
Operating expenses⁽²⁾				
Research and development expenses	(163,634)	(132,635)	766	(295,503)
Sales and marketing expenses	(295,395)	(74,260)	78	(369,577)
General and administrative expenses	(52,906)	(69,930)	175	(122,661)
Total operating expenses	(511,935)	(276,825)	1,019	(787,741)
Loss on deconsolidation and disposal of subsidiaries	—	(6,177)	—	(6,177)
Other income	7,240	2,465	—	9,705
Operating income (loss)	230,125	(201,310)	—	28,815
Interest expense	(6,761)	(8,759)	5,100	(10,420)
Interest income and investment income	43,518	146,794	(5,100)	185,212
Foreign currency exchange losses, net	(174)	(2,732)	—	(2,906)
Gain on disposal and deemed disposal of investments	—	74,851	—	74,851
(Loss) gain on fair value changes of investment	(400)	12,825	—	12,425
Income before income tax expenses	266,308	21,669	—	287,977
Income tax expenses	(17,007)	(1,849)	—	(18,856)
Income before share of income in equity method investments, net of income taxes	249,301	19,820	—	269,121
Share of income in equity method investments, net of income taxes	—	3,297	—	3,297
Net income	249,301	23,117	—	272,418

(1) The elimination mainly consists of revenues and expenses generated from services among BIGO and All other segments, and interest income and interest expenses generated from the loan between BIGO and All other segments.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

33. Segment Reporting (continued)

(a) The following table presents summary information by segment (continued):

	<u>BIGO</u> US\$	<u>All other</u> US\$	<u>Total</u> US\$
Cost of revenues	1,958	1,617	3,575
Research and development expenses	8,967	10,448	19,415
Sales and marketing expenses	341	456	797
General and administrative expenses	1,829	6,363	8,192

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

33. Segment Reporting (continued)

(a) The following table presents summary information by segment (continued):

For the year ended December 31, 2022:

	BIGO US\$	All other US\$	Elimination ⁽¹⁾ US\$	Total US\$
Net revenues				
Live streaming	1,905,045	320,473	—	2,225,518
Others	91,976	94,267	(245)	185,998
Total net revenues	<u>1,997,021</u>	<u>414,740</u>	<u>(245)</u>	<u>2,411,516</u>
Cost of revenues ⁽²⁾	<u>(1,249,361)</u>	<u>(310,272)</u>	<u>245</u>	<u>(1,559,388)</u>
Gross profit	<u>747,660</u>	<u>104,468</u>	<u>—</u>	<u>852,128</u>
Operating expenses⁽²⁾				
Research and development expenses	(168,148)	(93,659)	—	(261,807)
Sales and marketing expenses	(311,545)	(88,890)	—	(400,435)
General and administrative expenses	(60,843)	(80,983)	—	(141,826)
Goodwill impairment	—	(14,830)	—	(14,830)
Total operating expenses	<u>(540,536)</u>	<u>(278,362)</u>	<u>—</u>	<u>(818,898)</u>
Other income	12,944	4,561	—	17,505
Operating income (loss)	<u>220,068</u>	<u>(169,333)</u>	<u>—</u>	<u>50,735</u>
Interest expense	(4,458)	(11,922)	3,610	(12,770)
Interest income and investment income	9,592	87,166	(3,610)	93,148
Foreign currency exchange gain (losses), net	13,120	(1,454)	—	11,666
Gain on disposal and deemed disposal of investments	—	4,113	—	4,113
Gain on fair value changes of investment	1,979	422,325	—	424,304
Gain on extinguishment of debt and derivative	—	63,378	—	63,378
Income before income tax expenses	<u>240,301</u>	<u>394,273</u>	<u>—</u>	<u>634,574</u>
Income tax expense	<u>(14,433)</u>	<u>(20,142)</u>	<u>—</u>	<u>(34,575)</u>
Income before share of loss in equity method investments, net of income taxes	<u>225,868</u>	<u>374,131</u>	<u>—</u>	<u>599,999</u>
Share of loss in equity method investments, net of income taxes	<u>—</u>	<u>(498,431)</u>	<u>—</u>	<u>(498,431)</u>
Net income (loss)	<u>225,868</u>	<u>(124,300)</u>	<u>—</u>	<u>101,568</u>

(1) The elimination mainly consists of interest income and interest expenses generated from the loan between BIGO and All other segments.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

33. Segment Reporting (continued)

(a) The following table presents summary information by segment (continued):

	<u>BIGO</u> US\$	<u>All other</u> US\$	<u>Total</u> US\$
Cost of revenues	3,341	4,844	8,185
Research and development expenses	14,012	11,158	25,170
Sales and marketing expenses	234	543	777
General and administrative expenses	4,416	5,548	9,964

(b) The following tables set forth revenues and long - lived assets, net for the Company's geographic operations:

	<u>For the years ended December 31,</u>		
	<u>2022</u> US\$	<u>2023</u> US\$	<u>2024</u> US\$
Revenues:			
Developed countries and regions	866,107	968,225	1,206,679
Middle East	514,992	441,277	317,848
Mainland China	473,941	347,825	233,578
Southeast Asia and others	556,476	510,543	479,683

Developed countries and region mainly included the United States of America, Singapore, Japan, South Korea and Great Britain. Middle East mainly included Saudi Arabia and other countries located in the region, and Southeast Asia and others mainly included Indonesia, Vietnam and rest of the world.

	<u>As of December 31,</u>	
	<u>2023</u> US\$	<u>2024</u> US\$
Long - lived assets, net:		
Mainland China	705,589	770,349
Singapore	7,912	13,041
Others	23,422	39,905

34. Subsequent Events

On February 25, 2025, the Company entered into agreements with Baidu, Inc. and closed the sale of its video-based entertainment live streaming business in mainland China (known as YY Live) to Baidu, Inc. for an aggregate purchase price of approximately US\$2.1 billion in cash. The Company previously received approximately US\$1.86 billion in February 2021. On February 25, 2025, the Company received additional cash consideration of approximately US\$240 million. The Company expects it will record an estimated net after-tax gain of approximately US\$1.9 billion.

SECOND AMENDED AND RESTATED
DEPOSIT AGREEMENT AMONG
JOYY INC., JPMORGAN CHASE BANK,
N.A., AS DEPOSITARY, AND
HOLDERS AND BENEFICIAL OWNERS OF
AMERICAN DEPOSITARY RECEIPTS



JPMorganChase

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SECOND AMENDED AND RESTATED DEPOSIT AGREEMENT, dated as of February 21, 2025 (the “**Deposit Agreement**”), among JOYY INC., a company incorporated under the laws of the Cayman Islands, and its successors (the “**Company**”), JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America, as depositary hereunder (in such capacity, the “**Depositary**”), and all Holders (as defined below) and Beneficial Owners (as defined below) from time to time of American depositary receipts issued hereunder evidencing American depositary shares (“**ADSs**”) representing deposited Shares (as defined below). The Company hereby appoints the Depositary as depositary for the Deposited Securities (as defined below) and hereby authorizes and directs the Depositary to act in accordance with the terms set forth in this Deposit Agreement. All capitalized terms used herein have the meanings ascribed to them in Section 1 or elsewhere in this Deposit Agreement.

WHEREAS, the Company and Citibank, N.A. entered into an Amended and Restated Deposit Agreement, dated as of May 21, 2018 (as previously amended, the “**Prior Deposit Agreement**”) for the purposes set forth therein, for the creation of American depositary shares representing the Shares (as defined below) so deposited and for the execution and delivery of American depositary receipts (“**Prior Receipts**”) evidencing the American depositary shares;

WHEREAS, pursuant to the terms of the Prior Deposit Agreement, the Company has removed Citibank, N.A. as depositary and has appointed JPMorgan Chase Bank, N.A. as successor depositary thereunder;

WHEREAS, pursuant to the terms of the Prior Deposit Agreement, the Company and the Depositary wish to amend and restate the Prior Deposit Agreement and the Prior Receipts;

NOW THEREFORE, in consideration of the premises, subject to Section 24 hereof, the parties hereto hereby amend and restate the Prior Deposit Agreement and the Prior Receipts in their entirety as follows:

1. **Certain Definitions.**

(a) “**ADR Register**” is defined in paragraph (3) of the form of ADR (*Transfers, Split-Ups and Combinations of ADRs*).

(b) “**ADRs**” mean the American Depositary Receipts executed and delivered hereunder. ADRs may be either in physical certificated form or Direct Registration ADRs (as hereinafter defined). ADRs in physical certificated form, and the terms and conditions governing the Direct Registration ADRs, shall be substantially in the form of Exhibit A annexed hereto (the “**form of ADR**”). The term “**Direct Registration ADR**” means an ADR, the ownership of which is recorded on the Direct Registration System. References to “**ADRs**” shall include certificated ADRs and Direct Registration ADRs,

unless the context otherwise requires. The form of ADR is hereby incorporated herein and made a part hereof; the provisions of the form of ADR shall be binding upon the parties hereto.

(c) Subject to paragraph (13) of the form of ADR (*Changes Affecting Deposited Securities*), each “**ADS**” evidenced by an ADR represents the right to receive, and to exercise the beneficial ownership interests in, the number of Shares specified in the form of ADR attached hereto as Exhibit A (as may be amended from time to time) that are on deposit with the Depositary and/or the Custodian and a pro rata share in any other Deposited Securities, subject, in each case, to the terms of this Deposit Agreement and the ADSs. The ADS(s)-to-Share(s) ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated in paragraph (7) thereof (*Charges of Depositary*)).

(d) “**Beneficial Owner**” means as to any ADS, any person or entity having a beneficial ownership interest in such ADS. A Beneficial Owner need not be the Holder of the ADR evidencing such ADS. If a Beneficial Owner of ADSs is not a Holder, it must rely on the Holder of the ADR(s) evidencing such ADSs in order to assert any rights or receive any benefits under this Deposit Agreement. The arrangements between a Beneficial Owner of ADSs and the Holder of the corresponding ADRs may affect the Beneficial Owner’s ability to exercise any rights it may have.

(e) “**Commission**” means the United States Securities and Exchange Commission.

(f) “**Custodian**” means the agent or agents of the Depositary (singly or collectively, as the context requires) and any additional or substitute Custodian appointed pursuant to Section 9.

(g) The terms “**deliver**,” “**execute**,” “**issue**,” “**register**,” “**surrender**,” “**transfer**” or “**cancel**,” when used with respect to Direct Registration ADRs, shall refer to an entry or entries or an electronic transfer or transfers in the Direct Registration System, and, when used with respect to ADRs in physical certificated form, shall refer to the physical delivery, execution, issuance, registration, surrender, transfer or cancellation of certificates representing the ADRs.

(h) “**Delivery Order**” is defined in Section 3.

(i) “**Deposited Securities**” as of any time means all Shares at such time deposited under this Deposit Agreement and any and all other Shares, securities, property and cash at such time held by the Depositary or the Custodian in respect or in lieu of such deposited Shares and other Shares, securities, property and cash. Deposited Securities are not intended to, and shall not, constitute proprietary assets of the Depositary, the Custodian or their nominees. Beneficial ownership in Deposited Securities is intended to be, and shall at all times during the term of the Deposit

Agreement continue to be, vested in the Beneficial Owners of the ADSs representing such Deposited Securities.

(j) **“Direct Registration System”** means the system for the uncertificated registration of ownership of securities established by The Depository Trust Company (“DTC”) and utilized by the Depository pursuant to which the Depository may record the ownership of ADRs without the issuance of a certificate, which ownership shall be evidenced by periodic statements issued by the Depository to the Holders entitled thereto. For purposes hereof, the Direct Registration System shall include access to the Profile Modification System maintained by DTC, which provides for automated transfer of ownership between DTC and the Depository.

(k) **“Holder”** means the person or persons in whose name an ADR is registered on the ADR Register. For all purposes under the Deposit Agreement and the ADRs, a Holder shall be deemed to have all requisite authority to act on behalf of any and all Beneficial Owners of the ADSs evidenced by the ADR(s) registered in such Holder’s name.

(l) **“Removal Notice Date”** means the earliest date on which the Company provided notice of removal to the Depository pursuant to Section 12(b) of this Deposit Agreement.

(m) **“Resignation Notice Date”** means the date on which the Depository provided notice of its resignation to the Company pursuant to Section 12(a) of this Deposit Agreement.

(n) **“Securities Act of 1933”** means the United States Securities Act of 1933, as amended.

(o) **“Securities Exchange Act of 1934”** means the United States Securities Exchange Act of 1934, as amended.

(p) **“Shares”** mean the class A common shares of the Company, and shall include the rights to receive Shares specified in paragraph (1) of the form of ADR (*Issuance of ADSs*).

(q) **“Termination Date”** means the date this Deposit Agreement is terminated in accordance with paragraph (17) of the form of ADR (*Termination*), which, for the avoidance of doubt, shall be either (i) the date fixed for termination in a notice of termination as contemplated therein or (ii) a date determined by the Depository in the case of a termination not requiring prior notice of termination as contemplated in subparagraph (a)(iii) therein.

(r) **“Transfer Office”** is defined in paragraph (3) of the form of ADR (*Transfers, Split-Ups and Combinations of ADRs*).

- (s) **“Withdrawal Order”** is defined in Section 6.

2. Form of ADRs.

- (a) *Direct Registration ADRs.* Notwithstanding anything in this Deposit Agreement or in the form of ADR to the contrary, ADSs shall be evidenced by Direct Registration ADRs, unless certificated ADRs are specifically requested by the Holder.
- (b) *Certificated ADRs.* ADRs in certificated form shall be printed or otherwise reproduced at the discretion of the Depositary in accordance with its customary practices in its American depositary receipt business, or at the request of the Company typewritten and photocopied on plain or safety paper, and shall be substantially in the form set forth in the form of ADR, with such changes as may be required by the Depositary or the Company to comply with their obligations hereunder, any applicable law, regulation or usage or to indicate any special limitations or restrictions to which any particular ADRs are subject. ADRs may be issued in denominations of any number of ADSs. ADRs in certificated form shall be executed by the Depositary by the manual or facsimile signature of a duly authorized officer of the Depositary. ADRs in certificated form bearing the manual or facsimile signature of anyone who was at the time of execution a duly authorized officer of the Depositary shall bind the Depositary, notwithstanding that such officer has ceased to hold such office prior to the delivery of such ADRs.
- (c) *Binding Effect.* Holders of ADRs, and the Beneficial Owners of the ADSs evidenced by such ADRs, shall each be bound by the terms and conditions of this Deposit Agreement and of the form of ADR, regardless of whether such ADRs are Direct Registration ADRs or certificated ADRs.

3. Deposit of Shares.

- (a) *Requirements.* In connection with the deposit of Shares hereunder, the Depositary or the Custodian shall require a written order, in a form satisfactory to the Depositary, directing the Depositary to issue to, or upon the written order of, the person or persons designated in such order a Direct Registration ADR or ADRs evidencing the number of ADSs representing such deposited Shares (a “Delivery Order”). Shares presented for deposit shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the Depositary shall direct. Deposited Securities shall be held by the Custodian for the account and to the order of the Depositary for the benefit of Holders of ADRs (to the extent not prohibited by law) at such place or places and in such manner as the Depositary shall determine. Notwithstanding anything else contained herein, in the form of ADR and/or in any outstanding ADSs, the Depositary, the Custodian and their respective nominees are intended to be, and shall at all times during the term of this Deposit Agreement be, the record holder(s)

only of the Deposited Securities represented by the ADSs for the benefit of the Holders. The Depositary, on its own behalf and on behalf of the Custodian and their respective nominees, disclaims any beneficial ownership interest in the Deposited Securities held on behalf of the Holders.

(b) *Delivery of Deposited Securities.* Deposited Securities may be delivered by the Custodian to any person only under the circumstances expressly contemplated in this Deposit Agreement. To the extent that the provisions of or governing the Shares make delivery of certificates therefor impracticable, Shares may be deposited hereunder by such delivery thereof as the Depositary or the Custodian may reasonably accept, including, without limitation, by causing them to be credited to an account maintained by the Custodian for such purpose with the Company or an accredited intermediary, such as a bank, acting as a registrar for the Shares, together with delivery of the documents, payments and Delivery Order referred to herein to the Custodian or the Depositary.

4. Issue of ADRs. At the request, risk and expense of the person depositing Shares or rights to receive Shares, the Depositary may accept such Shares and/or deposits for forwarding to the Custodian and may deliver ADRs at a place other than its office. After any such deposit of Shares, the Custodian shall notify the Depositary of such deposit and of the information contained in any related Delivery Order by letter, first class airmail postage prepaid, or by SWIFT, facsimile transmission or any other method of communication as may be agreed by the Custodian and the Depositary. After receiving such notice from the Custodian, the Depositary, subject to this Deposit Agreement, shall properly issue at the Transfer Office, to or upon the order of any person named in such notice, an ADR or ADRs registered as requested and evidencing the aggregate ADSs to which such person is entitled.

5. Distributions on Deposited Securities. To the extent that the Depositary determines in its discretion that any distribution pursuant to paragraph (10) of the form of ADR (*Distributions on Deposited Securities*) would not be permissible by applicable law, rule or regulation, or is not otherwise practicable with respect to any or all Holders, the Depositary may in its discretion make such distribution as it so deems practicable, including the distribution of some or all of any Cash (as defined in paragraph (10) of the form of ADR), foreign currency, securities or other property (or appropriate documents evidencing the right to receive some or all of any such Cash, foreign currency, securities or other property) and/or the Depositary may retain and hold some or all of such Cash, foreign currency, securities or other property as Deposited Securities with respect to the applicable Holders' ADRs (without liability for interest thereon or the investment thereof).

To the extent the Depositary determines in its discretion that it would not be permitted by applicable law, rule or regulation, or it would not otherwise be practicable, to convert foreign currency into U.S. dollars and/or distribute U.S. dollars to some or all of the Holders entitled thereto, the Depositary may in its

discretion distribute some or all of the foreign currency received by the Depositary as it deems permissible and practicable to, or retain and hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Holders entitled to receive the same.

To the extent the Depositary retains and holds any Cash, foreign currency, securities or other property as permitted under this Section 5 or paragraph (10) (*Distributions on Deposited Securities*) of the form of ADR, any and all fees, charges and expenses related to, or arising from, the holding thereof (including, but not limited to those provided in paragraph (7) of the form of ADR (*Charges of Depositary*)) shall be paid from such Cash, foreign currency, securities or other property, or the net proceeds from the sale thereof, thereby reducing the amount so held hereunder.

6. Withdrawal, Delivery and Transfer of Deposited Securities. In connection with any surrender of ADRs for withdrawal of the Deposited Securities represented by the ADSs evidenced thereby, in addition to the requirements of paragraph (7) of the form of ADR, the Depositary may require proper endorsement in blank of any certificated ADRs evidencing such ADSs and/or duly executed instruments of transfer of such ADSs in blank, together with the Holder's written order directing the Depositary to cause the Deposited Securities represented by such ADSs to be withdrawn and delivered to, or upon the written order of, any person designated in such order (a "**Withdrawal Order**").

At the request, risk and expense of the Holder hereof, the Depositary may deliver such Deposited Securities (including any certificates therefor) at a place other than its office. Directions from the Depositary to the Custodian to deliver Deposited Securities shall be given by letter, first class airmail postage prepaid, or by SWIFT, facsimile transmission or any other method of communication as may be agreed by the Custodian and the Depositary. Delivery of Deposited Securities may be made by the delivery of certificates (which, if required by law shall be properly endorsed or accompanied by properly executed instruments of transfer or, if such certificates may be registered, registered in the name of such Holder or as ordered by such Holder in any Withdrawal Order) or by such other means as the Depositary may deem practicable, including, without limitation, by transfer of record ownership thereof to an account designated in the Withdrawal Order maintained either by the Company or an accredited intermediary, such as a bank, acting as a registrar for the Deposited Securities.

The Company agrees to cooperate with the Depositary and to take all commercially reasonable actions, and to instruct and cause any registrar and/or transfer agent of the Deposited Securities to take all such actions, as may be reasonably requested by the Depositary, or are otherwise necessary or required, to effectuate the withdrawal, delivery and/or transfer of the Deposited Securities, including, without limitation, providing a deed of undertaking as set forth in or substantially in the form of Exhibit B. The obligations of the Company set forth in this

Section 6 shall survive the termination of Deposit Agreement until all ADSs issued by the Depositary have been cancelled.

7. Substitution of ADRs. The Depositary shall execute and deliver a new Direct Registration ADR in exchange and substitution for any mutilated certificated ADR upon cancellation thereof or in lieu of and in substitution for such destroyed, lost or stolen certificated ADR, unless the Depositary has notice that such ADR has been acquired by a bona fide purchaser, upon the Holder thereof filing with the Depositary a request for such execution and delivery and a sufficient indemnity bond and satisfying any other reasonable requirements imposed by the Depositary.

8. Cancellation and Destruction of ADRs. All ADRs surrendered to the Depositary shall be cancelled by the Depositary. The Depositary is authorized to destroy ADRs in certificated form so cancelled in accordance with its customary practices.

9. The Custodian.

(a) *Rights of the Depositary.* Any Custodian in acting hereunder shall be subject to the directions of the Depositary and shall be responsible solely to it. The Depositary reserves the right to add, replace or remove a Custodian. The Depositary will give prompt notice of any such action, which will be advance notice if practicable. The Depositary may discharge any Custodian at any time upon notice to the Custodian being discharged.

(b) *Rights of the Custodian.* Any Custodian may resign from its duties hereunder in the manner permitted by any custodial agreement then in effect between the Depositary and the Custodian. Any Custodian ceasing to act hereunder as Custodian shall deliver, upon the instruction of the Depositary, all Deposited Securities held by it to a Custodian continuing to act.

(c) Notwithstanding anything to the contrary contained in this Deposit Agreement (including the ADRs) and, subject to the further limitations set forth in clause (q) of paragraph (14) of the form of ADR (*Exoneration*), the Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the Custodian except to the extent that any Holder has incurred liability directly as a result of the Custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the Depositary or (ii) failed to use reasonable care in the provision of custodial services to the Depositary as determined in accordance with the standards prevailing in the jurisdiction in which the Custodian is located.

10. Lists of Holders. The Company shall have the right to inspect transfer records of the Depositary and its agents and the ADR Register, take copies thereof and require the Depositary and its agents to supply copies of such portions of such records

as the Company may request. The Depositary or its agents shall furnish to the Company promptly upon the written request of the Company, a list of the names, addresses and holdings of ADSs by all Holders as of a date within seven (7) days of the Depositary's receipt of such request.

11. Depositary's Agents. The Depositary may perform its obligations under this Deposit Agreement through any agent appointed by it, provided that the Depositary shall notify the Company of such appointment and shall remain responsible for the performance of such obligations as if no agent were appointed, subject to paragraph (14) of the form of ADR (*Exoneration*).

12. Resignation and Removal of the Depositary; Appointment of Successor Depositary.

(a) *Resignation of the Depositary.* The Depositary may at any time resign as Depositary by providing written notice of its election to do so delivered to the Company. Subject to subparagraph (c) below, the Depositary's resignation shall take effect upon the Company's appointment of a successor depositary and such successor depositary's acceptance of its appointment as provided in Section 12(d) below.

(b) *Removal of the Depositary.* The Depositary may at any time be removed by the Company by providing no less than sixty (60) days' prior written notice of such removal to the Depositary. Subject to subparagraph (c) below, such removal shall take effect on the later of (i) the sixtieth (60th) day after the Removal Notice Date and (ii) the Company's appointment of a successor depositary and such successor depositary's acceptance of its appointment as provided in Section 12(d) below.

(c) If either the Depositary provides notice of its resignation (pursuant to Section 12(a)) or the Company provides notice of the Depositary's removal (pursuant to Section 12(b)), and a successor depositary is not appointed by the sixtieth (60th) day after the Resignation Notice Date or the Removal Notice Date, respectively, the Depositary may terminate this Deposit Agreement and the ADR in the manner set out in paragraph (17) of the form of ADR (*Termination*) and the provisions of said paragraph (17) shall thereafter govern the Depositary's obligations hereunder.

(d) *Appointment of Successor Depositary.* If the Depositary provides notice of its resignation pursuant to Section 12(a) above or the Company provides notice of the Depositary's removal pursuant to Section 12(b) above, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depositary shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor. The predecessor depositary, only upon payment of all sums due to it and on the written request of the

Company, shall (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than its rights to indemnification and fees owing, each of which shall survive any such removal and/or resignation), (ii) duly assign, transfer and deliver all right, title and interest to the Deposited Securities to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding ADRs. Any such successor depository shall promptly mail notice of its appointment to such Holders. Any bank or trust company into or with which the Depository may be merged or consolidated, or to which the Depository shall transfer substantially all its American depository receipt business, shall be the successor of the Depository without the execution or filing of any document or any further act.

13. Compliance with Securities Exchange Act of 1934 Reporting and Other Requirements; Reports.

(a) *Securities Exchange Act of 1934.*

The Company represents and warrants continuously that (i) the statements in paragraph (8) of the form of ADR (*Available Information*) attached hereto as Exhibit A or, if applicable, most recently filed with the Commission are true and correct and (ii) it is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934. These representations and warranties of the Company shall survive the date of the Deposit Agreement.

The Company hereby covenants and agrees to publish and file all reports, and to take all other actions, necessary and/or required to remain in compliance with the requirements of the Securities Exchange Act of 1934, as and when required. The Company agrees to notify the Depository promptly in the event of any change in the truth or accuracy of, or noncompliance with, any of the representations, warranties, covenants and agreements contained in this Section 13(a) and paragraph (8) of the form of ADR (*Available Information*).

The Company acknowledges and agrees that the Depository (i) is relying, and may so rely, solely on the Company's representations, warranties, covenants and agreements in this Section 13(a) and paragraph (8) of the form of ADR (*Available Information*), (ii) does not assume any duty or responsibility to determine if the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934, and (iii) may, and is expressly authorized by the Company to, represent, warrant and certify that, based on such ongoing representations, warranties, covenants and agreements of the Company, the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934.

(b) *Reports.* On or before the first date on which the Company makes any communication available to holders of Deposited Securities or any securities

regulatory authority or stock exchange, by publication or otherwise, that could require, or result in, the Depositary taking or planning to take any action under the Deposit Agreement (including, without limitation, any notice of any meeting of, or solicitation of proxies or consents from, holders of Shares or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash or other distributions or the offering of any rights in respect to Deposited Securities or makes any communication that reasonably could require the Depositary to take, or plan to take, action under this Deposit Agreement, by publication or otherwise), the Company shall transmit to the Depositary a copy thereof in English or with an English translation or summary. The Company has delivered to the Depositary, the Custodian and any Transfer Office, a copy of all provisions of or governing the Shares and any other Deposited Securities issued by the Company or any affiliate of the Company and, promptly upon any change thereto, the Company shall deliver to the Depositary, the Custodian and any Transfer Office, a copy (in English or with an English translation) of such provisions as so changed. The Depositary and its agents may rely upon the Company's delivery of all such communications, information and provisions for all purposes of this Deposit Agreement and the Depositary shall have no liability for the accuracy or completeness of any thereof.

14. Additional Shares. The Company agrees with the Depositary that neither the Company nor any company controlling, controlled by or under common control with the Company shall (a) issue (i) additional Shares, (ii) rights to subscribe for Shares, (iii) securities convertible into or exchangeable for Shares or (iv) rights to subscribe for any such securities or (b) deposit any Shares under this Deposit Agreement, except, in each case, under circumstances complying in all respects with the Securities Act of 1933. At the reasonable request of the Depositary where it deems necessary, the Company will furnish the Depositary with legal opinions, in forms and from counsels reasonably acceptable to the Depositary, dealing with such issues requested by the Depositary. The Depositary will not knowingly accept for deposit hereunder any Shares required to be registered under the Securities Act of 1933 unless a registration statement is in effect and will use reasonable efforts to comply with written instructions of the Company not to accept for deposit hereunder any Shares identified in such instructions at such times and under such circumstances as may reasonably be specified in such instructions in order to facilitate the Company's compliance with the securities laws, rules and regulations of the United States, including, but not limited to, the Securities Act of 1933 and the rules and regulations promulgated thereunder.

15. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify, defend and save harmless each of the Depositary, the Custodian and their respective directors, officers, employees, agents and affiliates against any loss, liability or expense (including reasonable fees and expenses of counsel) that may arise out of acts performed or omitted, in connection with the provisions of this Deposit

Agreement and of the ADRs, as the same may be amended, modified or supplemented from time to time in accordance herewith (i) by either the Depositary or a Custodian or their respective directors, officers, employees, agents and affiliates, except for any liability or expense directly arising out of the negligence or willful misconduct of the Depositary or its directors, officers or affiliates acting in their capacities as such hereunder, or (ii) by the Company or any of its directors, officers, employees, agents and affiliates, including, without limitation, if any of the representations and warranties of the Company contained in Section 13 hereof and/or paragraph 8 of the form of ADR (*Available Information*) were or are incorrect in any respect and/or if the Company violates or breaches any of its covenants or agreements contained therein with respect to the Securities Exchange Act of 1934 or otherwise.

The indemnities set forth in the preceding paragraph shall also apply to any liability or expense that may arise out of any misstatement or alleged misstatement or omission or alleged omission in any registration statement, proxy statement, prospectus (or placement memorandum), preliminary prospectus (or preliminary placement memorandum) or other document or report relating to, or arising from the offer, issuance, withdrawal, sale, resale or transfer of ADSs or the deposit, withdrawal, offer, sale, resale or transfer of Shares or any other report filed or furnished by the Company with the Commission, except to the extent any such liability or expense arises out of information relating to the Depositary or its agents (other than the Company), as applicable, furnished in writing by the Depositary expressly for use in any of the foregoing documents and not changed or altered by the Company or any other person (other than the Depositary).

(b) *Indemnification by the Depositary.* Subject to the limitations provided for in Sections 9 and 15(c) below, the Depositary shall indemnify, defend and save harmless the Company against any direct loss, liability or expense (including reasonable fees and expenses of counsel) incurred by the Company in respect of this Deposit Agreement to the extent such loss, liability or expense is due to the negligence or willful misconduct of the Depositary.

(c) *Special or Consequential Damages and Lost Profits.* Notwithstanding any other provision of this Deposit Agreement or the ADRs to the contrary, neither the Depositary nor any of its agents shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity (including, without limitation, Holders and Beneficial Owners of ADRs and ADSs), whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

(d) *Notification.* Any person seeking indemnification hereunder (an “**indemnified person**”) shall notify the person from whom it is seeking indemnification (the “**indemnifying person**”) of the commencement of any indemnifiable action or claim as promptly as reasonably practical after such indemnified person becomes

aware of such commencement (provided that the failure to make such notification shall not affect such indemnified person's rights to indemnification under this Section 15 except and only to the limited extent the indemnifying person is materially prejudiced by such failure through the forfeiture of substantive rights or defenses as a result of such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party otherwise than under this Section 15). No indemnifying person shall be liable for any settlement of any proceeding effected without its written consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with such indemnifying person's written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction in any such proceeding, the indemnifying person agrees to indemnify and hold harmless each indemnified person from and against any and all losses, claims, damages, liabilities and reasonable legal and other out-of-pocket expenses by reason of such settlement or judgment. No indemnifying person shall, without the prior written consent of any indemnified person, effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such indemnified person unless such settlement (i) includes an unconditional release of such indemnified person in form and substance reasonably satisfactory to such indemnified person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrong doing or a failure to act by or on behalf of any indemnified person.

(e) *Survival.* The obligations set forth in this Section 15 shall survive the termination of this Deposit Agreement and the succession or substitution of any indemnified person.

16. Notices.

(a) *Notice to Holders.* Notice to any Holder shall be deemed given when first mailed, first class postage prepaid, to the address of such Holder on the ADR Register or received by such Holder. Failure to notify a Holder or any defect in the notification to a Holder shall not affect the sufficiency of notification to other Holders or to the Beneficial Owners of the ADSs evidenced by the ADRs held by such other Holders. The Depositary's only notification obligations under this Deposit Agreement and the ADRs shall be to Holders. Notice to a Holder shall be deemed, for all purposes of this Deposit Agreement and the ADRs, to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs.

(b) *Notice to the Depositary or the Company.* Notice to the Depositary or the Company shall be deemed given when first received by it at the address or by electronic transmission to the e-mail address set forth in (i) or (ii), respectively, or at such other address or email address provided by the Depositary or the Company to the other, respectively, in the same manner as notices are required to be provided in this

Section 16:

- (i) JPMorgan Chase Bank, N.A.
383 Madison Avenue, Floor 11
New York, New York 10179
Attention: Depositary Receipts Group
E-mail Address: DR_Global_CSM@jpmorgan.com
- (ii) JOYY Inc.
30 Pasir Panjang Road #15-31A
Mapletree Business City
Singapore 117440
Attention: Alex Fuyong Liu
E-mail Address: liufuyong@joyy.com

Delivery of a notice by means of electronic messaging shall be deemed to be effective at the time of the initiation of the transmission by the sender (as shown on the sender's records) to the email address set forth above, notwithstanding that the intended recipient retrieves the message at a later date, fails to retrieve such message, or fails to receive such notice on account of its failure to maintain the designated e-mail address, its failure to designate a substitute e-mail address or for any other reason.

17. Counterparts. This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one instrument. Delivery of an executed signature page of this Deposit Agreement by facsimile or other electronic transmission (including ".pdf", ".tif" or similar format) shall be effective as delivery of a manually executed counterpart hereof.

18. No Third-Party Beneficiaries; Holders and Beneficial Owners as Parties; Binding Effect. This Deposit Agreement is for the exclusive benefit of the Company, the Depositary and the Holders and their respective successors hereunder, and, except to the extent specifically set forth in Section 15 of this Deposit Agreement, shall not give any legal or equitable right, remedy or claim whatsoever to any other person. The Holders and Beneficial Owners from time to time shall be parties to this Deposit Agreement and shall be bound by all of the provisions hereof. A Beneficial Owner shall only be able to exercise any right or receive any benefit hereunder solely through the Holder of the ADR(s) evidencing the ADSs owned by such Beneficial Owner.

19. Severability. If any provision contained in this Deposit Agreement or in the ADRs is, or becomes, invalid, illegal or unenforceable in any respect, the remaining provisions contained herein and therein shall in no way be affected thereby.

20. Governing Law; Consent to Jurisdiction.

(a) *Governing Law.* The Deposit Agreement, the ADSs and the ADRs shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the application of the conflict of law principles thereof.

(b) *Claims between the Company and the Depositary.* The Company irrevocably agrees that any legal suit, action or proceeding against or involving the Company brought by the Depositary arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted in any state or federal court in New York, New York, and irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. The Company also irrevocably agrees that any legal suit, action or proceeding against or involving the Depositary brought by the Company, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted only in a state or federal court in New York, New York. Notwithstanding the foregoing, subject to the federal securities law carve-out set forth in Section 20(d) below, the Depositary may institute and/or refer any such suit, action or proceeding to arbitration in accordance with the provisions of the Deposit Agreement, and thereupon any arbitral decision from such suit, action or proceeding shall be deemed final and binding.

(c) *Claims involving Holders and Beneficial Owners.* By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each irrevocably agree that any legal suit, action or proceeding against or involving Holders or Beneficial Owners brought by the Company or the Depositary, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted in a state or federal court in New York, New York, and by holding or owning an ADR or ADS or an interest therein each irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each also irrevocably agree that any legal suit, action or proceeding against or involving the Depositary and/or the Company brought by Holders or Beneficial Owners, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, including, without limitation, claims under the Securities Act of 1933, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter

jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable). Notwithstanding the foregoing, subject to the federal securities law carve-out set forth in Section 20(d) below, the Depository may institute and/or refer any such suit, action or proceeding to arbitration in accordance with the provisions of this Deposit Agreement, and thereupon, any arbitral decision from such suit, action or proceeding shall be deemed final and binding.

(d) *Optional Arbitration.* Notwithstanding anything in this Deposit Agreement to the contrary, each of the parties hereto (*i.e.*, the Company, the Depository and all Holders and Beneficial Owners) agrees that: (i) the Depository may, in its sole discretion, elect to institute any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination (each, a “**Dispute**”; collectively, “**Disputes**”) against any other party or parties hereto (including, without limitation, Disputes brought against Holders and Beneficial Owners), by having the Dispute referred to and finally resolved by an arbitration conducted under the terms set out below, and (ii) the Depository may in its sole discretion require, by written notice to the relevant party or parties, that any Dispute brought by any party or parties hereto (including, without limitation, Disputes brought by Holders and Beneficial Owners) against the Depository be referred to and finally settled by an arbitration conducted under the terms set out below; provided however, notwithstanding the Depository’s written notice under this clause (ii), to the extent there are specific federal securities law violation aspects to any claims against the Company and/or the Depository brought by any Holder or Beneficial Owner, the federal securities law violation aspects of such claims brought by a Holder or Beneficial Owner against the Company and/or the Depository may, at the option of such Holder or Beneficial Owner, remain in federal or state court in New York, New York and all other aspects, claims, Disputes, legal suits, actions and/or proceedings brought by such Holder or Beneficial Owner against the Company and/or the Depository, including those brought along with, or in addition to, federal securities law violation claims, would be referred to arbitration in accordance herewith.

Any such arbitration shall, at the Depository’s election, be conducted either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) with the Hong Kong International Arbitration Centre serving as the appointing authority, in each case as amended by this Section 20(d), and the language of any such arbitration shall be English.

A notice of arbitration may be mailed to the Company at its address last

specified for notices under this Deposit Agreement, and, if applicable, to any Holders at their addresses on the ADR Register, which notice to any such Holder, for the avoidance of doubt, shall be deemed, for all purposes of the Deposit Agreement and the ADRs, including, without limitation, the arbitration provisions contained in this clause (d), to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs. In any case where the Depositary exercises its right to arbitrate hereunder, arbitration of the Dispute shall be mandatory and any pending litigation arising out of or related to such Dispute shall be stayed. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

Notwithstanding anything contained herein to the contrary, and for the avoidance of doubt, the Company and all Holders and Beneficial Owners from time to time of ADRs issued hereunder (and any persons owning or holding interests in ADSs) agree that any federal or state court in New York, New York, shall have jurisdiction to hear and determine proceedings related to the enforcement of this arbitration provision and any arbitration award by the arbitrators contemplated and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts.

Each of the parties hereto (*i.e.*, the Company, the Depositary and all Holders and Beneficial Owners) agrees not to challenge the terms and enforceability of this arbitration clause, including, but not limited to, any challenge based on lack of mutuality, and each such party hereby irrevocably waives any such challenge.

The number of arbitrators shall be three, each of whom shall (x) be disinterested in the Dispute, (y) have no connection with any party thereto, and (z) be an attorney experienced in international securities transactions. The Company and the Depositary shall each appoint one arbitrator, and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a Dispute shall involve more than two parties, the parties shall attempt to align themselves in two sides (*i.e.*, claimant and respondent), each of which shall appoint one arbitrator as if there were only two parties to such Dispute. If either or both parties fail to select an arbitrator, or if such alignment (in the event there are more than two parties) shall not have occurred, within thirty (30) days after the Depositary serves the arbitration demand or the two arbitrators fail to select a third arbitrator within thirty (30) days of the selection of the second arbitrator, the American Arbitration Association in the case of an arbitration in New York, or the Hong Kong International Arbitration Centre in the case of an arbitration in Hong Kong, shall appoint the remaining arbitrator or arbitrators in accordance with its rules. The parties and the American Arbitration Association and/or the Hong Kong International Arbitration Centre, as the case may be, may appoint the arbitrators from among the nationals of any country, whether or not the appointing party or any other party to the arbitration is a national of that country.

The arbitrators shall have no authority to award (A) damages against any party

not measured by the prevailing party's actual damages or (B) any consequential, special or punitive damages against any party and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Deposit Agreement.

In all cases, the fees of the arbitrators and other costs incurred by the parties in connection with such arbitration shall be paid by the party (or parties) that is (or are) unsuccessful in such arbitration.

No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or act in any arbitration in the interest of the general public or in a private attorney general capacity.

(e) Notwithstanding the foregoing or anything in this Deposit Agreement to the contrary, any suit, action or proceeding against the Company based on this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted by the Depository in any competent court in the Cayman Islands, the United States and/or any other court of competent jurisdiction, or, subject to the federal securities law carve-out set forth in Section 20(d) above, by the Depository through the commencement of an arbitration pursuant to Section 20(d) of this Deposit Agreement.

21. Agent for Service.

(a) *Appointment.* The Company has appointed Cogency Global Inc. (the "**Agent**") now at 122 East 42nd Street, 18th Floor, New York, NY 10168, as its authorized agent (the "**Authorized Agent**") upon which process and papers may be served in any such suit, action or proceeding arising out of or based on this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby which may be instituted in any state or federal court in New York, New York by the Depository or any Holder or by the Depository exercising its rights under Section 20(d) above, and waives any other requirements of or objections to personal jurisdiction with respect thereto. Subject to the Company's rights to replace the Authorized Agent with another entity in the manner required were the Authorized Agent to have resigned, such appointment shall be irrevocable.

(b) *Agent for Service of Process.* The Company represents and warrants that the Authorized Agent has agreed to act as said agent for service of process, and the Company agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. The Company further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any suit, action or proceeding against the Company, by service by mail of a copy thereof upon the Authorized Agent (whether or not the appointment of such

Authorized Agent shall for any reason prove to be ineffective or such Authorized Agent shall fail to accept or acknowledge such service), with a copy mailed to the Company by registered or certified air mail, postage prepaid, to its address provided in Section 16(b) hereof. The Company agrees that the failure of the Authorized Agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment or award rendered in any suit, action or proceeding based thereon. If, for any reason, the Authorized Agent named above or its successor shall no longer serve as agent of the Company to receive service of process, summons, notices, papers and documents in New York, the Company shall promptly appoint a successor that is a legal entity with offices in New York, New York, so as to serve and will promptly advise the Depository thereof.

(c) *Waiver of Personal Service of Process.* In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

22. Waiver of Immunities. To the extent that the Company or any of its properties, assets or revenues may have or may hereafter be entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, including any arbitration, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment or arbitration award, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or other matters under or arising out of or in connection with the Shares or Deposited Securities, the ADSs, the ADRs or this Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

23. Waiver of Jury Trial. EACH PARTY TO THIS DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH HOLDER AND BENEFICIAL OWNER OF, AND/OR HOLDER OF INTERESTS IN, ADSS OR ADRS) HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE DEPOSITARY AND/OR THE COMPANY DIRECTLY OR INDIRECTLY ARISING OUT OF, BASED ON OR RELATING IN ANY WAY TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE ADSs OR THE ADRs, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR ANY OTHER THEORY), INCLUDING, WITHOUT

LIMITATION, ANY SUIT, ACTION, CLAIM OR PROCEEDING UNDER THE UNITED STATES FEDERAL SECURITIES LAWS. No provision of this Deposit Agreement or any ADR is intended to constitute a waiver or limitation of any rights that a Holder or any Beneficial Owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

24. Amendment and Restatement of Prior Deposit Agreement. The Deposit Agreement amends and restates the Prior Deposit Agreement in its entirety to consist exclusively of the Deposit Agreement, and each Prior Receipt is hereby deemed amended and restated to substantially conform to the form of ADR set forth in Exhibit A annexed hereto, except that, to the extent any portion of such amendment and restatement imposes or increases any fees or charges different from those set forth herein (other than charges in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses), or otherwise materially prejudices any substantial existing right of Holders of Prior Receipts or Beneficial Owners of ADSs evidenced by such Prior Receipts, such portion shall not become effective as to such Holders or Beneficial Owners with respect to such Prior Receipt until thirty (30) days after such Holders shall have received notice thereof, such notice to be conclusively deemed given upon the mailing to such Holders of notice of such amendment and restatement which notice contains a provision whereby such Holders can receive a copy of the form of ADR.

[*Signature page follows*]

IN WITNESS WHEREOF, JOYY INC. and JPMORGAN CHASE BANK, N.A. have duly executed this Deposit Agreement as of the day and year first above set forth and all Holders and Beneficial Owners shall become parties hereto upon acceptance by them of ADSs issued in accordance with the terms hereof, or upon acquisition of any beneficial interest therein.

JOYY INC.

By: /s/ Alex Fuyong Liu

Name: Alex Fuyong Liu

Title: Vice President of Finance

JPMORGAN CHASE BANK, N.A.

By: /s/ Gregory A. Levendis

Name: Gregory A. Levendis

Title: Executive Director

[Signature Page to Deposit Agreement]

EXHIBIT A
ANNEXED TO AND INCORPORATED IN
DEPOSIT AGREEMENT

[FORM OF FACE OF ADR]

Number

No. of ADSs:

Each ADS represents
Twenty (20) Shares

CUSIP:

AMERICAN DEPOSITARY RECEIPT

evidencing

AMERICAN DEPOSITARY SHARES

representing

CLASS A COMMON SHARES

of

JOYY INC.

(Incorporated under the laws of the Cayman Islands)

JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America, as depositary hereunder (in such capacity, the “**Depository**”), hereby certifies that _____ is the registered owner (a “**Holder**”) of _____ American depositary shares (“**ADSs**”), each (subject to paragraph (13) (*Changes Affecting Deposited Securities*)) representing class A common shares (including the rights to receive Shares described in paragraph (1) (*Issuance of ADSs*), “**Shares**” and, together with any other securities, cash or property from time to time held by the Depository in respect or in lieu of deposited Shares, the “**Deposited Securities**”), of JOYY Inc., a company incorporated under the laws of the Cayman Islands (the “**Company**”), deposited under the Second Amended and Restated Deposit Agreement, dated as of February 21, 2025 (as amended from time to time, the “**Deposit Agreement**”), among the Company, the Depository and all Holders and Beneficial Owners from time to time of American

Depository Receipts issued thereunder (“**ADRs**”), each of whom by accepting an ADR becomes a party thereto. The Deposit Agreement and this ADR (which includes the provisions set forth on the reverse hereof) shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to the application of the conflict of law principles thereof. All capitalized terms used herein, and not defined herein, shall have the meanings ascribed to such terms in the Deposit Agreement.

(1) Issuance of ADSs.

(a) *Issuance.* This ADR is one of the ADRs issued under the Deposit Agreement. Subject to the other provisions hereof, the Depository may so issue ADRs for delivery at the Transfer Office only against deposit of: (i) Shares in a form satisfactory to the Custodian; or (ii) rights to receive Shares from the Company or any registrar, transfer agent, clearing agent or other entity recording Share ownership or transactions. At the request, risk and expense of the person depositing Shares or rights to receive Shares, the Depository may accept such Shares and/or deposits for forwarding to the Custodian and may deliver ADRs at a place other than its office.

(b) *Lending.* In its capacity as Depository, the Depository shall not lend Shares or ADSs.

(c) *Representations and Warranties of Depositors.* Every person depositing Shares under the Deposit Agreement represents and warrants that:

- (i) such Shares and the certificates therefor are duly authorized, validly issued and outstanding, fully paid, nonassessable and legally obtained by such person,
- (ii) all pre-emptive and comparable rights, if any, with respect to such Shares have been validly waived or exercised,
- (iii) the person making such deposit is duly authorized so to do,
- (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim and
- (v) such Shares (A) are not “restricted securities” as such term is defined in Rule 144 under the Securities Act of 1933 (“**Restricted Securities**”) unless at the time of deposit the requirements of paragraphs (c), (e), (f) and (h) of Rule 144 shall not apply and such Shares may be freely transferred and may otherwise be offered and sold freely in the United States or (B) have been registered under the Securities Act of 1933. To the extent the

person depositing Shares is an “affiliate” of the Company as such term is defined in Rule 144, the person also represents and warrants that upon the sale of the ADSs, all of the provisions of Rule 144 that enable the Shares to be freely sold (in the form of ADSs) will be fully complied with and, as a result thereof, all of the ADSs issued in respect of such Shares will not be on the sale thereof, Restricted Securities.

Such representations and warranties shall survive the deposit and withdrawal of Shares and the issuance and cancellation of ADSs in respect thereof and the transfer of such ADSs. If any of the representations or warranties are incorrect in any way, the Company and the Depositary may, at the cost of the breaching Holder (including, without limitation, any Holder acting on behalf of a third party) and/or Beneficial Owner, take any and all actions necessary to correct the consequences of such misrepresentation.

(d) The Depositary may refuse to accept for such deposit any Shares identified by the Company in order to facilitate compliance with the requirements of the securities laws, rules and regulations of the United States, including, without limitation, the Securities Act of 1933 and the rules and regulations made thereunder.

(2) **Withdrawal of Deposited Securities.** Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*), (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*) and (7) (*Charges of Depositary*) and to the provisions of or governing the Deposited Securities (including, without limitation, the Company’s governing documents and all applicable laws, rules and regulations), upon surrender of (a) a certificated ADR in a form satisfactory to the Depositary at the Transfer Office or (b) proper instructions and documentation in the case of a Direct Registration ADR, the Holder hereof is entitled to delivery at the Custodian’s office (or from the Custodian to the extent dematerialized) of the Deposited Securities at the time represented by the ADSs evidenced by this ADR. At the request, risk and expense of the Holder hereof, the Depositary may deliver such Deposited Securities (including any certificates therefor) at such other place as may have been requested by the Holder. Notwithstanding any other provision of the Deposit Agreement or this ADR, the withdrawal of Deposited Securities may be restricted only for the reasons set forth in General Instruction I.A.(1) of Form F-6 (as such instructions may be amended from time to time) under the Securities Act of 1933.

(3) **Transfers, Split-Ups and Combinations of ADRs.** The Depositary or its agent will keep, at a designated transfer office (the “**Transfer Office**”), (a) a register (the “**ADR Register**”) for the registration, registration of transfer, combination and split-up of ADRs, and, in the case of Direct Registration ADRs, shall include the Direct Registration System, which at all reasonable times will be open for inspection by Holders and the Company for the purpose of communicating with Holders in the

interest of the business of the Company or a matter relating to the Deposit Agreement and (b) facilities for the delivery and receipt of ADRs. The term ADR Register includes the Direct Registration System. Title to this ADR (and to the Deposited Securities represented by the ADSs evidenced hereby), when properly endorsed (in the case of ADRs in certificated form) and/or upon delivery to the Depository of proper instruments of transfer, is transferable by delivery with the same effect as in the case of negotiable instruments under the laws of the State of New York; provided that the Depository, notwithstanding any notice to the contrary, may treat the person in whose name this ADR is registered on the ADR Register as the absolute owner hereof for all purposes and neither the Depository nor the Company will have any obligation or be subject to any liability under the Deposit Agreement or any ADR to any Beneficial Owner, unless such Beneficial Owner is the Holder hereof. Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer, etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*), this ADR is transferable on the ADR Register and may be split into other ADRs or combined with other ADRs into one ADR, evidencing the aggregate number of ADSs surrendered for split-up or combination, by the Holder hereof or by duly authorized attorney upon surrender of this ADR at the Transfer Office properly endorsed (in the case of ADRs in certificated form) or upon delivery to the Depository of proper instruments of transfer and duly stamped as may be required by applicable law; provided that the Depository may close the ADR Register (and/or any portion thereof) at any time or from time to time when deemed expedient by it. At the request of a Holder, the Depository shall, for the purpose of substituting a certificated ADR with a Direct Registration ADR, or vice versa, execute and deliver a certificated ADR or a Direct Registration ADR, as the case may be, for any authorized number of ADSs requested, evidencing the same aggregate number of ADSs as those evidenced by the certificated ADR or Direct Registration ADR, as the case may be, substituted.

(4) **Certain Limitations to Registration, Transfer, etc.** Prior to the issue, registration, registration of transfer, split-up or combination of any ADR, the delivery of any distribution in respect thereof, or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the withdrawal of any Deposited Securities, and from time to time in the case of clause (b)(ii) of this paragraph (4), the Company, the Depository or the Custodian may require:

(a) payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of Shares or other Deposited Securities upon any applicable register and (iii) any applicable charges as provided in paragraph (7) (*Charges of Depository*) of this ADR;

(b) the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance

with applicable law, regulations, provisions of or governing Deposited Securities and terms of the Deposit Agreement and this ADR, as it may deem necessary or proper; and

(c) compliance with such regulations as the Depositary may establish consistent with the Deposit Agreement or as the Depositary believes are required, necessary or advisable in order to comply with applicable laws, rules and regulations.

The issuance of ADRs, the acceptance of deposits of Shares, the registration, registration of transfer, split-up or combination of ADRs or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the withdrawal and delivery of Deposited Securities may be suspended, generally or in particular instances, when the ADR Register or any register for Deposited Securities is closed or when any such action is deemed required, necessary or advisable by the Depositary for any reason.

(5) Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges.

(a) *Liability for Taxes.* If any tax or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the Custodian or the Depositary with respect to this ADR, any Deposited Securities represented by the ADSs evidenced hereby or any distribution thereon, including, without limitation, any Chinese enterprise income tax owed if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation (SAT) or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise, such tax or other governmental charge shall be paid by the Holder hereof to the Depositary and by holding or owning, or having held or owned, this ADR or any ADSs evidenced hereby, the Holder and all Beneficial Owners hereof and thereof, and all prior Holders and Beneficial Owners hereof and thereof, jointly and severally, agree to indemnify, defend and save harmless each of the Depositary and its agents in respect of such tax or other governmental charge.

Neither the Depositary, nor any of its agents, shall be liable to Holders or Beneficial Owners of the ADSs and ADRs for failure of any of them to comply with applicable tax laws, rules and/or regulations.

Notwithstanding the Depositary's right to seek payment from current and former Holders and Beneficial Owners, the Holder(s) and Beneficial Owner(s) hereof (and all prior Holder(s) and Beneficial Owner(s) hereof) acknowledge and agree that the Depositary has no obligation to seek payment of amounts owing under this paragraph (5) from any current or former Beneficial Owner.

The Depositary may refuse to effect any registration, registration of transfer,

split-up or combination hereof or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), any withdrawal of such Deposited Securities until such payment is made.

The Depository may also deduct from any distributions on or in respect of Deposited Securities, or may sell by public or private sale for the account of the Holder hereof any part or all of such Deposited Securities, and may apply such deduction or the proceeds of any such sale in payment of such tax or other governmental charge, the Holder hereof remaining liable for any deficiency, and shall reduce the number of ADSs evidenced hereby to reflect any such sales of Shares. In connection with any distribution to Holders, the Company will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Company; and the Depository and the Custodian will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Depository or the Custodian.

If the Depository determines that any distribution in property other than cash (including Shares or rights) on Deposited Securities is subject to any tax that the Depository or the Custodian is obligated to withhold, the Depository may dispose of all or a portion of such property in such amounts and in such manner as the Depository deems necessary and practicable to pay such taxes, by public or private sale, and the Depository shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such taxes to the Holders entitled thereto.

(b) *Indemnification Related to Taxes.* Each Holder and Beneficial Owner agrees to indemnify the Depository, the Company, the Custodian and any of their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained which obligations shall survive any transfer or surrender of ADSs or the termination of the Deposit Agreement.

(6) Disclosure of Interests.

(a) *General.* To the extent that the provisions of or governing any Deposited Securities may require disclosure of or impose limits on beneficial or other ownership of, or interest in, Deposited Securities, other Shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, Holders and Beneficial Owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable Company instructions in respect thereof.

(b) *Jurisdiction Specific.*

Any summary of the laws and regulations of the Cayman Islands and of the terms of the Company's constituent documents has been provided by the Company solely for the convenience of Holders, Beneficial Owners and the Depositary. While such summaries are believed by the Company to be accurate as of the date of the Deposit Agreement, they are (i) summaries and as such may not include all aspects of the materials summarized as applicable to a Holder or Beneficial Owner, and (ii) provided by the Company as of the date of the Deposit Agreement. The Holder or Beneficial Owner acknowledges that these laws and regulations and the Company's constituent documents may change after the date of the Deposit Agreement. Neither the Depositary nor the Company has any obligation to update any such summaries.

(7) Charges of Depositary.

(a) *Rights of the Depositary.* The Depositary may charge, and collect from, (i) each person to whom ADSs are issued, including, without limitation, issuances against deposits of Shares, issuances in respect of Share Distributions, Rights and Other Distributions (as such terms are defined in paragraph (10) (*Distributions on Deposited Securities*)), issuances pursuant to a stock dividend or stock split declared by the Company, or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or the Deposited Securities, and (ii) each person surrendering ADSs for withdrawal of Deposited Securities or whose ADSs are cancelled or reduced for any other reason, a fee of up to U.S.\$5.00 for each 100 ADSs (or portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a Share Distribution or elective distribution is made or offered (as the case may be). The Depositary may sell (by public or private sale) sufficient securities and property received in respect of Share Distributions, Rights and Other Distributions prior to such deposit to pay such charge.

(b) *Additional Fees, Charges and Expenses by the Depositary.* The following additional fees, charges and expenses shall also be incurred by the Holders, the Beneficial Owners, by any party depositing or withdrawing Shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuances pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the ADSs or the Deposited Securities or a distribution of ADSs pursuant to paragraph (10) (*Distributions on Deposited Securities*)), whichever is applicable:

- (i) a fee of up to U.S.\$0.05 per ADS held for any Cash distribution made, or for any elective cash/stock dividend offered, pursuant to the Deposit Agreement,
- (ii) a fee of up to U.S.\$0.05 per ADS held for the direct or indirect distribution of securities (other than ADSs or rights to purchase additional ADSs pursuant to paragraph (10) hereof) or the net cash

proceeds from the public or private sale of any such securities, regardless of whether any such distribution and/or sale is made by, for, or received from, or (in each case) on behalf of, the Depositary, the Company and/or any third party (which fee may be assessed against Holders as of a record date set by the Depositary),

- (iii) an aggregate fee of up to U.S.\$0.05 per ADS per calendar year (or portion thereof) for services performed by the Depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against Holders as of the record date or record dates set by the Depositary during each calendar year and shall be payable at the sole discretion of the Depositary by billing such Holders or by deducting such charge from one or more cash dividends or other cash distributions), and
- (iv) an amount for the reimbursement of such charges and expenses as are incurred by the Depositary and/or any of its agents (including, without limitation, the Custodian, as well as charges and expenses incurred on behalf of Holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the Shares or other Deposited Securities, the sale of securities (including, without limitation, Deposited Securities), the delivery of Deposited Securities or otherwise in connection with the Depositary's or its Custodian's compliance with applicable law, rule or regulation (which charges and expenses may be assessed on a proportionate basis against Holders as of the record date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such Holders or by deducting such charge or expense from one or more cash dividends or other cash distributions).

(c) *Other Obligations, Fees, Charges and Expenses.* The Company will pay all other fees, charges and expenses of the Depositary and any agent of the Depositary (except the Custodian) pursuant to agreements from time to time between the Company and the Depositary, except:

- (i) stock transfer or other taxes and other governmental charges (which are payable by Holders or persons depositing Shares);
- (ii) a transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication) as disclosed on the

“Disclosures” page (or successor page) of www.adr.com (as updated by the Depositary from time to time, “**ADR.com**”) and any applicable delivery expenses (which are payable by such persons or Holders); and

- (iii) transfer or registration expenses for the registration or transfer of Deposited Securities on any applicable register in connection with the deposit or withdrawal of Deposited Securities (which are payable by persons depositing Shares or Holders withdrawing Deposited Securities).

(d) *Foreign Exchange Related Matters.* To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the Depositary may engage the foreign exchange desk within JPMorgan Chase Bank, N.A. (the “**Bank**”) and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars (“**FX Transactions**”). For certain currencies, FX Transactions are entered into with the Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, FX Transactions are routed directly to and managed by an unaffiliated local custodian (or other third-party local liquidity provider), and neither the Bank nor any of its affiliates is a party to such FX Transactions.

The foreign exchange rate applied to an FX Transaction will be either (i) a published benchmark rate, or (ii) a rate determined by a third-party local liquidity provider, in each case plus or minus a spread, as applicable. The Depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the “Disclosures” page (or successor page) of ADR.com. Such applicable foreign exchange rate and spread may (and neither the Depositary, the Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the FX Transaction. Additionally, the timing of execution of an FX Transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on the Company, the Depositary, Holders or Beneficial Owners. The spread applied does not reflect any gains or losses that may be earned or incurred by the Bank and its affiliates as a result of risk management or other hedging related activity.

Notwithstanding the foregoing, to the extent the Company provides U.S. dollars to the Depositary, neither the Bank nor any of its affiliates will execute an FX

Transaction as set forth herein. In such case, the Depositary will distribute the U.S. dollars received from the Company.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of FX Transactions will be provided by the Depositary on ADR.com. The Company, Holders and Beneficial Owners each acknowledge and agree that the terms applicable to FX Transactions disclosed from time to time on ADR.com will apply to any FX Transaction executed pursuant to the Deposit Agreement.

(e) The right of the Depositary to charge and receive payment of fees, charges and expenses as provided above shall survive the termination of the Deposit Agreement. Upon the resignation or removal of the Depositary, such right shall extend for those fees, charges and expenses incurred prior to the effectiveness of such resignation or removal.

(f) *Disclosure of Potential Depositary Payments.* The Depositary anticipates reimbursing the Company for certain expenses incurred by the Company that are related to the establishment and maintenance of the ADR program upon such terms and conditions as the Company and the Depositary may agree from time to time. The Depositary may make available to the Company a set amount or a portion of the Depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as the Company and the Depositary may agree from time to time.

(g) Under certain limited circumstances the Depositary may reduce or waive certain fees, charges and expenses provided herein and in the Deposit Agreement, including, without limitation, those described in this paragraph (7) that would normally be charged on ADSs issued to or at the direction of, or otherwise held by, the Company and/ or certain Holders and Beneficial Owners and holders and beneficial owners of Shares of the Company.

(8) **Available Information.** The Deposit Agreement, the provisions of or governing Deposited Securities and any written communications from the Company, which are both received by the Custodian or its nominee as a holder of Deposited Securities and made generally available to the holders of Deposited Securities, are available for inspection by Holders at the offices of the Depositary in the United States, on the Commission's Internet Website or upon request to the Depositary (which request may be refused by the Depositary at its discretion). The Depositary will distribute copies of such communications (or English translations or summaries thereof) to Holders when furnished by the Company.

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and accordingly files certain reports with the Commission. These reports can be inspected and retrieved by Holders and Beneficial Owners through the EDGAR system on the Commission's Internet Website located as of

the date of the Deposit Agreement at www.sec.gov and can be inspected and copied at the public reference facilities maintained by the Commission, located (as of the date of the Deposit Agreement) at 100 F Street, N.E., Washington, D.C. 20549. Each Holder and Beneficial Owner of an ADR and/or interest therein by so holding or owning an ADR and/or an interest therein, acknowledges and agrees that the Depository (i) is relying, and may so rely, solely on the Company's representations, warranties, covenants and agreements in Section 13(a) of the Deposit Agreement and this paragraph (8) of the form of ADR (*Available Information*), (ii) does not assume any duty or responsibility to determine if the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934, and (iii) may, and is expressly authorized by each Holder and Beneficial Owner of an ADR and/or an interest therein to, represent, warrant and certify that, based on such ongoing representations, warranties, covenants and agreements of the Company, the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934.

(9) **Execution.** This ADR shall not be valid for any purpose unless executed by the Depository by the manual or facsimile signature of a duly authorized officer of the Depository.

Dated:

JPMORGAN CHASE BANK, N.A., as Depository

By _____
Authorized Officer

The Depository's office is located at 383 Madison Avenue, Floor 11, New York, New York 10179.

[FORM OF REVERSE OF ADR]

(10) Distributions on Deposited Securities; Sales. Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and other Charges*), to the extent practicable, the Depositary will distribute to each Holder entitled thereto on the record date set by the Depositary therefor at such Holder's address shown on the ADR Register, in proportion to the number of Deposited Securities (on which the following distributions on Deposited Securities are received by the Custodian) represented by ADSs evidenced by such Holder's ADRs:

(a) *Cash.* Any U.S. dollars available to the Depositary resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof authorized in this paragraph (10) ("**Cash**"), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being permissible or practicable with respect to certain Holders, and (iii) deduction of the Depositary's and/or its agents' fees and expenses in (1) converting any foreign currency to U.S. dollars by sale or in such other manner as the Depositary may determine to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the Depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner.

To the extent that any of the Deposited Securities is not or shall not be entitled, by reason of its date of issuance, or otherwise, to receive the full amount of such cash dividend, distribution, or net proceeds of sales, the Depositary shall make appropriate adjustments in the amounts distributed to the Holders issued in respect of such Deposited Securities. To the extent the Company or the Depositary shall be required to withhold and does withhold from any cash dividend, distribution or net proceeds from sales in respect of any Deposited Securities an amount on account of taxes, the amount distributed on the ADSs issued in respect of such Deposited Securities shall be reduced accordingly.

To the extent the Depositary determines in its discretion that it would not be permitted by applicable law, rule or regulation, or it would not otherwise be practicable, to convert foreign currency into U.S. dollars and/or distribute such U.S. dollars to any or all of the Holders entitled thereto, the Depositary may in its discretion distribute some or all of the foreign currency received by the Depositary as it deems permissible and practicable to, or retain and hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of,

the Holders entitled to receive the same.

(b) *Shares.* (i) Additional ADRs evidencing whole ADSs representing any Shares available to the Depositary resulting from a dividend or free distribution on Deposited Securities consisting of Shares (a “**Share Distribution**”) and (ii) U.S. dollars available to it resulting from the net proceeds of public or private sales of Shares received in a Share Distribution, which Shares would give rise to fractional ADSs if additional ADRs were issued therefor, as in the case of Cash.

(c) *Rights.* (i) Warrants or other instruments in the discretion of the Depositary representing rights to acquire additional ADRs in respect of any rights to subscribe for additional Shares or rights of any nature available to the Depositary as a result of a distribution on Deposited Securities (“**Rights**”), to the extent that the Company timely furnishes to the Depositary evidence satisfactory to the Depositary that the Depositary may lawfully distribute the same (the Company has no obligation to so furnish such evidence), or (ii) to the extent the Company does not so furnish such evidence and sales of Rights are practicable, any U.S. dollars available to the Depositary from the net proceeds of the public or private sales of Rights as in the case of Cash, or (iii) to the extent the Company does not so furnish such evidence and/or such sales cannot practicably be accomplished by reason of the non-transferability of the Rights, limited markets therefor, their short duration or otherwise, nothing (and any Rights may lapse).

(d) *Other Distributions.* (i) Securities or property available to the Depositary resulting from any distribution on Deposited Securities other than Cash, Share Distributions and Rights (“**Other Distributions**”), by any means that the Depositary may deem equitable and practicable, or (ii) to the extent the Depositary deems distribution of such securities or property not to be equitable and practicable, any U.S. dollars available to the Depositary from the net proceeds of public or private sales of Other Distributions as in the case of Cash.

(e) To the extent that the Depositary determines in its discretion that any distribution pursuant to this paragraph (10) (*Distributions on Deposited Securities*) would not be permissible by applicable law, rule or regulation, or is not otherwise practicable with respect to any or all Holders, the Depositary may in its discretion make such distribution as it so deems permissible and practicable, including the distribution of some or all of any Cash, foreign currency, securities or other property (or appropriate documents evidencing the right to receive some or all of any such Cash, foreign currency, securities or other property), and/or the Depositary may retain and hold some or all of such Cash, foreign currency, securities or other property as Deposited Securities with respect to the applicable Holders’ ADRs (without liability for interest thereon or the investment thereof).

(f) To the extent the Depositary retains and holds any Cash, foreign currency, securities or other property as permitted under this paragraph (10)

(Distributions on Deposited Securities), any and all fees, charges and expenses related to, or arising from, the holding thereof (including, but not limited to those provided in paragraph (7) of this form of ADR (*Charges of Depositary*)) shall be paid from such Cash, foreign currency, securities or other property, or the net proceeds from the sale thereof, thereby reducing the amount so held hereunder.

(g) *Sales*. In all instances where the Deposit Agreement or the form of ADR refers to a “sale” (or words of similar import) of securities or property, the Depositary may, but shall not be obligated, to effect any such sale unless the securities to be sold are listed and publicly traded on a securities exchange or there is a public market for the property to be sold. To the extent the securities are not so listed and publicly traded or there is no public market for the property so distributed by the Company:

(i) the Depositary shall, in the event the Deposit Agreement is terminated and the Depositary holds Deposited Securities that are not listed and publicly traded or property for which there is no public market after the Termination Date, act in accordance with paragraph (17)(b) of the form of ADR in respect of such securities and property; and

(ii) in the event the Depositary or its Custodian receives (A) an Other Distribution under paragraph (10) consisting of securities or property that are not distributed by the Depositary pursuant to this paragraph (10) or (B) a distribution of Rights that falls under subparagraph (10)(c)(iii) above, the Depositary will not terminate the Deposit Agreement under paragraph (17)(a)(ii)(D) of the form of ADR but, in lieu of termination, the Depositary will, in the case of an Other Distribution, be deemed to have sold the aggregate number of securities and/or property so received for nominal value and shall have no obligation to distribute such securities or any proceeds from the deemed sale thereof to the Holders and, in the case of Rights that fall under subparagraph (10)(c)(iii) above, allow such Rights to lapse.

Furthermore, in the event the Depositary endeavors to make a sale of Shares, other securities or property, such securities and/or property may be sold in a block sale or single lot transaction.

The Depositary reserves the right to utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities and/or property hereunder. Such division, branch and/or affiliate may charge the Depositary a fee in connection with such sales, which fee is considered an expense of the Depositary contemplated above and/or under paragraph (7) (*Charges of Depositary*). All purchases and sales of securities will be handled by the Depositary in accordance with its then current policies, which are currently set forth on the “Disclosures” page (or successor page) of ADR.com, the location and contents of which the Depositary shall be solely responsible for.

(h) Any U.S. dollars available will be paid via wire transfer and/or

distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the Depositary in accordance with its then current practices.

(11) **Record Dates.** The Depositary may, after consultation with the Company if practicable, fix a record date (which, to the extent applicable, shall be as near as practicable to any corresponding record date set by the Company) for the determination of the Holders who shall be responsible for the fee assessed by the Depositary for administration of the ADR program and for any expenses provided for in paragraph (7) hereof as well as for the determination of the Holders who shall be entitled to receive any distribution on or in respect of Deposited Securities, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such Holders shall be so entitled or obligated.

(12) **Voting of Deposited Securities.**

(a) *Notice of Any Meeting or Solicitation.* As soon as practicable after receipt of notice of any meeting at which the holders of Shares are entitled to vote, or of solicitation of consents or proxies from holders of Shares or other Deposited Securities, the Depositary shall fix the ADS record date in accordance with paragraph (11) above provided that if the Depositary receives a written request from the Company in a timely manner and at least thirty (30) days prior to the date of such vote or meeting, the Depositary shall, at the Company's expense, distribute to Holders a notice (the "**Voting Notice**") stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each Holder on the record date set by the Depositary will, subject to any applicable provisions of the laws of the Cayman Islands, be entitled to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by the ADSs evidenced by such Holder's ADRs and (iii) the manner in which such instructions may be given or deemed given in accordance with paragraph 12(b)(ii) below, including instructions to give a discretionary proxy to a person designated by the Company. Each Holder shall be solely responsible for the forwarding of Voting Notices to the Beneficial Owners of ADSs registered in such Holder's name. There is no guarantee that Holders and Beneficial Owners generally or any Holder or Beneficial Owner in particular will receive the notice described above with sufficient time to enable such Holder or Beneficial Owner to return any voting instructions to the Depositary in a timely manner.

(b) *Voting of Deposited Securities.*

(i) Following actual receipt by the ADR department responsible for proxies and voting of Holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for DTC), the Depositary shall, in the manner and on or before the time established by the Depositary for such purpose, endeavor to vote or cause to be voted the Deposited Securities represented

by the ADSs evidenced by such Holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing Deposited Securities. The Depositary will not itself exercise any voting discretion in respect of any Deposited Securities.

(ii) To the extent that (A) the Depositary has been provided with at least thirty-five (35) days' notice of the proposed meeting from the Company, (B) the Voting Notice will be received by all Holders and Beneficial Owners no less than ten (10) days prior to the date of the meeting and/or the cut-off date for the solicitation of consents, and (C) the Depositary does not receive instructions on a particular agenda item from a Holder (including, without limitation, any entity or entities acting on behalf of the nominee for DTC) in a timely manner, such Holder shall be deemed, and the Depositary is instructed to deem such Holder, to have instructed the Depositary to give a discretionary proxy for such agenda item(s) to a person designated by the Company to vote the Deposited Securities represented by the ADSs for which actual instructions were not so given by all such Holders on such agenda item(s), *provided that* no such instruction shall be deemed given and no discretionary proxy shall be given unless (1) the Company informs the Depositary in writing that (a) it wishes such proxy to be given with respect to such agenda item(s), (b) there is no substantial opposition existing with respect to such agenda item(s) and (c) such agenda item(s), if approved, would not materially or adversely affect the rights of holders of Shares, and (2) the Depositary has obtained an opinion of counsel, in form and substance satisfactory to the Depositary, confirming that (i) the granting of such discretionary proxy does not subject the Depositary to any reporting obligations in the Cayman Islands, (ii) the granting of such proxy will not result in a violation of the laws, rules, regulations or permits of the Cayman Islands, (iii) the voting arrangement and deemed instruction as contemplated herein will be given effect under the laws, rules and regulations of the Cayman Islands, and (iv) the granting of such discretionary proxy will not under any circumstances result in the Shares represented by the ADSs being treated as assets of the Depositary under the laws, rules or regulations of the Cayman Islands.

(iii) The Depositary may from time to time access information available to it to consider whether any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above exist, or request additional information from the Company in respect thereto. By taking any such action, the Depositary shall not in any way be deemed or inferred to have been required, or have had any duty or responsibility (contractual or otherwise), to monitor or inquire whether any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above existed. In addition to the limitations provided for in paragraph (14) hereof, Holders and Beneficial Owners are advised and agree that (a) the Depositary will rely fully and exclusively on the Company to inform the Depositary of any of the circumstances set forth in (1) of subsection (ii) above, and (b) neither the Depositary, the Custodian nor any of their respective agents shall be obliged to inquire or investigate whether any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above exist and/or

whether the Company complied with its obligation to timely inform the Depositary of such circumstances. Neither the Depositary, the Custodian nor any of their respective agents shall incur any liability to Holders or Beneficial Owners (i) as a result of the Company's failure to determine that any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above exist or its failure to timely notify the Depositary of any such circumstances or (ii) if any agenda item which is approved at a meeting has, or is claimed to have, a material or adverse effect on the rights of holders of Shares. Because there is no guarantee that Holders and Beneficial Owners will receive the notices described above with sufficient time to enable such Holders or Beneficial Owners to return any voting instructions to the Depositary in a timely manner, Holders and Beneficial Owners may be deemed to have instructed the Depositary to give a discretionary proxy to a person designated by the Company in such circumstances, and neither the Depositary, the Custodian nor any of their respective agents shall incur any liability to Holders or Beneficial Owners in such circumstances.

(c) *Alternative Methods of Distributing Materials.* Notwithstanding anything contained in the Deposit Agreement or any ADR, the Depositary may, to the extent not prohibited by any law, rule or regulation or by the rules, regulations or requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the Depositary in connection with any meeting of or solicitation of consents or proxies from holders of Deposited Securities, distribute to the Holders a notice that provides Holders with or otherwise publicizes to Holders instructions on how to retrieve such materials or receive such materials upon request (*i.e.*, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials). Holders are strongly encouraged to forward their voting instructions as soon as possible. Voting instructions will not be deemed received until such time as the ADR department responsible for proxies and voting has received such instructions, notwithstanding that such instructions may have been physically received by JPMorgan Chase Bank, N.A., as Depositary, prior to such time.

(d) *Manner of Voting.* The Depositary has been advised by the Company that under Cayman Islands law and the Memorandum and Articles of Association of the Company, each as in effect as of the date of the Deposit Agreement, voting at any meeting of shareholders of the Company is by show of hands unless a poll is (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with the Memorandum and Articles of Association, the Depositary will refrain from voting and the voting instructions received by the Depositary from Holders shall lapse. The Depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by Holders of ADSs.

(13) Changes Affecting Deposited Securities.

(a) Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*), the Depositary may, in its discretion, and shall if reasonably requested by the Company, amend this ADR or distribute additional or amended ADRs (with or without calling this ADR for exchange) or cash, securities or property on the record date set by the Depositary therefor to reflect any change in par value, split-up, consolidation, cancellation or other reclassification of Deposited Securities, any Share Distribution or Other Distribution not distributed to Holders or any cash, securities or property available to the Depositary in respect of Deposited Securities from (and the Depositary is hereby authorized to surrender any Deposited Securities to any person and, irrespective of whether such Deposited Securities are surrendered or otherwise cancelled by operation of law, rule, regulation or otherwise, to sell by public or private sale any property received in connection with) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all the assets of the Company.

(b) To the extent the Depositary does not so amend this ADR or make a distribution to Holders to reflect any of the foregoing, or the net proceeds thereof, whatever cash, securities or property results from any of the foregoing shall constitute Deposited Securities and each ADS evidenced by this ADR shall automatically represent its pro rata interest in the Deposited Securities as then constituted.

(c) Promptly upon the occurrence of any of the aforementioned changes affecting Deposited Securities, the Company shall notify the Depositary in writing of such occurrence and as soon as practicable after receipt of such notice from the Company, may instruct the Depositary to give notice thereof, at the Company's expense, to Holders in accordance with the provisions hereof. Upon receipt of such instruction, the Depositary shall give notice to the Holders in accordance with the terms thereof, as soon as reasonably practicable.

(14) Exoneration.

(a) *Force Majeure, Limitations on Liability and Obligations.* The Depositary, the Company, and each of their respective directors, officers, employees, agents and affiliates and each of them shall:

- (i) incur or assume no liability (including, without limitation, to Holders or Beneficial Owners) (A) if any present or future law, rule, regulation, fiat, order or decree of the Cayman Islands, Hong Kong, the People's Republic of China, the United States or any other country or jurisdiction, or of any governmental or regulatory authority or any securities exchange or market or automated quotation system, the provisions of or governing any Deposited Securities, any present or future provision of the Company's charter, any act of God, war,

terrorism, epidemic, pandemic, nationalization, expropriation, currency restrictions, extraordinary market conditions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, cyber, ransomware or malware attack, computer failure or circumstance beyond its direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the Deposit Agreement or this ADR provides shall be done or performed by it or them (including, without limitation, voting pursuant to paragraph (12) hereof), or (B) by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the Deposit Agreement it is provided shall or may be done or performed or any exercise or failure to exercise any discretion given it in the Deposit Agreement or this ADR (including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable);

- (ii) incur or assume no liability (including, without limitation, to Holders or Beneficial Owners) except to perform its obligations to the extent they are specifically set forth in this ADR and the Deposit Agreement without gross negligence or willful misconduct and the Depositary shall not be a fiduciary or have any fiduciary duty to Holders or Beneficial Owners;
- (iii) in the case of the Depositary and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the ADSs or this ADR;
- (iv) in the case of the Company and its agents hereunder be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the ADSs or this ADR, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required; and
- (v) not be liable (including, without limitation, to Holders or Beneficial Owners) for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, any person presenting Shares for deposit, any Holder, or any other person believed by it to be competent to give such advice or information and/or, in the case of the Depositary, the Company.

(b) *Insolvency, Liability, etc., of Custodian, Securities Depository, Clearing Agency or Settlement System.* The Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any Custodian that is not a branch or affiliate of JPMorgan Chase Bank, N.A.

Notwithstanding anything to the contrary contained in the Deposit Agreement (including the ADRs) and, subject to the further limitations set forth in clause (q) of this paragraph (14), the Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the Custodian except to the extent that any Holder has incurred liability directly as a result of the Custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the Depositary or (ii) failed to use reasonable care in the provision of custodial services to the Depositary as determined in accordance with the standards prevailing in the jurisdiction in which the Custodian is located.

The Depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system.

(c) The Depositary, its agents and the Company may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by them to be genuine and to have been signed, presented or given by the proper party or parties.

(d) The Depositary shall be under no obligation to inform Holders or Beneficial Owners about the requirements of the laws, rules or regulations or any changes therein or thereto of the Cayman Islands, Hong Kong, the People's Republic of China, the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

(e) The Depositary and its agents will not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, for the manner in which any voting instructions are given or deemed to be given in accordance with paragraph 12(b) hereof, including instructions to give a discretionary proxy to a person designated by the Company, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the Depositary is instructed to grant a discretionary proxy pursuant to paragraph (12) hereof or deemed to have been instructed to grant a discretionary proxy pursuant to paragraph (12)(b) hereof, or for the effect of any such vote.

(f) The Depositary shall endeavor to effect any sale of securities or other property and any conversion of currency, securities or other property, in each case as is referred to or contemplated in the Deposit Agreement or the form of ADR, in accordance with the Depositary's normal practices and procedures under the circumstances applicable to such sale or conversion, but shall have no liability (in the absence of its own willful default or gross negligence or that of its agents, officers, directors or employees) with respect to the terms of any such sale or conversion, including the price at which such sale or conversion is effected, or if such sale or conversion shall not be practicable, or shall not be believed, deemed or determined to be practicable by the Depositary. Specifically, the Depositary shall not have any

liability for the price received in connection with any public or private sale of securities (including, without limitation, for any sale made at a nominal price), the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

(g) The Depositary shall not incur any liability in connection with or arising from any failure, inability or refusal by the Company or any other party, including any share registrar, transfer agent or other agent appointed by the Company, the Depositary or any other party, to process any transfer, delivery or distribution of cash, Shares, other securities or other property, including without limitation upon the termination of the Deposit Agreement, or otherwise to comply with any provisions of the Deposit Agreement that are applicable to it.

(h) The Depositary may rely upon instructions from the Company or its counsel in respect of any approval or license required for any currency conversion, transfer or distribution.

(i) The Depositary and its agents may own and deal in any class of securities of the Company and its affiliates and in ADRs.

(j) Notwithstanding anything to the contrary set forth in the Deposit Agreement or an ADR, the Depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the Deposit Agreement, any Holder or Holders, any ADR or ADRs or otherwise related hereto or thereto to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators.

(k) None of the Depositary, the Custodian or the Company, or any of their respective directors, officers, employees, agents or affiliates shall be liable for the failure by any Holder or Beneficial Owner to obtain the benefits of credits or refunds of non-U.S. tax paid against such Holder's or Beneficial Owner's income tax liability.

(l) The Depositary is under no obligation to provide the Holders and Beneficial Owners, or any of them, with any information about the tax status of the Company. None of the Depositary, the Custodian or the Company, or any of their respective directors, officers, employees, agents and affiliates, shall incur any liability for any tax or tax consequences that may be incurred by Holders or Beneficial Owners on account of their ownership or disposition of the ADRs or ADSs.

(m) The Depositary shall not incur any liability for the content of any information submitted to it by or on behalf of the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk

associated with acquiring an interest in the Deposited Securities, for the validity or worth of the Deposited Securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement or for the failure or timeliness of any notice from the Company.

(n) Notwithstanding anything herein or in the Deposit Agreement to the contrary, the Depository and the Custodian(s) may use third-party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection herewith and the Deposit Agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders of issuers. Although the Depository and the Custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third-party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services.

(o) The Depository shall not be liable for any acts or omissions made by a successor depository whether in connection with a previous act or omission of the Depository or in connection with any matter arising wholly after the removal or resignation of the Depository.

(p) The Company has agreed to indemnify the Depository and its agents under certain circumstances and the Depository has agreed to indemnify the Company under certain circumstances.

(q) Notwithstanding any other provision of the Deposit Agreement or this ADR to the contrary, neither the Depository nor any of its agents shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity (including, without limitation, Holders and Beneficial Owners of ADRs and ADSs), whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

(r) No provision of the Deposit Agreement or this ADR is intended to constitute a waiver or limitation of any rights which Holders or Beneficial Owners may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

(s) The Depository shall have no liability or responsibility under the Deposit Agreement, any ADR or any related agreement, for any period prior to the effective date of the Deposit Agreement or for any act or omission of the predecessor to the Depository or any of its agents (including the Custodian as defined in the Prior Deposit Agreement referred to in the Deposit Agreement), under or in connection with the Deposit, any ADRs or any related agreement.

(15) Resignation and Removal of Depositary; the Custodian.

(a) *Resignation.* The Depositary may at any time resign as Depositary by providing written notice of its election to do so delivered to the Company. Subject to subparagraph (c) below, the Depositary's resignation shall take effect upon the Company's appointment of a successor depositary and such successor depositary's acceptance of its appointment as provided in the Deposit Agreement.

(b) *Removal.* The Depositary may at any time be removed by the Company by providing no less than sixty (60) days' prior written notice of such removal to the Depositary. Subject to subparagraph (c) below, such removal shall take effect on the later of (i) the sixtieth (60th) day after the Removal Notice Date and (ii) the Company's appointment of a successor depositary and such successor depositary's acceptance of its appointment as provided in the Deposit Agreement.

(c) If either the Depositary provides notice of its resignation (pursuant to subparagraph (a) above) or the Company provides notice of the Depositary's removal (pursuant to subparagraph (b) above), and a successor depositary is not appointed by the sixtieth (60th) day after the Resignation Notice Date or the Removal Notice Date, respectively, the Depositary may terminate the Deposit Agreement and the ADR in the manner set out in paragraph (17) (*Termination*) of this ADR and the provisions of said paragraph (17) shall thereafter govern the Depositary's obligations under the Deposit Agreement and the form of ADR.

(d) *The Custodian.* The Depositary may appoint substitute or additional Custodians and the term "**Custodian**" refers to each Custodian or all Custodians as the context requires.

(16) **Amendment.** Subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the ADRs and the Deposit Agreement may be amended by the Company and the Depositary, provided that any amendment that imposes or increases any fees on a per ADS basis, charges or expenses (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, the transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication) described in paragraph (7)(c)(ii) (*Charges of Depositary*) of the form of ADR, applicable delivery expenses or other such fees, charges or expenses), or that shall otherwise prejudice any substantial existing right of Holders or Beneficial Owners, shall become effective thirty (30) days after notice of such amendment shall have been given to the Holders. Every Holder and Beneficial Owner at the time any amendment to the Deposit Agreement so becomes effective shall be deemed, by continuing to hold such ADR or interest therein, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Holder of any ADR to surrender

such ADR and receive the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements that (i) are reasonably necessary (as agreed by the Company and the Depositary) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act of 1933 or (b) the ADSs or Shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to prejudice any substantial rights of Holders or Beneficial Owners.

Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the Deposit Agreement or the form of ADR to ensure compliance therewith, the Company and the Depositary may amend or supplement the Deposit Agreement and the ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance.

Notice of any amendment to the Deposit Agreement or the form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the Holders identifies a means for Holders and Beneficial Owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the Commission's, the Depositary's or the Company's website or upon request from the Depositary).

(17) Termination.

(a) Termination by the Depositary and the Company.

(i) The Depositary shall, at any time at the written direction of the Company, terminate the Deposit Agreement by mailing notice of such termination to the Holders at least thirty (30) days prior to the Termination Date.

(ii) The Depositary may also terminate the Deposit Agreement by mailing notice of such termination to the Holders at least thirty (30) days prior to the Termination Date if (A) sixty (60) days shall have expired after the Resignation Notice Date and a successor Depositary shall not be operating under the Deposit Agreement, (B) sixty (60) days shall have expired after the Removal Notice Date and a successor Depositary shall not be operating under the Deposit Agreement, (C) the Company is bankrupt, in liquidation proceedings or insolvent, (D) the ADRs are delisted from a "national securities exchange" (that has registered with the Commission under Section 6 of the Securities Exchange Act of 1934), (E) the Company

effects (or will effect) a redemption of all or substantially all of the Deposited Securities, or a cash or share distribution representing a return of all or substantially all of the value of the Deposited Securities, (F) there are no Deposited Securities with respect to ADSs remaining, including if the Deposited Securities are cancelled, or the Deposited Securities have been deemed to have no value, or (G) there occurs a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of Deposited Securities.

(iii) Additionally, the Depositary may immediately terminate the Deposit Agreement, without prior notice to the Company, any Holder or Beneficial Owner or any other person if (A) required by any law, rule or regulation relating to sanctions by any governmental authority or body, (B) the Depositary would be subject to liability under or pursuant to any law, rule or regulation that can be reasonably expected to apply to the Depositary or any of its agents in connection with, arising from, or otherwise related to its or their roles and/or performance under the Deposit Agreement, or (C) required by any governmental authority or body, in each case as determined by the Depositary in its reasonable discretion.

(b) *Depositary's Obligations.*

(i) After the Termination Date, the Depositary and its agents will perform no further acts under the Deposit Agreement and this ADR, except to receive and hold (or sell) distributions on Deposited Securities, deliver Deposited Securities being withdrawn and to take such actions as provided in the next two paragraphs, in each case subject to payment to the Depositary of the applicable fees and expenses provided in paragraph (7) of this form of ADR (*Charges of Depositary*).

(ii) After the Termination Date, if the Deposited Securities are listed and publicly traded on a securities exchange and the Depositary believes that it is able, permissible and practicable to sell the Deposited Securities without undue effort, then, the Depositary may endeavor to publicly or privately sell (as long as it may lawfully do so) the Deposited Securities, which sale may be effected in a block sale/single lot transaction and, after the settlement of such sale(s), to the extent legally permissible and practicable, distribute or hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sale(s), less any amounts owing to the Depositary (including, without limitation, cancellation fees), together with any other cash then held by it under the Deposit Agreement, in trust, without liability for interest, for the pro rata benefit of the Holders entitled thereto. If the Depositary sells the Deposited Securities, the Depositary shall be discharged from all, and cease to have any, obligations under the Deposit Agreement and the ADRs after making such sale, except to account for such net proceeds and other cash.

(iii) However, if the Deposited Securities are not listed and publicly traded on a securities exchange after the Termination Date, or if, for any

reason, the Depositary does not sell the Deposited Securities, the Depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible and that neither DTC nor any of its nominees shall thereafter be a Holder. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a Holder, to the extent the Company is not, to the Depositary's knowledge, insolvent or in bankruptcy or liquidation, the Depositary shall:

- (A) cancel this ADR and all other outstanding ADRs,
- (B) request DTC to provide the Depositary with information on those holding ADSs through DTC and, upon receipt thereof, revise the ADR Register to reflect the information provided by DTC,
- (C) instruct its Custodian to deliver all Deposited Securities to the Company, a subsidiary or affiliate or registered office provider of the Company (the subsidiary or affiliate or registered office provider being the "**Company Representative**") or an independent trust company engaged by the Company (the "**Trustee**") to hold those Deposited Securities in trust for the beneficial owners of the ADRs if the Company is not permitted to hold any of the Deposited Securities under applicable law and/or the Company has directed the Depositary to deliver such Deposited Securities to a Company Representative or Trustee along with a stock transfer form and/or such other instruments of transfer covering such Deposited Securities as are needed under applicable law, and set forth in or substantially in the form of Exhibit C (and any applicable share certificate or indemnity for lost share certificate), in either case referring to the names set forth on the ADR Register, and
- (D) provide the Company with a copy of the ADR Register (which copy may be sent by email or by any means permitted under the notice provisions of the Deposit Agreement).

Upon receipt of any instrument of transfer covering such Deposited Securities, any applicable share certificate or indemnity for lost share certificate and the ADR Register, the Company shall: (I) approve the transfer of the Deposited Securities previously represented by their ADRs to the persons listed on the ADR Register (as applicable), (II) procure the relevant updates to the register of members of the Company to reflect the transfer of the Deposited Securities previously represented by their ADRs to the persons listed on the ADR Register (as applicable) and (III) provide the Depositary with a certified copy of the updated register of members of the Company.

To the extent the Depositary reasonably believes that the Company is insolvent, or if the Company is in receivership, has filed for bankruptcy and/or is

otherwise in restructuring, administration or liquidation, and in any such case the Deposited Securities are not listed and publicly traded on a securities exchange after the Termination Date, or if, for any reason, the Depositary believes it is not able to or cannot practicably sell the Deposited Securities promptly and without undue effort, the Deposited Securities shall be deemed to have no value (and such Holders shall be deemed to have instructed the Depositary that the Deposited Securities have no value). The Depositary may, but shall not be obligated to, and the Holders irrevocably consent and agree that the Depositary may instruct its Custodian to deliver all Deposited Securities to the Company (acting, as applicable by its administrator, receiver, administrative receiver, liquidator, provisional liquidator, restructuring officer, interim restructuring officer, trustee, controller or other entity overseeing the bankruptcy, insolvency, administration, restructuring or liquidation process) and notify the Company that the Deposited Shares are surrendered for no consideration. The Company shall, subject to applicable law, promptly accept the surrender of the Deposited Shares for no consideration and deliver to the Depositary a written notice confirming (A) the acceptance of the surrender of the Deposited Securities for no consideration and (B) the cancellation of such Deposited Shares. Promptly after notifying the Company that the Deposited Shares are surrendered for no consideration and irrespective of whether the Company has complied with the immediately preceding sentence, the Depositary shall notify Holders that their ADSs have been cancelled with no consideration being payable to Holders.

Upon the Depositary's compliance with the provisions of this subparagraph (17)(b)(iii), the Depositary and its agents shall be discharged from all, and cease to have any, obligations under the Deposit Agreement and the ADRs.

(c) *Company's Obligations.* After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations under this paragraph (17) and its obligations to the Depositary and its agents.

(d) *Establishment of Un-sponsored ADR Program.* Notwithstanding anything to the contrary, in connection with any termination pursuant to this paragraph (17), the Depositary may, in its sole discretion and without notice to the Company, establish an un-sponsored American depositary share program (on such terms as the Depositary may determine) for the Shares and make available to Holders a means to withdraw the Shares represented by the ADSs issued under the Deposit Agreement and to direct the deposit of such Shares into such un-sponsored American depositary share program, subject, in each case, to receipt by the Depositary, at its discretion, of the fees, charges and expenses provided for in paragraph (7) hereof and the fees, charges and expenses applicable to the un-sponsored American depositary share program.

(18) **Appointment; Acknowledgements and Agreements.** Each Holder and each Beneficial Owner, upon acceptance of any ADSs or ADRs (or any interest in any

of them) issued in accordance with the terms and conditions of the Deposit Agreement shall be deemed for all purposes to (a) be a party to and bound by the terms of the Deposit Agreement and the applicable ADR(s), (b) appoint the Depository its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Deposit Agreement and the applicable ADR(s), to adopt any and all procedures necessary to comply with applicable law and to take such action as the Depository in its sole discretion may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and the applicable ADR(s), the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof, and (c) acknowledge and agree that (i) nothing in the Deposit Agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the Depository, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about the Company, Holders, Beneficial Owners and/or their respective affiliates, (iii) the Depository and its divisions, branches and affiliates may at any time have multiple banking relationships with the Company, Holders, Beneficial Owners and/or the affiliates of any of them, (iv) the Depository and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to the Company or the Holders or Beneficial Owners and/or their respective affiliates may have interests, (v) nothing contained in the Deposit Agreement or any ADR(s) shall (A) preclude the Depository or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the Depository or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the Depository shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the Depository and (vii) notice to a Holder shall be deemed, for all purposes of the Deposit Agreement and this ADR, to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs. For all purposes under the Deposit Agreement and this ADR, the Holder hereof shall be deemed to have all requisite authority to act on behalf of any and all Beneficial Owners of the ADSs evidenced by this ADR.

(19) **Waiver.** EACH PARTY TO THE DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH HOLDER AND BENEFICIAL OWNER OF, AND/OR HOLDER OF INTERESTS IN, ADSS OR ADRS) HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE DEPOSITARY AND/OR THE COMPANY DIRECTLY OR INDIRECTLY ARISING OUT OF, BASED ON OR RELATING IN ANY WAY TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE ADSs OR THE ADRs, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR ANY OTHER THEORY), INCLUDING, WITHOUT LIMITATION, ANY SUIT, ACTION, CLAIM OR PROCEEDING UNDER THE UNITED STATES FEDERAL SECURITIES LAWS. No

provision of the Deposit Agreement or this ADR is intended to constitute a waiver or limitation of any rights that a Holder or any Beneficial Owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

(20) **Jurisdiction.** By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each irrevocably agree that any legal suit, action or proceeding against or involving Holders or Beneficial Owners brought by the Company or the Depository, arising out of or based upon the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, may be instituted in a federal or state court in New York, New York, and by holding or owning an ADR or ADS or an interest therein each irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each also irrevocably agree that any legal suit, action or proceeding against or involving the Depository and/or the Company brought by Holders or Beneficial Owners, arising out of or based upon the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, including, without limitation, claims under the Securities Act of 1933, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable).

Notwithstanding the above or anything in the Deposit Agreement to the contrary, in the Deposit Agreement each of the parties thereto (*i.e.*, the Company, the Depository and all Holders and Beneficial Owners) have agreed that: (i) the Depository may, in its sole discretion, elect to institute any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination (each, a “**Dispute**”; collectively, “**Disputes**”) against any other party or parties (including, without limitation, Disputes brought against Holders and Beneficial Owners), by having the Dispute referred to and finally resolved by an arbitration conducted under the terms set out below, and (ii) the Depository may in its sole discretion require, by written notice to the relevant party or parties, that any Dispute brought by any party or parties to the Deposit Agreement (including, without limitation, Disputes brought by Holders and Beneficial Owners) against the Depository be referred to and finally settled by an arbitration conducted under the terms set out

in the Deposit Agreement; provided however, notwithstanding the Depository's written notice under this clause (ii), to the extent there are specific federal securities law violation aspects to any claims against the Company and/or the Depository brought by any Holder or Beneficial Owner, the federal securities law violation aspects of such claims brought by a Holder or Beneficial Owner against the Company and/or the Depository may, at the option of such Holder or Beneficial Owner, remain in state or federal court in New York, New York and all other aspects, claims, Disputes, legal suits, actions and/or proceedings brought by such Holder or Beneficial Owner against the Company and/or the Depository, including those brought along with, or in addition to, federal securities law violation claims, would be referred to arbitration in accordance herewith. Any such arbitration shall, at the Depository's election, be conducted either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) with the Hong Kong International Arbitration Centre serving as the appointing authority, in each case as amended by Section 20(d) of the Deposit Agreement, and the language of any such arbitration shall be English, in each case as provided in the Deposit Agreement.

Additionally, notwithstanding the foregoing or anything in the Deposit Agreement to the contrary, any suit, action or proceeding against the Company based on the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted by the Depository in any competent court in the Cayman Islands, the United States and/or any other court of competent jurisdiction, or, subject to the federal securities law carve-out set forth in Section 20(d) of the Deposit Agreement, by the Depository through the commencement of an arbitration pursuant to said Section 20(d) of this Deposit Agreement.

Notwithstanding anything contained herein or in the Deposit Agreement to the contrary, and for the avoidance of doubt, the Company and all Holders and Beneficial Owners from time to time of ADRs issued hereunder (and any persons owning or holding interests in ADSs) agree that any federal or state court in New York, New York, shall have jurisdiction to hear and determine proceedings related to the enforcement of this arbitration provision and any arbitration award by the arbitrators contemplated and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts. Each of the parties hereto and to the Deposit Agreement (*i.e.*, the Company, the Depository and all Holders and Beneficial Owners) agrees not to challenge the terms and enforceability of the arbitration clause contained herein and in the Deposit Agreement, including, but not limited to, any challenge based on lack of mutuality, and each such party hereby irrevocably waives any such challenge

(21) Elective Distributions in Cash or Shares. Whenever the Company intends to distribute a dividend payable at the election of the holders of Shares in cash or in additional Shares, the Company shall give notice thereof to the Depository at least

thirty (30) days prior to the proposed distribution stating whether or not it wishes such elective distribution to be made available to Holders. Upon receipt of notice indicating that the Company wishes such elective distribution to be made available to Holders, the Depositary shall consult with the Company to determine, and the Company shall assist the Depositary in its determination, whether it is lawful and reasonably practicable to make such elective distribution available to the Holders. The Depositary shall make such elective distribution available to Holders only if (i) the Company shall have timely requested that the elective distribution is available to Holders, (ii) the Depositary shall have determined that such distribution is reasonably practicable and (iii) the Depositary shall have received satisfactory documentation within the terms of Section 14 of the Deposit Agreement including, without limitation, any legal opinions of counsel in any applicable jurisdiction that the Depositary in its reasonable discretion may request, at the expense of the Company. If the above conditions are not satisfied, the Depositary shall, to the extent permitted by law, distribute to the Holders, on the basis of the same determination as is made in the local market in respect of the Shares for which no election is made, either (x) cash or (y) additional ADSs representing such additional Shares. If the above conditions are satisfied, the Depositary shall establish a record date and establish procedures to enable Holders to elect the receipt of the proposed dividend in cash or in additional ADSs. The Company shall assist the Depositary in establishing such procedures to the extent necessary. Nothing herein shall obligate the Depositary to make available to Holders a method to receive the elective dividend in Shares (rather than ADSs). There can be no assurance that Holders or Beneficial Owners generally, or any Holder and/or Beneficial Owner in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of Shares.

EXHIBIT B

B-1

EXHIBIT C

C-1

SHARE PURCHASE AGREEMENT

by and between

BAIDU (HONG KONG) LIMITED

MOON SPV LIMITED

JOYY INC.

FUNSTAGE TECHNOLOGY LTD.

TOPSTAGE TECHNOLOGY LTD.

广州华多网络科技有限公司

广州市锐橙网络科技有限公司

广州欢聚时代信息科技有限公司

RUNDERFO INC.

AND

SOLELY FOR THE PURPOSES OF Section 4.3, Section 6.3, Section 6.4, Section 6.5,
Section 6.9 AND ARTICLE VIII

MR. DAVID XUELING LI

DATED February 25, 2025

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BY AND BETWEEN

- (1) Baidu (Hong Kong) Limited, a company incorporated with limited liability under the laws of Hong Kong and a wholly-owned subsidiary of the Buyer Parent (the "HK Buyer"),
- (2) Moon SPV Limited, a company incorporated with limited liability under the laws of the Cayman Islands (the "Buyer" and, together with the HK Buyer, the "Buyer Parties"),
- (3) JOYY Inc., a company incorporated with limited liability under the laws of the Cayman Islands (the "Seller Parent"),
- (4) Funstage Technology Ltd., a company incorporated with limited liability under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Seller Parent (the "Seller"),
- (5) Topstage Technology Ltd., a company incorporated with limited liability under the laws of the British Virgin Islands (the "New WFOE Holdco"),
- (6) 广州华多网络科技有限公司, a company incorporated with limited liability under the laws of the People's Republic of China ("Guangzhou Huaduo"),
- (7) 广州市锐橙网络科技有限公司, a company incorporated with limited liability under the laws of the People's Republic of China ("Guangzhou Ruicheng"),
- (8) 广州欢聚时代信息科技有限公司, a company incorporated with limited liability under the laws of the People's Republic of China (together with the Seller Parent, the Seller, the New WFOE Holdco, Guangzhou Huaduo and Guangzhou Ruicheng, the "Seller Parties"),
- (9) Runderfo Inc., a company incorporated with limited liability under the laws of the Cayman Islands (the "Target Company"), and
- (10) solely for the purposes of Section 4.3, Section 6.3, Section 6.4, Section 6.5, Section 6.9 and ARTICLE VIII, Mr. David Xueling Li ("Mr. Li").

The parties listed above are each referred to herein as a "Party," and collectively as the "Parties."

WITNESSETH:

WHEREAS, the Parties entered into a share purchase agreement dated November 16, 2020, amended and restated February 7, 2021, pursuant to which the Buyer Parties agreed to acquire from the Seller Parties, and the Seller Parties agreed to sell to the Buyer Parties, the Target Business and the Contributed Assets on the terms and subject to the conditions set forth therein (the "Previous SPA");

WHEREAS, pursuant to the Previous SPA and the Restructuring Plan, on or prior to the Relevant Date, the Buyer Parties caused to be paid to the Seller Parties (or their designees) the Agreed Restructuring Amount in immediately available funds in RMB;

WHEREAS, pursuant to the Previous SPA, on or about the Relevant Date, the Buyer Parties and the Seller Parties caused to be delivered a joint written instruction to the TSA Escrow Agent to release to the Seller's designee the TSA Escrow Amount (together with all interest that may have accrued thereon) to the Seller's designee;

WHEREAS, pursuant to the Previous SPA, on or about the Relevant Date, the Buyer Parties and the Seller Parties caused to be delivered a joint written instruction to the Term Sheet Escrow Agent to release to the Seller's designee the Term Sheet Escrow Amount (together with all interest that may have accrued thereon) to the Seller's designee;

WHEREAS, pursuant to the Previous SPA, on or about the Relevant Date, the Buyer Parties caused to be paid to the Seller US\$1,464,164,854, being a cash amount equal to (x) the "First Tranche Consideration" (as defined therein) as adjusted based on Section 2.6 thereof, less (y) the sum of (A) the Tax Escrow Amount, (B) the Term Sheet Escrow Amount and (C) the Agreed Restructuring Amount, by wire transfer of immediately available funds in U.S. Dollars;

WHEREAS, pursuant to the Previous SPA, the Seller and the Buyer caused their respective applicable Affiliates to enter into the Tax Escrow Agreements with the Tax Escrow Agents and caused the Tax Escrow Accounts to be opened and operated in accordance with the Tax Escrow Agreements, and on or about the Relevant Date the Buyer Parties caused to be deposited into certain of the Tax Escrow Accounts the Tax Escrow Amount by wire transfer of immediately available funds in USD, and the Seller Parties and the Buyer Parties subsequently caused certain of the Tax Escrow Amount to be re-apportioned between the Tax Escrow Accounts;

WHEREAS, pursuant to the Previous SPA, the Seller and the Buyer caused their respective applicable Affiliates to enter into the RMB Escrow Agreements with the RMB Escrow Agents and caused the RMB Escrow Accounts to be opened and operated in accordance with the applicable RMB Escrow Agreements, and on or about the Relevant Date the Buyer Parties caused to be deposited into certain of the RMB Escrow Accounts the RMB Escrow Aggregate Principal Amount by wire transfer of immediately available funds in RMB, and the Seller Parties and the Buyer Parties subsequently caused certain of the RMB Escrow Aggregate Principal Amount to be re-apportioned among the RMB Escrow Accounts;

WHEREAS, the Previous SPA was further amended on August 11, 2021, and subsequent thereto, the Buyer and the Seller agreed on multiple occasions to extend the Long Stop Date as defined in the Previous SPA; and

WHEREAS, the Parties wish to enter into certain arrangements with respect to, inter alia, the Target Business, the Contributed Assets and the RMB Escrow Aggregate Principal Amount and the interest accrued thereon, in each case on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

INTERPRETATION

“Acceptable Tax Authority Confirmation” means written evidence that the Seller Parties have received definitive confirmation from the Relevant PRC Tax Authority that the Seller Parties are not required to pay any taxes in connection with the sale and purchase of the Sale Shares.

“Acceptable Tax Evidence” means an Acceptable Tax Receipt or an Acceptable Tax Authority Confirmation.

“Acceptable Tax Receipt” means written evidence reasonably acceptable to the Buyer that the taxes in connection with the sale and purchase of the Sale Shares have been paid in full, e.g., a receipt of payment (完税证明including a中华人民共和国税收缴款书) issued by the Relevant PRC Tax Authority.

“Action” means any action, suit, litigation, arbitration, investigation, claim or proceeding by or before any Governmental Authority or tribunal.

“Affiliate” of a Person means (a) in the case of a Person other than a natural person, any other Person that directly or indirectly Controls, is Controlled by or is under common Control with such Person and (b) in the case of a natural person, any other Person that is directly or indirectly Controlled by such Person or is a Relative of such Person, in each case, as of the relevant time.

“Agbank Panyu” means the Guangzhou Panyu Branch of the Agricultural Bank of China (中国农业银行股份有限公司广州番禺支行).

“Agbank Panyu Escrow Account” means the escrow account(s) opened with Agbank Panyu pursuant to the Agbank Panyu Escrow Agreement from time to time.

“Agbank Panyu Escrow Agreement” means the Funds Supervision Agreement (资金监管协议) (No. 粤番资金监管202101号) dated January 22, 2021 by and among Baidu Shidai, Guangzhou Huaduo and Agbank Panyu, as subsequently amended by the Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议) (No. 粤番资金监管202101号 (补)) dated August 2, 2021, the Second Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议二) (No. 粤番资金监管202101号 (补2)) dated August 18, 2021, the Third Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议三) (No. 粤番资金监管202101号 (补3)) dated March 9, 2023, the Fourth Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议四) (No. 粤番资金监管202101号 (补4)) dated May 12, 2023, the Fifth Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议五) (No. 粤番资金监管202101号 (补5)) dated November 14, 2023, the Sixth Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议六) (No. 粤番资金监管202101号 (补6)) dated November 14, 2024, and the Seventh Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议七) in the form attached hereto as Exhibit J-4 and dated on or prior to the date hereof, as may be further amended and supplemented from time to time.

“Agreed Restructuring Amount” means RMB195,000,000, being the aggregate amount, as confirmed by the Buyer and the Seller in writing prior to the Relevant Date and paid on behalf of the Buyer Parties to Guangzhou Ruicheng in its capacity as the designee of the Seller Parties, on the Relevant Date.

“Agreement” shall have the meaning set forth in the Preamble.

“Authorization” shall have the meaning set forth in Section 4.1(d).

“Baidu Shidai” means Baidu Shidai Network Technology (Beijing) Limited (百度时代网络技术 (北京) 有限公司).

“Baidu Zaixian” means Baidu Zaixian Network Technology (Beijing) Limited (百度在线网络技术 (北京) 有限公司).

“Business Day” means any day other than Saturday, Sunday or another day on which commercial banks located in the Cayman Islands, the British Virgin Islands, New York City, the PRC or Hong Kong are authorized or required by Law or executive order to be closed.

“Buyer” shall have the meaning set forth in the Preamble.

“Buyer Parent” means Baidu, Inc., a company incorporated with limited liability under the laws of the Cayman Islands.

“Buyer Parties” shall have the meaning set forth in the Preamble.

“Buyer Release Effective Date” means the date on which the Seller Parties have fully performed their obligations set forth in Section 2.5 and Section 2.6.

“Buyer Releasing Parties” shall have the meaning set forth in Section 6.3(b).

“Buyer Sale Shares” means all of the issued and outstanding share capital of the Target Company.

“CCB Panyu” means the Guangzhou Panyu Branch of the China Construction Bank (中国建设银行股份有限公司广州番禺支行).

“CCB Panyu Fourth Tranche Escrow Account” means the escrow account(s) opened with CCB Panyu pursuant to the CCB Panyu Fourth Tranche Escrow Agreement from time to time.

“CCB Panyu Fourth Tranche Escrow Agreement” means the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议) (No. 番建监管易2021年【002】号), dated February 7, 2021, by and among Baidu Zaixian, Guangzhou Huaduo and CCB Panyu, as subsequently amended by the Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议) (No. 番建监管易2021年【002】号-补001号) dated January 28, 2022, the Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议) (No. 番建监管易2021年【002】号-补002号) dated August 8, 2023, the Supplemental Agreement to the China

Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议) (No. 番建监管易2021年【002】号-补003号) dated February 5, 2024, the Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议) (No. 番建监管易2021年【002】号-补004号) dated July 5, 2024, and the Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议) in the form attached hereto as Exhibit J-6 and dated on or prior to the date hereof, as may be further amended from time to time.

“CCB Panyu Third Tranche Escrow Account” means the escrow account(s) opened with CCB Panyu pursuant to the CCB Panyu Third Tranche Escrow Agreement from time to time.

“CCB Panyu Third Tranche Escrow Agreement” means the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议) (No. 番建监管易2021年001号), dated January 22, 2021, by and among Baidu Zaixian, Guangzhou Huaduo and CCB Panyu, as subsequently amended by the Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议) (No. 番建监管易2021年001号-补001号) dated February 7, 2021, the Second Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议二) (No. 番建监管易2021年001号-补002号) dated July 28, 2021, the Third Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议三) (No. 番建监管易2021年001号-补003号) dated March 14, 2022, the Fourth Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议四) (No. 番建监管易2021年001号-补004号) dated September 14, 2023, the Fifth Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议五) (No. 番建监管易2021年001号-补005号) dated March 14, 2024, the Sixth Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议六) (No. 番建监管易2021年001号-补006号) dated July 5, 2024, the Seventh Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议七) (No. 番建监管易2021年001号-补007号) dated January 2, 2025, and the Eighth Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议八) in the form attached hereto as Exhibit J-5 and dated on or prior to the date hereof, as may be further amended and supplemented from time to time.

“CIB Shanghai” means the Shanghai Branch of Industrial Bank Co., Ltd. (兴业银行股份有限公司上海分行).

“CIB Shanghai Escrow Account” means the escrow account(s) opened with CIB Shanghai pursuant to the CIB Shanghai Escrow Agreement from time to time.

“CIB Shanghai Escrow Agreement” means the Account Co-Management Agreement (账户共管协议)(NO.DUOWAN-BAIDU-001), dated January 25, 2021, by and among Duowan Entertainment Corp., Baidu (Hong Kong) Limited, and CIB Shanghai, as may be amended and supplemented from time to time.

“Circular 7” means Circular No. 7 on Several Issues of Enterprise Income Tax on Income Arising from Indirect Transfers of Property by Non-resident Enterprises (SAT Bulletin [2015] No. 7) (关于非居民企业间接转让财产企业所得税若干问题的公告(国家税务总局公告2015年第7号)), dated and effective as of February 3, 2015, including any amendment, implementing rules, or official interpretation thereof or any replacement, successor or alternative legislation having the same subject matter thereof.

“CITIC Guangzhou” means the Guangzhou branch of China CITIC Bank Co., Ltd. (中信银行股份有限公司广州分行).

“CITIC Guangzhou Escrow Account” means the escrow account(s) opened with CITIC Guangzhou pursuant to the CITIC Guangzhou Escrow Agreement from time to time.

“CITIC Guangzhou Escrow Agreement” means the Funds Escrow Agreement (资金监管协议), dated August 27, 2024, by and among Baidu Shidai, Guangzhou Huaduo and CITIC Guangzhou, as subsequently amended by the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议补充协议) in the form attached hereto as Exhibit J-3 and dated on or prior to the date hereof, as may be further amended and supplemented from time to time.

“Claim Notice” shall have the meaning set forth in Section 8.3(a).

“Closing” shall have the meaning set forth in Section 2.4(a).

“Closing Date” means the date on which the Closing occurs.

“Company Fundamental Representations” means the representations and warranties set forth in Section 4.1(a), Section 4.1(b), Section 4.1(c), Section 4.1(d), Section 4.1(e), Section 4.1(f), Section 4.1(g)(i), and Section 4.1(h).

“Confidential Information” shall have the meaning set forth in Section 9.10(a).

“Consideration” shall have the meaning set forth in Section 2.2.

“Contemplated Transactions” means the transactions contemplated by the Transaction Documents.

“Contract” means, as to any Person, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

“Contributed Assets” means all assets, businesses, rights, Permits, Intellectual Property, Information Technology and data that were already owned by the Target Group Companies as of the Original Signing Date or were contributed or otherwise transferred by (or should have been contributed or otherwise transferred by) the relevant Seller Parties or their Affiliates to the Target Group Companies in accordance with the Restructuring Plan and the Previous SPA.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management of a Person, whether through the ownership of voting securities, by contract, credit arrangement or proxy, as trustee, executor or agent or otherwise. For purposes of this definition, a Person shall be deemed to Control another Person if such first Person, directly or indirectly, owns or holds more than fifty percent (50%) of the voting Equity Securities in such other Person, or if such first Person, directly or indirectly, is entitled to appoint a majority of the board of directors, managing partner or other similar governing body or position of such other Person. The terms “Controlled” and “Controls” shall have meanings correlative to the foregoing.

“Encumbrance” means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law, (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, negotiation or refusal or transfer restriction in favor of any Person and (c) any adverse claim as to title, possession or use.

“Equity Securities” means, with respect to any Person, such Person’s capital stock, membership interests, partnership interests, registered capital, joint venture or other ownership interests or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such capital stock, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued by such Person).

“Everbright Guangzhou” means the Guangzhou Donghuan branch of China Everbright Bank Co., Ltd. (中国光大银行股份有限公司广州东环分行).

“Everbright Guangzhou Fourth Tranche Escrow Account” means the escrow account(s) opened with Everbright Guangzhou pursuant to the Everbright Guangzhou Fourth Tranche Escrow Agreement from time to time.

“Everbright Guangzhou Fourth Tranche Escrow Agreement” means the Funds Escrow Agreement (资金监管协议 (三方模式)) (GZ 共管202402), dated 13 December 2024, by and among Baidu Zaixian, Guangzhou Huaduo and Everbright Guangzhou, as subsequently amended by the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议补充协议) in the form attached hereto as Exhibit J-9 and dated on or prior to the date hereof, as may be amended and supplemented from time to time.

“Everbright Guangzhou Third Tranche Escrow Account” means the escrow account(s) opened with Everbright Guangzhou pursuant to the Everbright Guangzhou Third Tranche Escrow Agreement from time to time.

“Everbright Guangzhou Third Tranche Escrow Agreement” means the Funds Escrow Agreement (资金监管协议 (三方模式)) (GZ 共管202401), dated 13 December 2024, by and among Baidu Zaixian, Guangzhou Huaduo and Everbright Guangzhou, as subsequently amended by the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议补充协议) in the form attached hereto as Exhibit J-8 and dated on or prior to the date hereof, as may be amended and supplemented from time to time.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Governmental Authority” means any government or political subdivision thereof, whether on a federal, central, state, provincial, municipal or local level and whether executive, legislative or judicial in nature, including any agency, authority, board, bureau, commission, court, department or other instrumentality thereof and any governing body of any securities exchange.

“Guangfa Guangzhou” means the Guangzhou branch of China Guangfa Bank Co., Ltd. (广发银行股份有限公司广州分行).

“Guangfa Guangzhou Escrow Account” means the escrow account(s) opened with Guangfa Guangzhou pursuant to the Guangfa Guangzhou Escrow Agreement from time to time.

“Guangfa Guangzhou Escrow Agreement” means the Transaction Funds Escrow Agreement (交易资金托管协议) (No. GZTG-2021071418293), dated 30 July 2021, by and among Baidu Shidai, Guangzhou Huaduo and Guangfa Guangzhou, as subsequently amended by (i) the Supplemental Agreement to the Transaction Funds Escrow Agreement (交易资金托管协议补充协议) (No. GZTG-2021071418293-补1) dated 10 May 2023 and (ii) the Second Supplemental Agreement to the Transaction Funds Escrow Agreement (交易资金托管协议补充协议二) in the form attached hereto as Exhibit J-1 and dated on or prior to the date hereof, as may be further amended and supplemented from time to time.

“Guangzhou Huaduo” shall have the meaning set forth in the Preamble.

“Guangzhou Ruicheng” shall have the meaning set forth in the Preamble.

“Guangzhou Yiling” means 广州奕凌网络科技有限公司, a company incorporated with limited liability under the laws of the PRC.

“HK Buyer” shall have the meaning set forth in the Preamble.

“HK Buyer Sale Shares” means one hundred percent (100%) of the issued and outstanding share capital of the WFOE owned by the New WFOE Holdco, being eighty-three percent (83%) of the issued and outstanding share capital of the WFOE.

“HK Company” means Goldenage Technology Investment Group Limited, a company with limited liability incorporated in Hong Kong.

“HKIAC” shall have the meaning set forth in Section 9.1.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Huaxia Dongguan” means the Dongguan Branch of Huaxia Bank Limited (华夏银行股份有限公司东莞分行).

“Huaxia Dongguan Escrow Account” means the escrow account(s) opened with Huaxia Dongguan pursuant to the Huaxia Dongguan Escrow Agreement from time to time.

“Huaxia Dongguan Escrow Agreement” means the Transaction Funds Supervision Agreement (交易资金监管协议) (No. HXDG001), dated August 18, 2021, by and among Baidu Shidai, Guangzhou Huaduo and Huaxia Dongguan, as subsequently amended by the Supplemental Agreement to the Transaction Funds Supervision Agreement (交易资金监管协议补充协议) (No. 001-补充) dated August 28, 2024, and the Second Supplemental Agreement to the Transaction Funds Supervision Agreement (交易资金监管协议补充协议二) in the form attached hereto as Exhibit J-2 and dated on or prior to the date hereof, as may be further amended and supplemented from time to time.

“Huaxia Shanghai” means the Shanghai Pilot Free Trade Zone Branch of Huaxia Bank Limited (华夏银行股份有限公司上海自贸试验区分行).

“Huaxia Shanghai Escrow Account” means the escrow account(s) opened with Huaxia Shanghai pursuant to the Huaxia Shanghai Escrow Agreement from time to time.

“Huaxia Shanghai Escrow Agreement” means the Transaction Funds Supervision Agreement (交易资金监管协议) (No. shzmq 202309), dated September 12, 2023, by and among Duowan Entertainment Corp., Baidu (Hong Kong) Limited and Huaxia Shanghai, as may be amended and supplemented from time to time.

“In-Scope Products” means the items set forth in Part 2 of Appendix B-7 to the Restructuring Plan.

“Indemnified Party” shall have the meaning set forth in Section 8.2(d).

“Indemnifying Party” shall have the meaning set forth in Section 8.2(d).

“Indemnity Notice” shall have the meaning set forth in Section 8.5.

“Information Technology” means all computer systems, telecommunication systems, software (and the tangible media on which it is stored) and hardware including source and object code, cabling, routers, switched, racks, servers, PCs, laptops, terminals, scanners, printers, all associated peripherals and all other information technology assets, including all documentation relating to the foregoing, (a) owned or used by any of the Target Group Companies or (b) licensed or leased to any of the Target Group Companies.

“Intellectual Property” means any and all (a) patents (including all reissues, divisionals, provisionals, continuations, continuations in part, re-examinations, renewals and extensions thereof), patent applications, and other patent rights, (b) trademarks, service marks, tradenames, brand names, logos, slogans, trade dress, design rights, and other similar designations of source or origin, together with all goodwill associated with any of the foregoing

and applications, registrations and renewals in connection therewith, (c) copyrights, mask works, and copyrightable works, and all applications, registrations for and renewals in connection therewith, (d) internet domain names, web addresses, web pages, websites and related content, accounts with social media companies and the content found thereon and related thereto, and uniform resource locators, (e) proprietary computer software, including source code, object code and supporting documentation for such computer software, (f) trade secrets and proprietary information, including confidential business information, technical data, customer lists, data collections, methods and inventions (whether or not patentable and where or not reduced to practice), (g) copies and tangible embodiments of any of the foregoing and (h) all other intellectual property, whether or not registrable, in each case, under any Law or statutory provision or common law doctrine in any country.

“Law” or “Laws” means all applicable laws, regulations, rules and Orders of any Governmental Authority, securities exchange or other self-regulating body, including any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, Order, decree or judgment.

“Liabilities” means any and all debts, liabilities, commitments and obligations of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, and whenever or however arising (including whether arising out of any contract or tort based on negligence or strict liability).

“Losses” shall have the meaning set forth in Section 8.2(a).

“Minsheng Escrow Agreement” means the Funds Escrow Agreement (资金监管协议) (三方模式) (03272024111201), dated 12 November 2024, by and among Baidu Shidai, Guangzhou Huaduo and Minsheng Guangzhou, as subsequently amended by the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议补充协议) in the form attached hereto as Exhibit J-7 and dated on or prior to the date hereof, as may be amended and supplemented from time to time.

“Minsheng Guangzhou” means the Guangzhou branch of China Minsheng Banking Corp., Ltd. (中国民生银行股份有限公司广州分行).

“Minsheng Guangzhou Escrow Account” means the escrow account(s) opened with Minsheng Guangzhou pursuant to the Minsheng Escrow Agreement from time to time.

“MOFCOM” means the Ministry of Commerce of the PRC (中华人民共和国商务部) or its competent local counterparts.

“Mr. Li” shall have the meaning set forth in the Preamble.

“New WFOE Holdco” shall have the meaning set forth in the Preamble.

“Non-Compete Undertaking” means the Non-Compete Undertaking entered into on or about the Relevant Date by and between the Seller Parent, the Seller, the Buyer Parties and the other parties named therein, as amended on or about the date hereof and as may be further amended from time to time.

“Non-Compete Undertaking Provisions” shall have the meaning set forth in Section 6.9.

“Order” means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

“Ordinary Shares” means the ordinary shares, par value US\$1.00 per share, in the share capital of the Target Company.

“Original Signing Date” means November 16, 2020.

“Other Target Entity” means any entity (other than a Target Group Company) owning or operating the Target Business or the Contributed Assets.

“Party” and “Parties” shall have the meaning set forth in the Preamble.

“Payment Amount” means US\$239,800,000.

“Permits” means all material licenses, franchises, permits, certificates, approvals or other similar authorizations of any Governmental Authority necessary to own, lease, operate and use its properties and assets or to carry on the Target Business.

“Person” means any natural person, firm, partnership, association, corporation, company, trust, public body or government or other entity of any kind or nature. A reference to any “Person” shall, where the context permits, include such Person’s executors, administrators, legal representatives and permitted successors and assigns.

“PRC” means the People’s Republic of China, but for purposes of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan.

“Previous SPA” shall have the meaning set forth in the Recitals.

“Previous SPA Claims” means any action, cause of action, claim, suit, dispute, litigation, arbitration or proceeding, in any jurisdiction, whether known or unknown to the Parties, in law or in equity, existing now or in the future, arising out of or in any way connected with the Previous SPA or any other Previous Transaction Documents (but excluding the Non-Compete Undertaking), including any purported breaches or termination thereof.

“Previous Transaction Documents” means the “Transaction Documents” as such term is defined in the Previous SPA (including, without limitation, the Extension Agreement dated April 1, 2022, by and between the Buyer and the Seller).

“Relative” of a natural person means such Person’s spouse, parents, children and siblings, whether by blood, marriage or adoption.

“Relevant Date” means February 8, 2021.

“Relevant PRC Tax Authority” shall have the meaning set forth in Section 6.1(b).

“Reporting Agent” shall have the meaning set forth in Section 6.1(b).

“Representatives of a Person” means such Person’s Affiliates, including the Affiliates’ respective directors, officers and employees, independent contractors, representatives, agents and other Persons acting on their behalf.

“Restructuring” means, collectively, all transactions expressly contemplated by the Restructuring Plan.

“Restructuring Plan” means the Restructuring Plan attached to the Previous SPA as Exhibit B; provided that for purposes of this Agreement, all references in the Restructuring Plan to “Closing” or “Closing Date” and similar expressions shall be deemed to refer to the Relevant Date.

“RMB Escrow Accounts” means, collectively, the Guangfa Guangzhou Escrow Account, the Huaxia Dongguan Escrow Account, the CITIC Guangzhou Escrow Account, the Agbank Panyu Escrow Account, the CCB Panyu Third Tranche Escrow Account, and the CCB Panyu Fourth Tranche Escrow Account, the Minsheng Guangzhou Escrow Account, the Everbright Guangzhou Third Tranche Escrow Account and the Everbright Guangzhou Fourth Tranche Escrow Account, and each of the foregoing shall be an “RMB Escrow Account.”

“RMB Escrow Agents” means each of Guangfa Guangzhou, Huaxia Dongguan, CITIC Guangzhou, Agbank Panyu, CCB Panyu, Minsheng Guangzhou and Everbright Guangzhou, and each of the foregoing shall be an “RMB Escrow Agent.”

“RMB Escrow Aggregate Principal Amount” means RMB10,359,168,000, being the RMB equivalent of US\$1,600,000,000 at the “Agreed Exchange Rate” defined in the Previous SPA.

“RMB Escrow Agreements” means, collectively, the Guangfa Guangzhou Escrow Agreement, the Huaxia Dongguan Escrow Agreement, the CITIC Guangzhou Escrow Agreement, the Agbank Panyu Escrow Agreement, the CCB Panyu Third Tranche Escrow Agreement, the CCB Panyu Fourth Tranche Escrow Agreement, the Minsheng Escrow Agreement, the Everbright Guangzhou Third Tranche Escrow Agreement and the Everbright Guangzhou Fourth Tranche Escrow Agreement, and each of the foregoing shall be an “RMB Escrow Agreement.”

“Sale Shares” means, collectively and without duplication, the Buyer Sale Shares and the HK Buyer Sale Shares.

“SAMR” means the State Administration for Market Regulation of the PRC (中华人民共和国国家市场监督管理总局) or its competent local counterparts.

“Seller” shall have the meaning set forth in the Preamble.

“Seller Bank Account 1” means the bank account set forth in Schedule I-1.

“Seller Bank Account 2” means the bank account set forth in Schedule I-2.

“Seller Bank Account 3” means the bank account set forth in Schedule I-3.

“Seller Bank Account 4” means the bank account set forth in Schedule I-4.

“Seller Parent” shall have the meaning set forth in the Preamble.

“Seller Parties” shall have the meaning set forth in the Preamble.

“Seller Release Effective Date” means the date on which the Buyer Parties have fully performed their obligations set forth in Section 2.5 and Section 2.6.

“Seller Releasing Parties” shall have the meaning set forth in Section 6.3(a).

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company or other organization, whether incorporated or unincorporated, which is Controlled by such Person. For the avoidance of doubt, a “variable interest entity” Controlled by a Person shall be deemed to be a Subsidiary of such Person.

“Target Business” means (i) the PRC domestic video-based entertainment live streaming business, (ii) business of operating each of the In-Scope Products on the PC platform, the mobile platform and new social media platforms, (iii) the business of operating the end-to-end R&D back-end platform (研发端对端后台) and customer service for the In-Scope Products, and (iv) the business of operating any middle-platform general capacities (中台通用能力) or basic services (基础服务) that currently are primarily used in, primarily related to or essential to any In-Scope Product.

“Target Business Confidential Information” shall have the meaning set forth in Section 6.5.

“Target Business Entity” means any Target Group Company and any of the Seller Parties and their Affiliates to the extent it owns or operates any Target Business or Contributed Assets.

“Target Company” shall have the meaning set forth in the Preamble.

“Target Group Companies” means (i) the Target Company, the New WFOE Holdco and all of their respective Subsidiaries from time to time, and (ii) any other entity that, prior to the Relevant Date became, or is required by the Restructuring Plan to become, a Subsidiary of the Target Company or the New WFOE Holdco.

“Tax” means any tax, duty, deduction, withholding, impost, levy, fee, assessment or charge of any nature whatsoever (including income, franchise, value added, sales, use, excise, stamp, customs, documentary, transfer, withholding, property, capital, employment, payroll, ad valorem, net worth or gross receipts taxes and any social security, unemployment or other mandatory contributions) imposed, levied, collected, withheld or assessed by any local, municipal, regional, urban, governmental, state, national or other Governmental Authority and any interest, addition to tax, penalty, surcharge or fine in connection therewith, including any obligations to indemnify or otherwise assume, bear or succeed to the liability of any other Person with respect to any of the foregoing items by virtue of any Laws or contractual arrangements.

“Tax Authority” means any Governmental Authority responsible for the imposition of any Tax.

“Tax Escrow Accounts” means, collectively, the CIB Shanghai Escrow Account and the Huaxia Shanghai Escrow Account, and each of the foregoing shall be a “Tax Escrow Account.”

“Tax Escrow Agents” means, collectively, CIB Shanghai and Huaxia Shanghai, each of whom shall be a “Tax Escrow Agent.”

“Tax Escrow Agreements” means, collectively, the CIB Shanghai Escrow Agreement and the Huaxia Shanghai Escrow Agreement, and each of the foregoing shall be a “Tax Escrow Agreement.”

“Tax Escrow Amount” means an amount in U.S. Dollar cash equal to US\$288,000,000 in the Tax Escrow Accounts.

“Tax Escrow Release Amount” a portion of the Tax Escrow Amount equal to US\$120,000,000.

“Tax Escrow Release Amount Interest” shall have the meaning set forth in Section 2.6(c).

“Term Sheet Escrow Account” means the “Escrow Account” as defined in the Term Sheet Escrow Agreement.

“Term Sheet Escrow Agent” means Citibank, N.A., Hong Kong Branch.

“Term Sheet Escrow Agreement” means the Escrow Agreement, dated October 27, 2020, by and between Baidu Holdings Limited, Duowan Entertainment Corporation and the Term Sheet Escrow Agent, as amended.

“Term Sheet Escrow Amount” means an amount in U.S. Dollar cash equal to US\$80,000,000, being the amount deposited by an Affiliate of the HK Buyer in the Term Sheet Escrow Account and subsequently released to Seller Parent, the designee of the Seller, on or about the Relevant Date.

“Third Party Claim” shall have the meaning set forth in Section 8.3(a).

“Transaction Documents” means, collectively, this Agreement and any other agreements, documents or instruments delivered pursuant hereto, and any other document designated as a Transaction Document by mutual written agreement of the Buyer and the Seller. For avoidance of any doubt, none of the Previous SPA and the other Previous Transaction Documents is a Transaction Document.

“TSA Escrow Account” means the escrow account opened and operated in accordance with the TSA Escrow Agreement.

“TSA Escrow Agent” means that certain reputable domestic banking institution selected by the Seller and reasonably acceptable to the Buyer.

“TSA Escrow Agreement” means that certain escrow agreement that was entered into by an Affiliate of the Buyer, an Affiliate of the Seller, and the TSA Escrow Agent.

“TSA Escrow Amount” means an amount in RMB cash equal to RMB200,000,000.

“US GAAP” means the generally accepted accounting principles in the United States.

“WFOE” means 广州熙凌科技有限公司, a company incorporated with limited liability under the laws of the PRC.

Section 1.2 Interpretation. Unless the express context otherwise requires:

- (a) the words “hereof,” “hereby,” “hereto,” “herein,” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;
- (b) any statement that is qualified by “to the knowledge of” any Person or any similar expression is deemed to be given by reference to the knowledge of such Person after due and diligent inquiries of the Representatives, Subsidiaries and Affiliates of such Person; provided, however, that “to the knowledge of Mr. Li” means the actual knowledge of Mr. Li after due inquiry;
- (c) the terms defined in the singular have a comparable meaning when used in the plural, and vice versa;
- (d) any references herein to “USD”, “US\$”, “\$” or “U.S. Dollars” are to United States Dollars, the lawful currency of the United States, and any references herein to “RMB” are to PRC Renminbi, the lawful currency of the People’s Republic of China;
- (e) any references herein to a specific Section, Schedule or Exhibit or to the Recitals or Preamble shall refer, respectively, to Sections, Schedules, Exhibits, Recitals or Preamble of this Agreement, unless otherwise specified;
- (f) wherever the word “include,” “includes” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”;
- (g) references herein to any gender shall include each other gender as the context requires;
- (h) the word “or” shall not be exclusive;
- (i) references to “written” or “in writing” include in electronic form;
- (j) the Parties have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption of burden of proof shall arise favoring or burdening any Party by virtue of the authorship of any provision in this Agreement;
- (k) reference to any Person includes such Person’s successors and permitted assigns;
- (l) any reference to “days” shall mean calendar days unless Business Days are expressly specified;
- (m) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day;

(n) any reference to any Law shall be deemed to refer to the applicable Law in effect as of the date hereof (unless the applicable Law addressed matters as of an earlier date, in which case, applicable Law shall be deemed to mean the applicable Law in effect as of that date); and

(o) any reference in this Agreement to any agreement or instrument (other than any disclosure schedule) is a reference to that agreement or instrument as amended, novated or supplemented.

ARTICLE II

SALE AND PURCHASE

Section 2.1 Transfer of the Sale Shares. On the terms and subject to the conditions set forth herein, at the Closing (except to the extent already performed prior to the Closing, whether pursuant to the Previous SPA or otherwise):

(a) the Seller shall, and each of the Seller Parties shall cause the Seller to, transfer to the Buyer, and the Buyer shall, and each of the Buyer Parties shall cause the Buyer to, accept from the Seller, the Buyer Sale Shares and all rights and privileges attaching thereto, free of Encumbrances; and

(b) the New WFOE Holdco shall, and each of the Seller Parties shall cause the New WFOE Holdco to, transfer to the HK Buyer, and the HK Buyer shall, and each of the Buyer Parties shall cause the HK Buyer to, accept from the New WFOE Holdco, the HK Buyer Sale Shares and all rights and privileges attaching thereto, free of Encumbrances.

Section 2.2 Consideration. The aggregate consideration for the sale and purchase of the Sale Shares (the "Consideration") shall be a cash amount in U.S. Dollar equal to US\$2,102,083,102.84, to be paid on the terms and subject to the conditions set forth herein.

Section 2.3 [Reserved].

Section 2.4 Closing.

(a) The transactions contemplated by this Agreement shall take place at a closing (the "Closing") by the remote exchange of documents on the date hereof immediately after the execution and delivery of this Agreement, or at such other time and place as the Buyer and the Seller may agree in writing.

(b) All proceedings to be taken and all documents to be executed and delivered by all Parties at the Closing pursuant to Section 2.5 shall be deemed to have been taken and executed simultaneously, and none of such proceedings shall be deemed taken, and none of such documents shall be deemed executed and delivered, unless and until all such proceedings are taken and all such documents are executed and delivered by all Parties.

Section 2.5 Closing Delivery. At the Closing, except to the extent already performed by the relevant Parties (whether pursuant to the Previous SPA or otherwise) prior to the Closing:

(a) Deliveries by the Seller Parties.

(i) The Seller shall transfer the Buyer Sale Shares to the Buyer by executing an instrument of transfer dated no later than the Closing Date and in the form attached hereto as Exhibit D-1.

(ii) The New WFOE Holdco shall transfer the HK Buyer Sale Shares to the HK Buyer by executing a short-form equity interest transfer agreement dated no later than the Closing Date and in the form attached hereto as Exhibit D-2.

(iii) Guangzhou Ruicheng shall transfer 100% of the equity interest in Guangzhou Yiling to an onshore entity designated by the Buyer by executing a short-form equity interest transfer agreement dated no later than the Closing Date and in the form attached hereto as Exhibit D-2; and

(iv) the Seller shall (x) deliver or cause to be delivered to the Buyer and the HK Buyer the register of members of the Target Company, reflecting that the Buyer is the holder of the Buyer Sale Shares and the sole shareholder of the Target Company (provided that the Buyer shall provide reasonable cooperation in liaising with the Target Company's registered office provider), (y) complete and execute all such documents and filings that are necessary for the amendment registration and/or record filing with the SAMR to record (A) the transfer of the HK Buyer Sale Shares to the HK Buyer and (B) the transfer of 100% of the equity interest in Guangzhou Yiling to an onshore entity designated by the Buyer, and (z) deliver or cause to be delivered to the Buyer and the HK Buyer the register of members of each of the WFOE and Guangzhou Yiling, reflecting that (A) the HK Buyer is the holder of the HK Buyer Sale Shares, and (B) an onshore entity designated by the Buyer is the holder of the 100% equity interest in Guangzhou Yiling and the sole shareholder of Guangzhou Yiling.

(b) Deliveries by the Buyer Parties. The HK Buyer shall duly countersign the documents specified in Section 2.5(a)(ii) and Section 2.5(a)(iii) and, to the extent applicable, Section 2.5(a)(iv)(y) and deliver such countersigned documents to the Seller Parties.

(c) Closing Checklist. Notwithstanding the foregoing provisions of this Section 2.5, the Seller Parties and the Buyer Parties may, concurrently with the execution and delivery of this Agreement, mutually agree in writing (which may be in the form of email confirmations from their respective counsel citing this Section 2.5(c)) on a checklist that includes the specific documents and signatures required to be delivered by the Seller Parties and the Buyer Parties at the Closing for purposes of satisfying this Section 2.5, and the delivery by or on behalf of the Seller Parties or the Buyer Parties (as applicable) of all of the documents and signatures specified on such checklist as to be delivered by or on behalf of the Seller Parties or the Buyer Parties (as applicable) at the Closing for purposes of satisfying this Section 2.5 shall be deemed full performance and discharge of the Seller Parties' or the Buyer Parties' (as applicable) obligations under the foregoing provisions of this Section 2.5.

Section 2.6 Additional Closing Deliverables.

(a) Payment by the Buyer Parties. At the Closing and immediately after the full performance by the Parties of their respective obligations set forth in Section 2.5.

the Buyer Parties shall pay or cause to be paid to the Seller the Payment Amount by wire transfer of immediately available funds in USD to the Seller Bank Account 1 and provide a Seller Party with a MT103 SWIFT message evidencing such payment.

(b) RMB Escrow Joint Deliveries. At the Closing and immediately after the provision of the SWIFT message evidencing payment of the Payment Amount in accordance with Section 2.6(a), each of the Seller Parties and the Buyer Parties shall (or shall cause its applicable Affiliates to) deliver all additional confirmations to and fulfill all procedures required by the RMB Escrow Agents (whether oral or written, whether remote or physical, including fulfilling all telephone callback procedures and/or causing designated persons to physically appear and stand by at the RMB Escrow Agents' place of business, in each case as the RMB Escrow Agents may require) to effect the full release of the amounts in the RMB Escrow Accounts to (x) the Buyer Parties or their designees (in respect to all RMB Escrow Accounts other than the Everbright Guangzhou Third Tranche Escrow Account) and (y) the Buyer Parties and the Seller Parties or their respective designees (in respect of the Everbright Guangzhou Third Tranche Escrow Account; for the avoidance of doubt, a total amount equal to the total interest accrued in the RMB Escrow Accounts through the date immediately prior to the Closing Date multiplied by a ratio of 2.398/16, shall be released to the Seller Bank Account 2 and all remaining balances in the Everbright Guangzhou Third Tranche Escrow Account shall be released to the Buyer Parties or their designees), in each case in accordance with the applicable joint written instructions to the RMB Escrow Agents.

(c) Tax Escrow Joint Deliveries. At the Closing and immediately after the provision of the SWIFT message evidencing payment of the Payment Amount in accordance with Section 2.6(a), the Seller Parties and the Buyer Parties shall (or shall cause their respective applicable Affiliates to) deliver to the Tax Escrow Agents (x) a duly executed joint written instruction to release to the Seller Bank Account 3 an aggregate amount equal to the Tax Escrow Release Amount, and (y) a duly executed joint written instruction to release to the Seller Bank Account 4 an amount equal to US\$16,998,226.39 (the "Tax Escrow Release Amount Interest"), and deliver all additional confirmations to and fulfill all procedures required by the Tax Escrow Agents (whether oral or written, whether remote or physical, including fulfilling all telephone callback procedures and/or causing designated persons to physically appear and stand by at the Tax Escrow Agents' place of business, in each case as the Tax Escrow Agents may require) to effect the releases specified in subsections (x) and (y) of this Section 2.6(c).

(d) Submission of the SAMR Documents. At the Closing and immediately after the provision of the SWIFT message evidencing payment of the Payment Amount in accordance with Section 2.6(a), the Seller and the Buyer shall jointly submit or cause to be submitted to the SAMR the documents referred to in Section 2.5(a)(iv).

Section 2.7 Same-Day Escrow Release

(a) The Parties have in good faith discussed with each other and with the RMB Escrow Agents and Tax Escrow Agents on their detailed requirements and the related logistical arrangements necessary for the funds in the Tax Escrow Accounts (with respect to the Tax Escrow Release Amount) and the RMB Escrow Accounts to be released by the Tax Escrow Agents and the RMB Escrow Agents in accordance with this Agreement on the date hereof, the same day on which the joint written instructions specified in Section 2.6(b) and Section 2.6(c) are delivered. The Parties are entering into this Agreement on the basis and with the expectation of such same-day escrow release.

(b) Each of the Seller Parties and the Buyer Parties confirms that it has (or has caused its respective applicable Affiliates to), prior to the date hereof, executed and delivered the documents listed below in this Section 2.7 to the applicable RMB Escrow Agents:

(i) the Second Supplemental Agreement to the Transaction Funds Escrow Agreement (交易资金托管协议补充协议二) in the form attached hereto as Exhibit J-1, and joint written instructions, to Guangfa Guangzhou;

(ii) the Second Supplemental Agreement to the Transaction Funds Supervision Agreement (交易资金监管协议补充协议二) in the form attached here to as Exhibit J-2, and joint written instructions, to Huaxia Dongguan;

(iii) the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议之补充协议) in the form attached hereto as Exhibit J-3, and joint written instructions, to CITIC Guangzhou;

(iv) the Seventh Supplemental Agreement to the Funds Supervision Agreement (资金监管协议之补充协议七) in the form attached hereto as Exhibit J-4, and joint written instructions, to Agbank Panyu;

(v) the Eighth Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议八) in the form attached hereto as Exhibit J-5, and joint written instructions, to CCB Panyu;

(vi) the Fifth Supplemental Agreement to the China Construction Bank Easy Supervision Product Cooperation Agreement (中国建设银行股份有限公司监管易产品合作协议之补充协议五) in the form attached hereto as Exhibit J-6, and joint written instructions, to CCB Panyu;

(vii) the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议之补充协议) in the form attached hereto as Exhibit J-7, and joint written instructions, to Minsheng Guangzhou;

(viii) the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议之补充协议) in the form attached hereto as Exhibit J-8, and joint written instructions, to Everbright Guangzhou; and

(ix) the Supplemental Agreement to the Funds Escrow Agreement (资金监管协议之补充协议) in the form attached hereto as Exhibit J-9, and joint written instructions, to Everbright Guangzhou.

ARTICLE III

[RESERVED]

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Seller Parties. Each of the Seller Parties hereby, jointly and severally, represents and warrants to each Buyer Party, the following as of the date hereof and as of the Closing Date (except for such representations and warranties that speak as of a specified date, in which case, such representations and warranties shall be deemed to be made only as of such specified date):

(a) Authority. Each of the Seller Parties has full power and authority to enter into, execute and deliver each Transaction Document to which it is or will be a party and to perform its obligations thereunder. The execution and delivery by each of the Seller Parties of each Transaction Document to which it is or will be a party and the performance by it of its obligations thereunder have been duly authorized by all requisite actions on its part.

(b) Valid Agreement. Each Transaction Document to which any of the Seller Parties is or will be a party has been or will be duly executed and delivered by such party and constitutes, or when executed and delivered in accordance herewith will constitute, legal, valid and binding obligations of such party, enforceable against such party in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting enforcement of creditors' rights generally and (ii) Laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(c) Non-Contravention; Litigation. Neither the execution and delivery of each Transaction Document to which any of the Seller Parties is or will be a party nor the consummation of any of the Contemplated Transactions will (i) violate any organizational document of such Seller Party or violate any Law or Order to which such Seller Party is subject or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under or create in any party the right to accelerate, terminate, modify or cancel any Contract to which such Seller Party is a party, by which such Seller Party is bound or to which any of the assets of such Seller Party are subject, except in the case of sub-clause (ii) above, as would not, individually or in the aggregate, materially and adversely affect the ability of any of the Seller Parties to consummate the Contemplated Transactions. There is no Action pending or, to the knowledge of the Seller Parties, threatened in writing against any Seller Party that (i) seeks to invalidate this Agreement or the right of any Seller Party to enter into each Transaction Document to which it/he is or will be a party or to consummate the Contemplated Transactions, or (ii) would, individually or in the aggregate, materially and adversely affect the ability of any of the Seller Parties to consummate the Contemplated Transactions.

(d) Consents and Approvals. None of the execution and delivery of any Transaction Document to which any Seller Party is or will be a party, the consummation of any of the Contemplated Transactions nor the performance by any Seller Party of each Transaction Document to which such Seller Party is or will be a party in accordance with its terms requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or any other Person (each, an "Authorization") on the part of any Seller Party or its Affiliates, except (i) the filings and registrations with SAMR and MOFCOM in connection with the Contemplated Transactions, (ii) for compliance with the applicable requirements of the Exchange Act and the rules and

regulations promulgated thereunder, or (iii) as would not, individually or in the aggregate, materially and adversely affect the ability of any of the Seller Parties to consummate the Contemplated Transactions.

(e) Ownership of Sale Shares. As of the date immediately preceding the Relevant Date, the Seller was the record and beneficial owner of the Buyer Sale Shares, free and clear of all Encumbrances. The New WFOE Holdco is the record and beneficial owner of the HK Buyer Sale Shares, free and clear of all Encumbrances.

(f) Due Formation. Each Seller Party is duly formed, validly existing and in good standing in its jurisdiction of organization, and has all requisite power and authority to carry on its business as it is currently being conducted.

(g) Capitalization.

(i) As of the Original Signing Date and the Relevant Date, (1) the authorized share capital of the Target Company was US\$50,000 divided into a total of 50,000 Ordinary Shares, 50,000 of which were issued and outstanding and owned, directly or indirectly through wholly-owned subsidiaries, by the Seller; (2) all of the outstanding Equity Securities in the Target Company were duly authorized, validly issued, fully paid and non-assessable, free and clear of all Encumbrances (other than Encumbrances created hereunder); and (3) except as set forth in sub-clause (1), (A) there are no outstanding Equity Securities in the Target Company, (B) no Equity Securities in the Target Company are subject to any preemptive rights, rights of first refusal or first offer or other rights to purchase such Equity Securities or any other rights with respect to such Equity Securities (except as provided hereunder), (C) the Target Company is not a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to any Equity Securities in the Target Company, (D) there are no obligations, contingent or otherwise, of the Target Company to issue, repurchase, redeem or otherwise acquire any Equity Securities, and (E) there are no dividends that have accrued or been declared but are unpaid by the Target Company.

(h) Due Delivery. The HK Buyer Sale Shares, when delivered to and paid for by the Buyer Parties pursuant to this Agreement, will be fully paid and non-assessable, free and clear of all Encumbrances. Upon delivery and entry into the register of members of the WFOE of the HK Buyer Sale Shares, the HK Buyer shall have good and valid title to the HK Buyer Sale Shares, free and clear of all Encumbrances.

Section 4.2 Representations and Warranties of the Buyer Parties. Each of the Buyer Parties hereby jointly and severally represents and warrants to each of the Seller Parties the following as of the date hereof and as of the Closing Date:

(a) Authority. Each of the Buyer Parties has full power and authority to enter into, execute and deliver each Transaction Document to which it is or will be a party and to perform its obligations thereunder. The execution and delivery by each of the Buyer Parties of each Transaction Document to which it is or will be a party and the performance by it of its obligations thereunder have been duly authorized by all requisite actions on its part.

(b) Valid Agreement. Each Transaction Document to which any of the Buyer Parties is or will be a party has been or will be duly executed and delivered by such party and constitutes, or when executed and delivered in accordance herewith will constitute, legal, valid and binding obligations of such party, enforceable against such party in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting enforcement of creditors' rights generally and (ii) Laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(c) Non-Contravention; Litigation. Neither the execution and delivery of each Transaction Document to which any of the Buyer Parties is or will be a party nor the consummation of any of the Contemplated Transactions will (i) violate any provision of the organizational documents of such Buyer Party or violate any Law or Order to which such Buyer Party is subject or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under or create in any party the right to accelerate, terminate, modify or cancel any Contract to which such Buyer Party is a party, by which such Buyer Party is bound or to which any of the Buyer's assets are subject, except, in the case of sub-clause (ii) above, as would not, individually or in the aggregate, materially and adversely affect the ability of any of the Buyer Parties to consummate the Contemplated Transactions. There is no Action pending or, to the knowledge of the Buyer Parties, threatened against any Buyer Party that (i) seeks to invalidate this Agreement or the right of any Buyer Party to enter into this Agreement or to consummate the Contemplated Transactions, or (ii) would, individually or in the aggregate, materially and adversely affect the ability of any of the Buyer Parties to consummate the Contemplated Transactions.

(d) Consents and Approvals. None of the execution and delivery of each Transaction Document to which any Buyer Party is a party, the consummation by any Buyer Party of any of the Contemplated Transactions nor the performance by any Buyer Party of each Transaction Document to which such Buyer Party is a party in accordance with its terms requires any Authorization on the part of any Buyer Party or its Affiliates, except (i) for compliance with the applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder, or (ii) as would not, individually or in the aggregate, materially and adversely affect the ability of any of the Seller Parties to consummate the Contemplated Transactions.

Section 4.3 Representations and Warranties of Mr. Li. Mr. Li hereby represents and warrants to each Buyer Party the following as of the date hereof and as of the Closing Date:

(a) Authority. Mr. Li has full power and authority to enter into, execute and deliver each Transaction Document to which he is or will be a party and to perform his obligations thereunder.

(b) Valid Agreement. Each Transaction Document to which Mr. Li is or will be a party has been or will be duly executed and delivered by such party and constitutes, or when executed and delivered in accordance herewith will constitute, his legal, valid and binding obligations, enforceable against him in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, moratorium and other Laws of general application affecting enforcement of creditors' rights generally and (ii) Laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(c) Non-Contravention; Litigation. Neither the execution and delivery of each Transaction Document to which Mr. Li is or will be a party nor the consummation of any of the Contemplated Transactions will conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under or create in any party the right to accelerate, terminate, modify or cancel any Contract to which Mr. Li is a party, by which Mr. Li is bound or to which any of the assets of Mr. Li are subject, except as would not, individually or in the aggregate, materially and adversely affect the ability of Mr. Li to perform his obligations hereunder and thereunder. There is no Action pending or, to the knowledge of Mr. Li, threatened in writing against Mr. Li that (i) seeks to invalidate this Agreement or the right of Mr. Li to enter into each Transaction Document to which he is or will be a party or to perform his obligations hereunder and thereunder, or (ii) would, individually or in the aggregate, materially and adversely affect the ability of Mr. Li to perform his obligations hereunder and thereunder.

(d) Consents and Approvals. None of the execution and delivery of any Transaction Document to which Mr. Li is or will be a party, the performance of his obligations hereunder and thereunder nor the performance by Mr. Li under each Transaction Document to which he is or will be a party in accordance with its terms requires any Authorization on the part of Mr. Li, except as would not, individually or in the aggregate, materially and adversely affect the ability of Mr. Li to perform his obligations hereunder.

ARTICLE V

COVENANTS

Section 5.1 [Reserved].

Section 5.2 Previous SPA. Each of the Parties, on its/his own behalf and on behalf of its/his successors, assigns and Affiliates and any other Person that may claim by, through or under such Party, agrees and acknowledges that the Previous SPA is no longer in force, other than Article IX of the Previous SPA and all provisions of the Previous SPA necessary for the interpretation thereof.

Section 5.3 [Reserved].

Section 5.4 [Reserved].

Section 5.5 [Reserved].

Section 5.6 Publicity. The Buyer Parties, the Seller Parties and the Target Company shall coordinate all publicity relating to the Contemplated Transactions. No Party shall issue any press release or other public disclosure relating to this Agreement or the Contemplated Transactions without the prior consent of the other Parties; provided that to the extent that a Party is required by applicable Law or applicable stock exchange rules to issue a press release or other public disclosure, such Party may issue such press release or other public disclosure without the consent of the other Parties, so long as such Party promptly consults with the other Parties in advance and considers in good faith their comments on such press release or other public disclosure prior to issuing the same.

Section 5.7 Regulatory Matters. Neither any Seller Party nor its Affiliates shall, in connection with the necessary regulatory matters for Contemplated Transactions

and/or the transactions contemplated in the Previous SPA, initiate or make any complaint or filing with any PRC Governmental Authority; provided that the foregoing shall not be deemed to prevent any Seller Party or its Affiliates from responding to written or verbal query from any PRC Governmental Authority, or from making filings and communicating with the relevant PRC Governmental Authorities solely in relation to the transfer of the equity interests as contemplated by Section 2.5(a), or pursuant to Section 6.1. If any Seller Party or any of its Affiliates receives any notice, letter or other written or verbal query from or is otherwise contacted by any PRC Governmental Authority in relation to regulatory matters for the Contemplated Transactions and/or the transactions contemplated in the Previous SPA, to the extent permitted by applicable Laws and not prohibited by the relevant PRC Governmental Authority, the Seller Party shall, promptly (and in any event within two (2) Business Days) after responding to the PRC Governmental Authority, provide to the Buyer copies of all written communications received from the PRC Governmental Authority (or, if such query was verbal, a summary of such verbal query received from the PRC Governmental Authority), and written response sent to the PRC Governmental Authority (or, if such response was verbal, a summary of such verbal response given to the PRC Governmental Authority). The Buyer shall promptly (and in any event within two (2) Business Days) notify the Seller once any ongoing investigation or inquiry by a PRC Governmental Authority against any Buyer Party or otherwise relating to the Contemplated Transactions and/or transactions contemplated in the Previous SPA is definitively concluded. The Buyer Parties agree to be responsible for any penalty that the PRC Governmental Authority may assess against any Buyer Party or any of its Affiliates in respect of the Contemplated Transactions and/or the transactions contemplated in the Previous SPA, and none of the Seller Parties or their Affiliates shall have any liability or obligation to the Buyer Parties for any such penalty.

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.1 Tax Filings.

(a) The Parties hereby acknowledge, covenant and agree that (i) the Buyer Parties shall have no obligation to pay any Tax of any nature that is required by applicable Laws to be paid by any Seller Party or any of its Affiliates or any of their respective direct and indirect partners, members and shareholders arising out of the sale and purchase of the Sale Shares, and (ii) the Seller Parties agree to jointly and severally bear and pay any Tax of any nature that is required by applicable Laws to be paid by any Seller Party or any of its Affiliates or any of their respective direct and indirect partners, members and shareholders arising out of the sale and purchase of the Sale Shares.

(b) The Seller Parties shall engage and authorize a big-four accounting firm (or another external consultant or advisor reasonably acceptable to the Buyer) (the "Reporting Agent") to, and shall cause the Reporting Agent to, within the legally required time limit after the Closing, duly make with the applicable PRC Tax Authority (the "Relevant PRC Tax Authority") the relevant Tax reporting pursuant to and in accordance with the requirements of Circular 7 in connection with the Contemplated Transactions, and shall (i) permit the Buyer Parties to make a joint reporting with the Seller Parties in respect of the Contemplated Transactions if the Buyer Parties so elect and shall procure that the Reporting Agent promptly shares copies of any relevant draft reporting documents with the Buyer (or its advisor) to allow the Buyer a reasonable opportunity to comment, (ii) allow a representative of the Buyer or its advisor to attend any meetings or discussions between any Seller Party and any

of their advisors on the one hand and any Relevant PRC Tax Authority on the other hand in relation to the Contemplated Transactions and (iii) promptly provide the Buyer with adequate evidence that such Tax reporting has been made in accordance with applicable Laws (it being agreed that, for all purposes of this Agreement, either of the following shall be deemed reasonable evidence: (x) an acknowledgement or receipt in respect of the reporting by or on behalf of Seller Parties issued by the Relevant PRC Tax Authority or the original signature of an official of the Relevant PRC Tax Authority on the duplicate of the reporting documents submitted by or on behalf of Seller Parties; or (y) an original written confirmation issued by the Reporting Agent, attaching a copy of the reporting made and confirming the Reporting Agent has submitted the reporting on behalf of the Seller Parties with the Relevant PRC Tax Authority in accordance with this Section 6.1(b), and confirming that the Relevant PRC Tax Authority does not issue, and has not issued, any acknowledgement or receipt in respect of the reporting). The Seller Parties shall promptly submit, or cause the Reporting Agent to submit, all documents supplementally requested by the Relevant PRC Tax Authority (having incorporated any reasonable comments from the Buyer) within the timeframe requested by the Relevant PRC Tax Authority in connection with such Tax reporting with a copy delivered to the Buyer. The Seller Parties shall ensure that all information or materials submitted to the Relevant PRC Tax Authority in connection with any Tax reporting by or on behalf of the Seller Parties are true, accurate, complete and not misleading.

(c) The Seller Parties shall cause the Reporting Agent to follow up, on a monthly basis, with the Relevant PRC Tax Authority on the Tax reporting of the Seller Parties and shall respond to any requests by the Relevant PRC Tax Authority for additional information or materials (having incorporated any reasonable comments from the Buyer) and to give monthly updates to the Buyer as to any development in the assessment of any Taxes by the Relevant PRC Tax Authority.

(d) Upon the receipt by the Buyer Parties from the Seller Parties of (i) one or more Acceptable Tax Receipts evidencing full payment of the Circular 7 Tax in connection with the sale and purchase of the Sale Shares or (ii) an Acceptable Tax Authority Confirmation, the Seller Parties and the Buyer Parties shall (or shall cause their respective applicable Affiliates to) (x) deliver a joint written instruction to the Tax Escrow Agent as soon as practicable (but in any event within five (5) Business Days) to release to the Seller (or its designee) all the then remaining balance (including any and all principal and interest) in the Tax Escrow Accounts and (y) deliver all additional confirmations to and fulfill all procedures required by the Tax Escrow Agents (whether oral or written, whether remote or physical, including fulfilling all telephone callback procedures and/or causing designated persons to physically appear and stand by at the Tax Escrow Agents' place of business, in each case as the Tax Escrow Agents may require) to effect such releases.

(e) Promptly after the Seller Parties obtain any Acceptable Tax Evidence, the Seller Parties shall provide the Buyer Parties with a copy of the Acceptable Tax Evidence, and copies of all documents submitted to and filings made with the Relevant PRC Tax Authority.

Section 6.2 [Reserved].

Section 6.3 General Release.

(a) Effective on Seller Release Effective Date, each of the Seller Parties and Mr. Li, on its/his own behalf and on behalf of its/his successors, assigns and

Affiliates and any other Person that may claim by, through or under such Seller Party (collectively, the “Seller Releasing Parties”), hereby:

(i) unconditionally and irrevocably waives, releases, acquits and forever discharges each Target Group Company and each Other Target Entity and each of their respective present and former officers, directors, managers, employees and other agents or Representatives, and the Target Business and the Contributed Assets, from any and all Liabilities of any kind or nature whatsoever since the beginning of time, except, solely in the case of the Other Target Entities, any Liability that did not arise out of their ownership or operation of (x) the Target Business or (y) the Contributed Assets;

(ii) unconditionally and irrevocably waives, releases, acquits and forever discharges each Buyer Party and its respective present and former officers, directors, managers, employees and other agents or Representatives from any and all Previous SPA Claims of any kind or nature whatsoever since the beginning of time;

(iii) agrees to procure that no Seller Releasing Party will bring or voluntarily participate in or assist any Action that relates to any matter released pursuant to this Section 6.3(a); and

(iv) acknowledges, agrees, covenants and confirms that if any Previous SPA Claim is brought in any jurisdiction or in any tribunal or other body, this Section 6.3(a) is intended to be and shall be a complete defence thereto and discharge therefrom.

Notwithstanding the foregoing, the Seller Releasing Parties do not waive or release any rights based upon, arising out of or relating to rights in favor of the Seller Releasing Parties created pursuant to the terms of any Transaction Document. The Seller Releasing Parties understand and agree that the releases provided in this Section 6.3(a) extend to all Liabilities and Previous SPA Claims released above whether known or unknown, suspected or unsuspected. It is the intention of the Seller Releasing Parties through this Agreement and with the advice of counsel to fully, finally and forever settle and release each released party from the Liabilities and Previous SPA Claims set forth above. In furtherance of such intention, the releases herein given shall be and remain in effect as full and complete releases of such matters notwithstanding the discovery of any additional claims or facts relating thereto.

(b) Effective on the Buyer Release Effective Date, each Buyer Party, on its own behalf and on behalf of the Target Group Companies and any Other Target Entity, and its and their respective successors, assigns and Affiliates and any other Person that may claim by, through or under such Buyer Party, any Target Group Company or any Other Target Entity (collectively, the “Buyer Releasing Parties”), hereby:

(i) unconditionally and irrevocably waives, releases, acquits and forever discharges Mr. Li, the Seller Parties and their respective Affiliates, and each of their respective present and former officers, directors, managers, employees and other agents or Representatives, from any and all Liabilities of any kind or nature whatsoever since the beginning of time to the extent such Liabilities arise out of any Target Group Company, the Target Business or the Contributed Assets;

(ii) unconditionally and irrevocably waives, releases, acquits and forever discharges Mr. Li, each Seller Party and its respective present and former officers, directors, managers, employees and other agents or Representatives from any and all Previous SPA Claims of any kind or nature whatsoever since the beginning of time;

(iii) agrees to procure that no Buyer Releasing Party will, bring or voluntarily participate in or assist any Action that relates to any matter released pursuant to this Section 6.3(b); and

(iv) acknowledges, agrees, covenants and confirms that if any Previous SPA Claim is brought in any jurisdiction or in any tribunal or other body, this Section 6.3(b) is intended to be and shall be a complete defence thereto and discharge therefrom.

Without prejudice to the foregoing, each Buyer Party shall be deemed to have repeated the undertakings set forth in this Section 6.3(b) on the date immediately following the Closing Date on behalf of each of the Target Group Companies and the Other Target Entities.

Notwithstanding the foregoing, the Buyer Releasing Parties do not waive or release any rights based upon, arising out of or relating to rights in favor of the Buyer Releasing Parties created pursuant to the terms of any Transaction Document. The Buyer Releasing Parties understand and agree that the releases provided in this Section 6.3(b) extend to all Liabilities and Previous SPA Claims released above whether known or unknown, suspected or unsuspected. It is the intention of the Buyer Releasing Parties through this Agreement and with the advice of counsel to fully, finally and forever settle and release each released party from the Liabilities and Previous SPA Claims set forth above. In furtherance of such intention, the releases herein given shall be and remain in effect as full and complete releases of such matters notwithstanding the discovery of any additional claims or facts relating thereto.

Section 6.4 Non-Disparagement. From the date hereof, each of the Seller Parties and Mr. Li covenants and agrees that it/he and its/his Affiliates will not directly or indirectly make or cause to be made any public statement or other communication that is public in nature or is prone to public dissemination, written or otherwise, that would constitute disparagement or criticism of, or that is otherwise derogatory or materially detrimental to, the Target Business, any Target Group Company, the Contemplated Transactions or, in relation to the Contemplated Transactions, any Buyer Party. Each of the Buyer Parties covenants and agrees that it and its Affiliates will not directly or indirectly make or cause to be made any public statement or other communication that is public in nature or is prone to public dissemination, written or otherwise, that would constitute disparagement or criticism of, or that is otherwise derogatory or materially detrimental to the Contemplated Transactions or, in relation to the Contemplated Transactions, any Seller Party or Mr. Li. Nothing in this Section 6.4 shall restrict any Party or its or his respective Affiliates from (i) making any disclosure that such Party or its or his respective Affiliates reasonably believe is required to be made pursuant to applicable Law, (ii) making any statement to any Governmental Authority in response to an inquiry or investigation in relation to or arising out of the Previous SPA or this Agreement, or (iii) making any statement necessary to enforce or defend its legal or contractual rights in relation to this Agreement.

Section 6.5 Target Business Confidential Information. For a period of five (5) years after the Relevant Date, each of the Seller Parties and Mr. Li shall not, and shall cause

its/his Affiliates not to, use or disclose or convey to any third party, any confidential information regarding the Target Business, the Contributed Assets, the business conducted by any Target Group Company, or in relation to any Target Group Company or its respective clients, customers, vendors, licensors, suppliers, and any other proprietary information of any Target Group Company that as of the Relevant Date is not available to the general public (collectively, "Target Business Confidential Information"); provided that any Seller Party may furnish such portion (and only such portion) of the Target Business Confidential Information as such Seller Party reasonably determines it is legally obligated to disclose if (a) it receives a request to disclose all or any part of the Target Business Confidential Information under the terms of a subpoena, civil investigative demand or order issued by a Governmental Authority, (b) it notifies the Buyer of the existence, terms and circumstances surrounding that request and consults with the Buyer on the advisability of taking steps available under applicable Law to resist or narrow that request, (c) it exercises its reasonable best efforts to obtain an Order or other reliable assurance that confidential treatment will be accorded to the disclosed Target Business Confidential Information, and (d) disclosure of such Target Business Confidential Information is required to prevent such Seller Party from being in violation of applicable Law.

Section 6.6 Economics Since Relevant Date. Each of the Parties agrees and acknowledges that all profits or losses generated by the Target Business since the Relevant Date shall accrue to and be for the benefit (or detriment) of the applicable Buyer Parties, and shall not accrue to or be for the benefit (or detriment) of any Seller Party.

Section 6.7 [Reserved].

Section 6.8 [Reserved].

Section 6.9 Non-Compete Undertaking. Each of the Parties agrees and acknowledges that the Non-Compete Undertaking remains in effect. Sections 1, 2, 3, 4 and 7 of the Non-Compete Undertaking (together, the "Non-Compete Undertaking Provisions") shall automatically be incorporated by reference into this Agreement and form a part of this Agreement as if fully set forth herein.

ARTICLE VII

NO RESCISSION OR REFUND

Section 7.1 No Rescission or Refund. The Parties expressly acknowledge and agree that each of the payment and delivery obligations as set forth in Section 2.5 and Section 2.6 is, from and after the date hereof, binding, irrevocable and unconditional. From and after the date hereof, no Party may, whether by claim, Action or proceeding, terminate or rescind this Agreement or otherwise unwind or reverse the Contemplated Transactions (in each case, whether in part or in full) without the prior written consent of all the other Parties. Without prejudice to the Parties' right to indemnification as set forth in Article VIII, all payments provided herein are final, and in no event shall any amount that has been paid to any Party or its Affiliates prior to the date hereof pursuant to the Previous Transaction Documents or any amount to be paid to any Party or its Affiliates in accordance with this Agreement be subject to refund, return or claw-back in any way or for any reason, whether in part or in full (except for refund by way of release from escrow accounts as expressly required by this Agreement).

INDEMNIFICATION

Section 8.1 Survival. The Company Fundamental Representations shall survive until the second (2nd) anniversary of the Closing Date. All representations and warranties made by the Buyer Parties shall survive until the second (2nd) anniversary of the Closing Date. All representations and warranties made by Mr. Li shall survive until the second (2nd) anniversary of the Closing Date. Notwithstanding the foregoing, if an Indemnified Party asserts any claim in writing pursuant to Section 8.2 resulting from or arising out of an alleged breach of any such representation or warranty on or prior to the applicable expiration date of such representation or warranty, such representation or warranty shall survive, solely with respect to such asserted claim, until such claim has been finally resolved. The covenants and agreements of each Party set forth in this Agreement, including the Non-Compete Undertaking Provisions, shall survive until they are terminated, whether by the performance thereof, their respective express terms or as a matter of applicable Law.

Section 8.2 Indemnification.

(a) From and after the Closing Date, the Seller Parties shall jointly and severally indemnify and hold harmless the Buyer Parties and their Affiliates, and their Affiliates' respective directors, officers, employees, agents, successors and permitted assigns from and against any losses, claims, damages, judgments, fines, Taxes, expenses and Liabilities, including any lost profits, lost revenue, investigative and legal expenses incurred in connection with and any amounts paid in settlement of, any pending or threatened Action (but in any event excluding exemplary or punitive damages, except to the extent such damages are awarded to or recovered by a third party in connection with a Third Party Claim) (collectively, "Losses") arising out of or resulting from (i) the breach of any representation or warranty of any Seller Party set forth in this Agreement, (ii) the breach of any covenant or agreement of any Seller Party set forth in this Agreement (other than the Non-Compete Undertaking Provisions and Section 6.1), or (iii) the breach by any Seller Party of any Non-Compete Undertaking Provision.

(b) From and after the Closing Date, Mr. Li shall indemnify and hold harmless the Buyer Parties and their Affiliates, and their Affiliates' respective directors, officers, employees, agents, successors and permitted assigns from and against any Losses arising out of or resulting from (A) the breach of any representation or warranty of Mr. Li set forth in this Agreement, or (B) the breach by Mr. Li of any Non-Compete Undertaking Provision.

(c) From and after the Closing Date, the Buyer Parties shall jointly and severally indemnify and hold harmless the Seller Parties and their Affiliates, and their Affiliates' respective directors, officers, employees, agents, successors and permitted assigns from and against any Losses arising out of or resulting from (i) the breach of any representation or warranty of any Buyer Party set forth in this Agreement, or (ii) the breach of any covenant or agreement of any Buyer Party set forth in this Agreement.

(d) For purposes of this Agreement, (i) "Indemnifying Party" means the Seller Parties (with respect to Section 8.2(a)), Mr. Li (with respect to Section 8.2(b)) and the Buyer Parties (with respect to Section 8.2(c)), and (ii) "Indemnified Party," means the Persons entitled to seek indemnification against the applicable Indemnifying Party pursuant to Section 8.2(a), Section 8.2(b) or Section 8.2(c), as applicable.

(e) Solely for the purpose of ascertaining the amount of any Losses relating to indemnification remedies (and not for determining whether any breach has occurred) provided in this ARTICLE VIII, the representations, warranties, covenants and agreements made by any Indemnifying Party in any Transaction Document shall be considered and applied with no regard to any qualification therein as to materiality, material adverse effect or similar materiality qualifiers.

Section 8.3 Third Party Claims.

(a) If any third party shall notify any Indemnified Party in writing with respect to any matter involving a claim by such third party (a "Third Party Claim") which such Indemnified Party believes would give rise to a claim for indemnification against an Indemnifying Party under this ARTICLE VIII, then the Indemnified Party shall promptly following receipt of notice of such claim transmit to the Indemnifying Party a written notice (a "Claim Notice") describing in reasonable detail the nature of the Third Party Claim, a copy of all papers served with respect to such claim (if any) and the basis of the Indemnified Party's request for indemnification under this Agreement. Notwithstanding the foregoing, no failure or delay in providing such Claim Notice shall constitute a waiver or otherwise modify the Indemnified Party's right to indemnification hereunder, except to the extent that the Indemnifying Party shall have been materially and adversely prejudiced by such failure or delay. If the Indemnifying Party does not notify the Indemnified Party in writing within thirty (30) days from receipt of such Claim Notice that the Indemnifying Party disputes such claim for indemnification under this Agreement, the Indemnifying Party shall be deemed to have accepted and agreed with such claim for indemnification under this Agreement.

(b) Upon the receipt of a Claim Notice with respect to a Third Party Claim, the Indemnifying Party shall have the right to assume the defense of any Third Party Claim by notifying the Indemnified Party in writing within thirty (30) days of receipt of such Claim Notice that the Indemnifying Party elects to assume the defense of such Third Party Claim, and upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall have the right to fully control and settle the relevant proceeding; provided that any such settlement shall require the prior written consent of the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be entitled to assume the defense of any Third Party Claim if (i) the Third Party Claim arises out of or results from any criminal action, (ii) the Third Party Claim seeks an injunction or equitable relief against any Indemnified Party, or (iii) the Indemnifying Party has not acknowledged that such Third Party Claim is subject to indemnification pursuant to this ARTICLE VIII.

(c) If requested by the Indemnifying Party, the Indemnified Party shall, at the sole cost and expense of the Indemnifying Party, cooperate reasonably with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including in connection with the making of any related counterclaim against the third party asserting the Third Party Claim or any cross complaint against any Person. The Indemnified Party shall have the right to receive copies of all pleadings, notices and communications with respect to such Third Party Claim, other than any privileged communications between the Indemnifying Party and its counsel, and shall be entitled, at its sole cost and expense, to retain separate co-counsel and participate in, but not control, any defense or settlement of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 8.3(b).

(d) In the event that the Indemnifying Party fails to elect to assume the defense of a Third Party Claim within thirty (30) days of receipt of the relevant Claim Notice or otherwise fails to continue the defense of the Indemnified Party in good faith, the Indemnified Party may, at its option, defend, settle, compromise or pay such action or claim at the expense of the Indemnifying Party.

Section 8.4 Tax Indemnity. From and after the Closing Date, the Seller Parties shall, jointly and severally, indemnify and hold harmless the Buyer Parties and their Affiliates, and their Affiliates' respective directors, officers, employees, agents, successors and permitted assigns from and against any Losses arising out of or resulting from a breach of any Seller Party of its obligations set forth in Section 6.1.

Section 8.5 Direct Claims. If any Indemnified Party has a claim against any Indemnifying Party hereunder that does not involve a Third Party Claim, the Indemnified Party shall promptly transmit to the Indemnifying Party a written notice (the "Indemnity Notice") describing in reasonable detail the nature of the claim, the Indemnified Party's best estimate of the amount of Losses attributable to such claim and the basis of the Indemnified Party's request for indemnification under this Agreement; provided that no failure or delay in providing such Indemnity Notice shall constitute a waiver or otherwise modify the Indemnified Party's right to indemnification hereunder, except to the extent that the Indemnifying Party shall have been materially and adversely prejudiced by such failure or delay. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days from its receipt of the Indemnity Notice that the Indemnifying Party disputes such claim, the Indemnifying Party shall be deemed to have accepted and agreed with such claim.

Section 8.6 Limitation on Liability. Notwithstanding anything to the contrary in this Agreement:

(a) No Indemnified Party may assert a claim or commence an Action against any Indemnifying Party for breach of any representation, warranty, covenant or agreement contained herein, unless written notice of such claim or Action describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or Action is received by such Indemnifying Party on or prior to the date on which the representation, warranty, covenant or agreement on which such claim or Action is based ceases to survive in accordance with Section 8.1.

(b) Other than a claim for indemnification pursuant to Section 8.2(a)(i) for Losses arising out of or resulting from any breach of any of the Company Fundamental Representations or pursuant to Section 8.2(a)(iii) or Section 6.9, for which no limitation on liability pursuant to this Section 8.6(b) shall apply, the Seller Parties shall not be liable for any Losses with respect to any claim for indemnification pursuant to Section 8.2(a), unless and until the total amount of all Losses suffered or incurred by the relevant Indemnified Parties hereunder exceeds an amount equal to US\$3,000,000, whereupon the Seller Parties shall be liable only for all Losses in excess of US\$1,000,000. For the avoidance of doubt, the limitation on liability pursuant to this Section 8.6(b) shall in no circumstances apply to claims for indemnification pursuant to Section 8.4.

(c) The aggregate liability of the Seller Parties for claims under this Section 8.2 (other than claims for indemnification pursuant to Section 8.2(a)(i) arising out of or resulting from any breach of any of the Company Fundamental Representations or pursuant to Section 8.2(a)(iii) or pursuant to Section 6.9) shall in no event exceed ten percent (10%) of

the Consideration. The aggregate liability of the Seller Parties for claims under this ARTICLE VIII, including claims for indemnification pursuant to Section 8.2(a) arising out of or resulting from any breach of any of the Company Fundamental Representation but excluding claims for indemnification pursuant to Section 6.9 or Section 8.2(a)(iii), shall in no event exceed the aggregate amount of Consideration. For the avoidance of doubt, the limitation on liability pursuant to this Section 8.6(c) shall in no circumstances apply to claims for indemnification pursuant to Section 8.2(a)(iii).

(d) Each of the Buyer Parties shall, and shall cause the Target Group Companies to, use commercially reasonable efforts to mitigate Losses the applicable Indemnified Party may suffer as a result of any other Party's breach of this Agreement, after it becomes aware of any such breach.

(e) Any Indemnifiable Loss shall be determined without duplication of recovery by reason of the state of facts giving rise to such Indemnifiable Loss constituting a breach of more than one representation, warranty, covenant or agreement herein. No Indemnified Party shall be entitled to recover for any Indemnifiable Loss based on the same set of facts more than once.

(f) In no event shall any Party be liable to any Indemnified Party for any Loss (i) to the extent such Indemnified Party recovers an amount in respect of such Loss from any third party (including under any insurance policy) and only to the extent of such amount actually recovered (less any related costs and expenses, including the aggregate cost of pursuing any related claims), (ii) that is a contingent liability, unless and until such liability is actually due and payable (provided that this sub-section (ii) shall not restrict an Indemnified Party from bringing a claim when such contingent liability is pending), or (iii) to the extent arising out of or resulting from any act, omission, transaction or arrangement carried out at the written request or with the written approval of any Buyer Party or as expressly required by any of the Transaction Documents.

(g) The limitations on indemnification set forth in this Section 8.6 shall not apply to any claim for fraud, willful misconduct or intentional breach of the Indemnifying Party or its Affiliates.

(h) If any monetary claim for indemnification has been asserted pursuant to Section 8.2(a)(iii) in accordance with the dispute resolution set forth in Section 9.1, no Buyer Party may, and each Buyer Party shall procure its Affiliates to not, assert any monetary claim (and shall promptly terminate or cause to be terminated any monetary claim that may have been asserted) in the PRC under the Non-Compete Undertaking that is based on substantially the same facts or circumstances giving rise to the claim asserted pursuant to Section 8.2(a)(iii); provided that this Section 8.6(h) shall not prevent or restrict the right of any Indemnified Party to obtain any remedy (including injunctive relief, specific performance and claims for expenses of attorneys in relation thereto) other than the monetary claims as set forth above under this Section 8.6(h) pursuant to the Non-Compete Undertaking.

Section 8.7 Investigation. The right to indemnification will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether prior to or after the date hereof or the Relevant Date, with respect to any matter, including the accuracy of or compliance with any representation, warranty, covenant or agreement made by a Party hereto. The waiver of any condition relating to the accuracy of any such representation or warranty or the performance of or compliance with any

such covenant or agreement will not affect the right to indemnification hereunder based on any such representation, warranty, covenant or agreement.

Section 8.8 Tax Gross-Up. If an Indemnifying Party is required to deduct or withhold from a payment under Section 8.2 to an Indemnified Party any Tax, the Indemnifying Party shall pay on demand from the Indemnified Party such additional amounts as shall be required so that the net amount received by such Indemnified Party after such deduction or withholding shall equal the amount that would have been received by such Indemnified Party had no such deduction or withholding been made.

Section 8.9 Exclusive Remedy. From and after the Closing, the indemnification provisions set forth in this ARTICLE VIII shall be the sole and exclusive monetary remedy for each Indemnified Party for any claims by such Indemnified Party against the Indemnifying Parties arising from this Agreement; provided that this Section 8.9 shall not prevent or restrict (a) the right of any Indemnified Party to obtain injunctive relief or specific performance from a court or tribunal of competent jurisdiction in accordance with Section 9.13, (b) any claim against an Indemnifying Party for fraud or willful misconduct of the Indemnifying Party or its Affiliates or (c) the right of the Parties under Section 9.13(b) and Section 9.13(c).

Section 8.10 Right to Cure. The Indemnifying Party shall not be liable for any claim made by an Indemnified Party pursuant to this ARTICLE VIII to the extent any breach or circumstances underlying such claim is capable of being remedied or otherwise cured and the Indemnifying Party shall have remedied or otherwise cured the same within ten (10) Business Days after being given notice of the same by such Indemnified Party, unless such Indemnified Party shall have actually suffered any Losses in connection with or attributable to the matters giving rise to such claim.

Section 8.11 Tax Treatment of Indemnification Payments. All indemnification payments made under this ARTICLE VIII shall be treated as adjustment to the Consideration (and the applicable component thereof) for all Tax purposes unless otherwise required by any applicable Law.

Section 8.12 No Set off. All amounts required to be paid under this Agreement shall be paid free and clear of any withholding, deduction or set-off of any kind, except as specifically provided otherwise herein. Without limitation to the foregoing, no Party shall have any right to set off any amount claimed or required to be paid to such Party or any Indemnified Person pursuant to this ARTICLE VIII against any amount required to be paid by such Party pursuant to this Agreement or any other Transaction Document.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Governing Law; Dispute Resolution. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York. Any dispute arising out of or relating to this Agreement, including any question regarding its existence, validity or termination, shall be exclusively referred to and finally resolved by arbitration at the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the relevant arbitration notice is received by the HKIAC. To the extent there are discrepancies between this

dispute resolution clause and those rules, the provisions in this Section 9.1 shall prevail. There shall be three arbitrators. Each side in the dispute shall have the right to appoint one arbitrator, and the third arbitrator shall be appointed by agreement of the two party-appointed arbitrators; if the two arbitrators fail to agree on the third arbitrator, the third arbitrator shall be appointed by the HKIAC. The language to be used in the arbitration proceedings shall be English. Each of the Parties irrevocably waives any immunity to jurisdiction to which it may be entitled or become entitled (including immunity to pre-award attachment, post-award attachment or otherwise) in any arbitration proceedings and/or enforcement proceedings against it arising out of or based on this Agreement or the Contemplated Transactions. The award of the arbitration tribunal shall be final and binding upon the Parties, and the prevailing Party may apply to a court of competent jurisdiction for enforcement of such award. Any Party shall be entitled to seek preliminary injunctive relief from any court of competent jurisdiction pending the constitution of the arbitral tribunal. Notwithstanding the foregoing, this Section 9.1 is in any event without prejudice to the dispute resolution set forth in the Non-Compete Undertaking.

Section 9.2 Performance Pending Dispute Resolution. Unless otherwise terminated in accordance with the terms hereof, this Agreement and the rights and obligations of the Parties hereunder shall remain in full force and effect during the pendency of any proceeding under Section 9.1.

Section 9.3 Amendment; Waiver. This Agreement shall not be amended, modified or supplemented except by an agreement in writing executed by all the Parties. No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision. No failure or delay by a Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. All remedies, either under this Agreement or by law or in equity, shall be cumulative and not alternative except as expressly provided otherwise herein.

Section 9.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, each of the Parties and their respective heirs, successors and permitted assigns and legal representatives.

Section 9.5 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any Party without the express written consent of the other Parties, and any attempted assignment in violation of this Section 9.5 shall be void.

Section 9.6 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) in writing and served by personal delivery upon the Party for whom it is intended, (b) if delivered by facsimile with receipt confirmed, (c) if delivered by email upon such email being sent unless the sending party subsequently learns or should have learned that such email was not successfully delivered, or (d) if delivered by certified mail, registered mail or courier service, return receipt received, to the Party at the address set forth below:

If to any Buyer Party, at:

Address: Baidu Campus, No. 10 Shangdi 10th Street
Haidian District, Beijing, China
Attention:

Facsimile:
Email:

with a copy (which shall not constitute notice) to:

Address:
Attention:
Facsimile:
Email:

If to any Seller Party, at:

Address:
Attention:
Email:

with a copy (which shall not constitute notice) to:

Address:
Attention:
Facsimile:
Email:

Any Party may change its address for purposes of this Section 9.6 by giving the other Parties written notice of the new address in the manner set forth above.

Section 9.7 Entire Agreement. This Agreement (including all the Schedules and Exhibits hereto and all the provisions incorporated by reference into this Agreement) and all the other Transaction Documents (including all the Schedules and Exhibits thereto) constitute the entire understanding and agreement between the Parties with respect to the matters covered hereby and thereby, and all prior agreements and understandings, oral or in writing, if any, between the Parties with respect to the matters covered hereby and thereby (including without limitation the Previous SPA) are superseded by this Agreement and the other Transaction Documents and shall cease to be in force upon the effectiveness of this Agreement. All the Schedules and Exhibits to this Agreement shall form a part of this Agreement. In the event of any inconsistency between this Agreement and any other Transaction Document, this Agreement shall prevail.

Section 9.8 Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. If any provision of this Agreement shall be adjudged to be excessively broad as to duration, geographical scope, activity or subject, such provision shall be deemed modified to the minimum degree necessary to make such provision valid and enforceable under applicable Law so as to effect the original intent of the Parties as closely as possible, and that such modified provision shall thereafter be enforced to the fullest extent possible.

Section 9.9 Fees and Expenses. Except as specifically provided otherwise in this Agreement or the Restructuring Plan, the Parties will bear their respective expenses incurred in connection with the negotiation, preparation and execution of the Transaction Documents and the Contemplated Transactions, including fees and expenses of attorneys, accountants, consultants and financial advisors.

Section 9.10 Confidentiality.

(a) Subject to Section 9.10(b), each Party shall, and shall cause its Representatives to, to the extent not in violation of applicable Law, (i) keep confidential and shall not disclose to any Person the existence and substance of any Transaction Document, the negotiations relating to any Transaction Document and any non-public information with respect to the foregoing (collectively, "Confidential Information"), (ii) if a Party or any of its Representatives is legally compelled or is required by any stock exchange or any other regulatory body to disclose any such information, provide the other Parties with prompt written notice of such requirement so that such other Party may seek a protective order or other remedy or waive compliance with this Section 9.10(a), and (iii) in the event that such protective order or other remedy is not obtained, or such other Party waives compliance with this Section 9.10(a), furnish only that portion of such confidential information which is required by law, the stock exchange or other regulatory body to be provided; provided, however, that the Party seeking to disclose shall have provided a draft of the proposed disclosure to the other Parties reasonably in advance and shall have reasonably considered any comments from the other Parties to the content of such proposed disclosure; provided, further, that each Party and its respective Representatives may disclose such information to their respective Affiliates, permitted assignees, financing sources, partners, shareholders, senior management, employees, professional advisors, agents in each case only where such Persons or entities are bound by appropriate non-disclosure obligations and have agreed to maintain the confidentiality of such information.

(b) Confidential Information shall not include any information that is (i) previously known on a non-confidential basis by the receiving Party or any of its Representatives, (ii) in the public domain through no fault of such receiving Party or any of its Representatives, (iii) received from a Person other than any of the other Parties or their respective Representatives, so long as such Person was not, to the best knowledge of the receiving Party, subject to a duty of confidentiality to such other Party or (iv) developed independently by or on behalf of the receiving Party or any of its Representatives without reference to Confidential Information of the disclosing Party.

Section 9.11 Third Party Rights. Except for an Indemnified Party's right to seek indemnification pursuant to ARTICLE VIII, a Person that is not a party to this Agreement shall not be deemed a third-party beneficiary hereunder and shall have no right to enforce any term of, or enjoy any benefit under, this Agreement.

Section 9.12 Headings. The headings of the various Articles and Sections of this Agreement are inserted merely for convenience and do not expressly or by implication limit, define or extend the specific terms of the Article or Section so designated.

Section 9.13 Specific Performance; Liquidated Damages.

(a) The Parties hereby acknowledge and agree that the failure of either Party to perform its agreements and covenants hereunder, including its failure to take all actions

as are necessary on its part to consummate the Contemplated Transactions, will cause irreparable injury to the other Party, for which damages alone, even if available, will not be an adequate remedy. Accordingly, each Party hereby agrees and undertakes that the Parties shall be entitled to seek the remedies of injunction, specific performance or other equitable relief from any court or tribunal of competent jurisdiction for any threatened or actual breach of the terms of this Agreement, to enforce specifically the terms and provisions hereof and to compel performance of such Party's obligations (including the taking of such actions as are required of such Party to consummate the Contemplated Transactions), this being in addition to and without prejudice to any other rights or remedies to which either Party is entitled under this Agreement. The Parties further agree to waive any requirement for the securing or posting of any bond in connection with any such remedy, and that, such remedy shall be in addition to any other remedy to which a Party is entitled at law or in equity.

(b) Without prejudice to Section 9.13(a) or the Seller Parties' obligations under Section 2.6(b) and Section 2.6(c), the Parties hereby agree that if any portion of the amounts in RMB Escrow Accounts that are required by this Agreement (including pursuant to the arrangements set forth in the joint written instructions to the RMB Escrow Agents) to be released to the Buyer Parties (or their designees) on the Closing Date fails to be released on the Closing Date to the Buyer Parties (or their designees) and such failure to release is primarily caused by a breach by any Seller Party of its obligations under Section 2.6(b) or a failure by any Seller Party to have taken any action that such Seller Party has confirmed to have taken in Section 2.7(b), the Seller Parties shall be jointly and severally liable to pay the Buyer (or its designee) liquidated damages in the amount of an interest accrued at a simple rate of 0.1% per day on such unreleased portion from (and excluding) the Closing Date to (and including) the date on which such portion is actually released to the Buyer Parties.

(c) Without prejudice to Section 9.13(a) or the Buyer Parties' obligations under Section 2.6(a), Section 2.6(b), Section 2.6(c) and Section 6.1(d), the Parties hereby agree that, (i) if any portion of the Payment Amount fails to be paid to the Seller on the Closing Date and such failure to pay constitutes a breach by the Buyer Parties of their obligations under Section 2.6(a) by way of a failure to duly initiate a wire transfer, (ii) if (x) any portion of the amount in the Everbright Guangzhou Third Tranche Escrow Account that is required by this Agreement (including pursuant to the arrangements set forth in the joint written instructions to Everbright Guangzhou) to be released to the Seller Parties (or their designees) on the Closing Date, or (y) the Tax Escrow Release Amount or the Tax Escrow Release Amount Interest fails to be released to the Seller Parties (or their designees) on the Closing Date, and in each case of (x) or (y), such failure to release is primarily caused by a breach by any Buyer Party of its obligations under Section 2.6(b) (in respect of (x)) or Section 2.6(c) ((in respect of (y))) or a failure by any Buyer Party to have taken any action that such Buyer Party has confirmed to have taken in Section 2.7(b) (in respect of (x)), or (iii) if any portion of the amounts in the Tax Escrow Accounts fails to be timely released as contemplated under Section 6.1(d) to the Seller Parties (or their designees) and such failure to timely release is primarily caused by a breach by any Buyer Party of its obligations under Section 6.1(d), the Buyer Parties shall be jointly and severally liable to pay the Seller (or its designee) liquidated damages in the amount of an interest accrued at a simple rate of 0.1% per day on such unpaid or unreleased portion from (and excluding) the Closing Date (or, with respect to a portion of the amounts in the Tax Escrow Accounts that has not been timely released as contemplated under Section 6.1(d), the date on which such portion would have been released had there been no breach) to (and including) the date on which such portion is actually paid or released, as the case may be.

(d) The Parties acknowledge and confirm that the agreed liquidated damages provided for in Section 9.13(b) and Section 9.13(c) (i) are an integral part of the Contemplated Transactions, (ii) are neither excessive nor of a penal nature, (iii) have been agreed by the Parties in the context of their commercial dealings with each other, and (iv) are reasonable and proportionate to protect the Buyer Parties or the Seller Parties, as the case may be, with respect to their legitimate interest in the performance of this Agreement.

Section 9.14 Counterparts. This Agreement may be executed in one or more counterparts, including counterparts transmitted by facsimile or e-mail, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of executed signature pages by facsimile or electronic transmission (via scanned PDF) by all Parties will constitute effective and binding execution and delivery of this Agreement.

Section 9.15 Obligations Joint and Several. Any obligation of any Seller Party hereunder shall be an obligation of all Seller Parties on a joint and several basis as between each other. Any obligation of any Buyer Party hereunder shall be an obligation of all Buyer Parties on a joint and several basis as between each other.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

BAIDU (HONG KONG) LIMITED

By: /s/ Li Liu

Name: Li Liu

Title: Director

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

MOON SPV LIMITED

By: /s/ Junjie He
Name: Junjie He
Title: Director

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

JOYY INC.

By: /s/ LI Ting

Name: LI Ting

Title: Authorized Signatory

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

FUNSTAGE TECHNOLOGY LTD.

By: /s/ LI Ting
Name: LI Ting
Title: Authorized Signatory

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

TOPSTAGE TECHNOLOGY LTD.

By: /s/ LI Ting
Name: LI Ting
Title: Authorized Signatory

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

广州华多网络科技有限公司

By: /s/ LI Ting

Name: LI Ting

Title: Legal Representative

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

广州市锐橙网络科技有限公司

By: /s/ LI Ting

Name: LI Ting

Title: Legal Representative

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

广州欢聚时代信息科技有限公司

By: /s/ LI Ting

Name: LI Ting

Title: Legal Representative

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

RUNDERFO INC.

By: /s/ Junjie He

Name: Junjie He

Title: Director

[Signature Page to Share Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year first above written.

DAVID XUELING LI

/s/ DAVID XUELING LI

[Signature Page to Share Purchase Agreement]

List of Significant Subsidiaries and Consolidated Variable Interest Entities of JOYY Inc.

Subsidiaries	Place of Incorporation
Duowan Entertainment Corporation	British Virgin Islands
NeoTasks Inc.	Cayman Islands
Cloud Solution Inc	Cayman Islands
Bigo Inc	Cayman Islands
Shipline Corporation Limited	Cayman Islands
Mangatoon Inc	Cayman Islands
Singularity IM, Inc.	Delaware
PageBites, Inc.	Delaware
Cube Technology Pte. Ltd.	Singapore
Bigo Technology Pte. Ltd.	Singapore
Likeme Pte. Ltd.	Singapore
Bigo Internet Information Pte. Ltd.	Singapore
Indigo Technology Pte. Ltd.	Singapore
Rambojoy Technology Pte. Ltd.	Singapore
Hago Singapore Pte. Ltd.	Singapore
NeoTasks Limited	Hong Kong
Bigo (Hong Kong) Limited	Hong Kong
Starling Labs Limited	Hong Kong
Shipline Solutions Limited	Hong Kong
Mangatoon HK Limited	Hong Kong
Guangzhou Huanju Shidai Information Technology Co., Ltd.	Mainland China
Huanju Shidai Technology (Beijing) Co., Ltd.	Mainland China
Guangzhou BaiGuoYuan Information Technology Co., Ltd.	Mainland China
Guangzhou Wangxing Information Technology Co., Ltd.	Mainland China
Shenzhen Shanglian Logistics Co., Ltd.	Mainland China
Shangxian Technology (Shenzhen) Co., Ltd.	Mainland China
Consolidated Variable Interest Entities and their Subsidiaries	Place of Incorporation
Beijing Tuda Science and Technology Co., Ltd.	Mainland China
Guangzhou Tuyue Network Technology Co., Ltd.	Mainland China
Guangzhou Huaduo Network Technology Co., Ltd.	Mainland China
Guangzhou Huanju Electronic Commerce Co., Ltd.	Mainland China
Foshan Tuyi Network Technology Co., Ltd.	Mainland China
Hainan Lanlan Network Technology Co., Ltd.	Mainland China
Ningxia Julan Network Technology Co., Ltd.	Mainland China
Guangzhou BaiGuoYuan Network Technology Co., Ltd.	Mainland China
Chengdu Yunbu Network Technology Co., Ltd.	Mainland China
Chengdu Luota Network Technology Co., Ltd.	Mainland China
Chengdu Jiyue Network Technology Co., Ltd.	Mainland China
Guangzhou Ruicheng Network Technology Co., Ltd.	Mainland China
Guangzhou Huanju Make Network Information Co., Ltd.	Mainland China

JOYY INC.

AMENDED AND RESTATED STATEMENT OF POLICIES
GOVERNING MATERIAL NON-PUBLIC INFORMATION AND
THE PREVENTION OF INSIDER TRADING

(AS ADOPTED BY THE BOARD OF DIRECTORS OF JOYY INC.
ON NOVEMBER 29 , 2023)

This Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading (this “**Statement**”) amends and restates the previously adopted Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading, and applies to all directors, officers, employees and consultants of JOYY Inc. and its subsidiaries and consolidated variable interest entities (collectively, the “**Company**”).

This Statement consists of three sections: Section I provides an overview; Section II sets forth the Company’s policies prohibiting insider trading; and Section III explains insider trading.

I.
OVERVIEW

Preventing insider trading is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company, as well as that of all persons affiliated with it. “Insider trading” occurs when any person purchases or sells any securities while in possession of inside information relating to the securities. As explained in Section III below, “inside information” is information which is considered to be both “material” and “non-public.”

The Company considers strict compliance with the policies set forth in this Statement (collectively, the “**Policy**”) to be a matter of utmost importance. Violation of the Policy could cause extreme reputational damage and possible legal liability to you and the Company. Knowing or willful violations of the letter or spirit of the Policy will be grounds for immediate dismissal from the Company. Violation of the Policy might expose the violator to severe criminal penalties, as well as civil liability to any person harmed by the violation. The monetary damages flowing from a violation could be multiple times the profit realized by the violator, not to mention the attorney’s fees of the persons harmed.

This Statement applies to all directors, officers, employees and consultants of the Company and extends to all of such persons’ activities within and outside their duties at the Company. Every director, officer, employee and consultant of the Company must review this Statement, and when requested by the Company, must execute and return the Certificate of Compliance attached hereto to the Compliance Officer for the Company (the “**Compliance Officer**”) within seven (7) days after receiving the request. Questions regarding this Statement should be directed to the Compliance Officer by e-mail at nmgy@joyy.com.

II. POLICIES PROHIBITING INSIDER TRADING

For purposes of this Statement, the terms “purchase” and “sell” of securities exclude the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards, if applicable, that does not involve the sale of securities. Among other things, the cashless exercise of options does involve the sale of securities and therefore is subject to the policies set forth below. The Policy does not apply to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold common shares or American Depositary Shares (“ADSs”) subject to an option or other award to satisfy tax withholding requirements.

A. *No Trading* – No director, officer, employee or consultant of the Company may purchase or sell any ADSs, common shares or other securities of the Company or enter into a binding security trading plan in compliance with Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended (a “Trading Plan”) while in possession of material non-public information relating to the Company or its ADSs, common shares or other securities (the “Material Information”).

In the event that the Material Information possessed by you relates to the ADSs or other securities of the Company, the above policy will require waiting for at least forty-eight (48) hours after public disclosure of the Material Information by the Company, which forty-eight (48) hours shall include in all events at least one full Trading Day on the Nasdaq Stock Market (the “Nasdaq”) following such public disclosure. The term “**Trading Day**” is defined as a day on which the Nasdaq is open for trading. Except for public holidays in the United States, the Nasdaq’s regular trading hours are from 9:30 a.m. to 4:00 p.m., New York City time, Monday through Friday.

In addition, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan, without the prior clearance by the Compliance Officer, during any period designated as a “limited trading period” by the Company, regardless of whether such director, officer, employee or consultant possesses any Material Information. The Compliance Officer may declare limited trading periods at the times that she deems appropriate, and need not provide any reason for making a declaration.

Furthermore, all transactions in the securities of the Company (including without limitation, acquisitions and dispositions of the ADSs, the sale of common shares issued upon exercise of options or vesting of other share-based awards and the execution of a Trading Plan, but excluding the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve the sale of securities) by directors, officers and key employees designated by the Company from time to time must be pre-approved by the Compliance Officer.

Please see Section III below for an explanation of the Material Information.

B. *Trading Window* – Assuming none of the “no trading” restrictions set forth in Section II-A above applies, no director, officer, employee or consultant of the Company may

purchase or sell any securities of the Company or enter into a Trading Plan other than during a Trading Window.

A “**Trading Window**” is the period in any fiscal quarter of the Company commencing at the close of business on the second Trading Day following the date of the Company’s public disclosure of its financial results for the prior fiscal year or fiscal quarter, as applicable, and ending on December 31, March 31, June 30 or September 30, as the case may be.

In other words,

(1) beginning on January 1 of each year, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company’s public disclosure of its financial results for the fiscal year ended on December 31 of the prior year, and

(2) beginning on April 1, July 1 and October 1 of each year, respectively, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company’s public disclosure of its financial results for the fiscal quarter ended on March 31, June 30 and September 30 of that year, respectively.

If the Company’s public disclosure of its financial results for the prior period occurs on a Trading Day more than four hours before the Nasdaq closes, then such date of disclosure shall be considered the first Trading Day following such public disclosure.

Please note that trading in any securities of the Company during the Trading Window is not a “safe harbor,” and all directors, officers, employees and consultants of the Company should strictly comply with the Policy.

When in doubt, do not trade! Check with the Compliance Officer first.

Notwithstanding the foregoing, sale of securities of the Company pursuant to an existing Trading Plan which was entered into in accordance with the Policy and in compliance with applicable law is not subject to the restrictions on trading in Sections II-A and II-B above.

C. **No Tipping** – No director, officer, employee or consultant of the Company may directly or indirectly disclose any Material Information to anyone who trades in securities (so-called “tipping”), regardless of whether the person or entity who receives the information, the “tippee,” is related to you and regardless of whether you receive any monetary benefit from the tippee.

D. **Confidentiality** – No director, officer, employee or consultant of the Company may communicate any Material Information to anyone outside the Company under any circumstances unless approved by the Compliance Officer in advance, or to anyone within the Company other than on a need-to-know basis.

E. **No Comment** – No director, officer, employee or consultant of the Company may discuss any internal matters or developments of the Company with anyone outside the Company, except as required for the performance of regular corporate duties. Unless you are expressly authorized to the contrary, if you receive any inquiries about the Company or its securities by the financial press, research analysts or others, or any requests for comments or interviews, you are required to decline to comment and direct the inquiry or request to the Company’s principal financial officer, who is responsible for coordinating and overseeing the release of information of the Company to the investing public, analysts and others in compliance with applicable laws and regulations.

F. **Corrective Action** – If you become aware that any potential Material Information has been or may have been inadvertently disclosed, you must notify the Compliance Officer immediately so that the Company can determine whether or not corrective action, such as general disclosure to the public, is warranted.

G. **Rule 10b5-1 Trading Plans** – Rule 10b5-1 provides an affirmative defense against insider trading liability under U.S. securities laws. A person subject to this Policy can rely on this defense and trade in the Company’s securities, regardless of their awareness of inside information, if the transaction occurs pursuant to a pre-arranged written Trading Plan that was entered into when the person was not in possession of material non-public information and that complies with the requirements of Rule 10b5-1.

Anyone subject to this Policy who wishes to enter into a Trading Plan must submit the Trading Plan to the Compliance Officer for approval at least five business days prior to the planned entry into the Trading Plan. Trading Plans may not be adopted by a person when he or she is in possession of material non-public information about the Company or its securities and must comply with the requirements of Rule 10b5-1 (including specified waiting periods and limitations on multiple overlapping plans and single trade plans).

Once a Trading Plan is adopted, you must not exercise any subsequent influence over the amount of securities to be traded, the price at which they are to be traded or the date(s) of the trade(s). You may amend or replace a Trading Plan only during periods when trading is permitted in accordance with this Policy, and you must submit any proposed amendment or replacement of a Trading Plan to the Compliance Officer for approval prior to adoption. You must provide notice to the Compliance Officer prior to terminating a Trading Plan. You should understand that a modification or termination of a Trading Plan may call into question your good faith in entering into and operating the plan (and therefore may jeopardize the availability of the affirmative defense against insider trading allegations).

III. EXPLANATION OF INSIDER TRADING

As noted above, “**insider trading**” refers to the purchase or sale of a security while in possession of “material” “non-public” information relating to the security. “Securities” include not only stocks, bonds, notes and debentures, but also options, warrants and similar instruments. “Purchase” and “sale” are defined broadly under the U.S. federal securities laws. “Purchase” includes not only the actual purchase of a security, but any contract to purchase or otherwise

acquire a security. “Sale” includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, the grant and exercise of stock options and acquisitions and exercises of warrants or puts, calls or other options related to a security. It is generally understood that “**insider trading**” includes the following:

- trading by insiders while in possession of material non-public information;
- trading by persons other than insiders while in possession of material non-public information where the information either was given in breach of an insider’s fiduciary duty to keep it confidential or was misappropriated; and
- communicating or tipping material non-public information to others, including recommending the purchase or sale of a security while in possession of material non-public information.

As noted above, for purposes of this Statement, the terms “purchase” and “sell” of securities exclude the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve the sale of securities. Among other things, the cashless exercise of options does involve the sale of securities and therefore is subject to the Policy.

What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the securities. Information may be material even if it relates to future, speculative or contingent events and even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) information concerning:

- dividends;
- corporate earnings or earnings forecasts, or changes to previously released earnings announcements or guidance;
- changes in financial condition or asset value;
- negotiations for the mergers or acquisitions or dispositions of significant subsidiaries or assets;
- significant new contracts or the loss of a significant contract;
- significant new products or services;
- significant marketing plans or changes in such plans;

- capital investment plans or changes in such plans;
- material litigation, administrative action or governmental investigations or inquiries about the Company, any of its affiliated companies, or any of its officers or directors;
- significant borrowings or financings;
- defaults on borrowings;
- new equity or debt offerings;
- adoption of repurchase plans or amendment of existing repurchase plans;
- significant personnel changes;
- a cybersecurity incident or risk that may adversely impact the Company's business, reputation or share value;
- changes in accounting methods and write-offs; and
- any substantial change in industry circumstances or competitive conditions which could significantly affect the Company's earnings or prospects for expansion.

A good general rule of thumb: **when in doubt, do not trade.**

What is Non-public?

Information is “**non-public**” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg, Associated Press, PR Newswire or United Press International. Circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow approximately forty-eight (48) hours following publication as a reasonable waiting period before such information is deemed to be public.

Who is an Insider?

“**Insiders**” include directors, officers, employees and consultants of a company and anyone else who has material non-public information about a company. Insiders have independent fiduciary duties to their company and its shareholders not to trade on material non-public information relating to the company's securities. All directors, officers, employees and consultants of the Company are considered insiders with respect to material non-public information about business, activities and securities of the Company. The directors, officers, employees and consultants of the Company may not trade the Company's securities while in possession of material non-public information relating to the Company or tip (or communicate except on a need-to-know basis) such information to others.

It should be noted that trading by household members of a director, officer, employee or consultant can be the responsibility of such director, officer, employee or consultant under certain circumstances and could give rise to legal and Company-imposed sanctions.

Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material non-public information to a third party (a “tippee”), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material non-public information tipped to them or individuals who trade on material non-public information which has been misappropriated.

Tippees inherit an insider’s duties and are liable for trading on material non-public information tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the material non-public information along to others who trade on such information. In other words, a tippee’s liability for insider trading is no different from that of an insider. Tippees can obtain material non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in the unlawful conduct and their employers. The United States Securities and Exchange Commission and the United States Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the U.S. federal securities laws include:

- administrative sanctions;
- sanctions by self-regulatory organizations in the securities industry;
- civil injunctions;
- damage awards to private plaintiffs;
- disgorgement of profits gained by the violator;
- civil fines for the violator of up to three times the amount of profit gained or loss avoided by the violator;
- civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of approximately US\$2,500,000 or three times the amount of profit gained or loss avoided by the violator;
- criminal fines for individual violators of up to US\$5,000,000 (US\$25,000,000 for an entity); and
- jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including immediate dismissal. Insider trading violations are not limited to violations of the U.S. federal securities laws. Other U.S. federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated upon the occurrence of insider trading.

Material Non-public Information Regarding Other Companies

This Policy and the guidelines described herein also apply to material non-public information relating to other companies, including the Company's customers, vendors and suppliers ("**Business Partners**"), particularly when that information is obtained in the course of employment with, or other services performed by, or on behalf of, the Company. Civil and criminal penalties, and discipline, including termination of employment for cause, may result from trading on material non-public information regarding the Company's Business Partners. Each individual should treat material non-public information about the Company's Business Partners with the same care required with respect to information related directly to the Company.

Individual Responsibility

Each person subject to this Policy is individually responsible for complying with this Policy and ensuring the compliance of any family members, such as spouses, minor children, adult family members who share the same household, and any other person or entity whose securities trading decisions are influenced or controlled by the person whose transactions are subject to this Policy. Accordingly, you should make your family and household members aware of the need to confer with you before they trade in the Company's securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws concerning trading while in possession of material non-public information as if the transactions were for your own account.

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ting Li, certify that:

1. I have reviewed this annual report on Form 20-F of JOYY Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 29, 2025

By: /s/ Ting Li

Name: Ting Li

Title: Chief Executive Officer

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Fuyong Liu, certify that:

1. I have reviewed this annual report on Form 20-F of JOYY Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 29, 2025

By: /s/ Fuyong Liu
Name: Fuyong Liu
Title: Vice President of Finance

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of JOYY Inc. (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ting Li, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2025

By: /s/ Ting Li

Name: Ting Li

Title: Chief Executive Officer

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of JOYY Inc. (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fuyong Liu, Vice President of Finance of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2025

By: /s/ Fuyong Liu
Name: Fuyong Liu
Title: Vice President of Finance



Our ref YCU/741072-000001/31676245v2

JOYY Inc.
30 Pasir Panjang Road
#15-31A Mapletree Business City,
Singapore 117440

29 April 2025

Dear Sir

JOYY Inc.

We have acted as legal advisors as to the laws of the Cayman Islands to JOYY Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "**Company**"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "**SEC**") of an annual report on Form 20-F for the year ended 31 December 2024 (the "**Annual Report**"), which will be filed with the Securities and Exchange Commission in the month of April 2025.

We hereby consent to the reference of our name under the heading "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Taxation" in the Annual Report, and further consent to the incorporation by reference into the Registration Statements on Form S-8 (File No. 333-187074, File No. 333-215742, File No. 333-229099 and File No. 333-234003) of the summary of our opinion under the headings "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Taxation—Cayman Islands" and Item 10. Additional Information—E. Taxation—Cayman Islands Taxation". We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP
Maples and Calder (Hong Kong) LLP

方達律師事務所

FANGDA PARTNERS

Shanghai·Beijing·Shenzhen·Hong Kong·Guangzhou·Nanjing·Singapore
<http://www.fangdalaw.com>

E-mail: email@fangdalaw.com
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Ref.: 25GC0119

24/F, HKRI Center Two, HKRI Taikoo Hui
288 Shi Men Yi Road
Shanghai 200041, PRC

To:

JOYY Inc.
30 Pasir Panjang Road #15-31A Mapletree Business City
Singapore 117440

April 29, 2025

Re: 2024 Annual Report on Form 20-F of JOYY Inc.

Dear Sirs,

We consent to the reference to our firm under the headings “Item 3. Key Information—D. Risk Factors” and “Item 4. Information on the Company—B. Business Overview—Regulations in Multiple Jurisdictions Where We Operate” in JOYY Inc.’s Annual Report on Form 20-F for the year ended December 31, 2024 (the “**Annual Report**”), which will be filed with the Securities and Exchange Commission (the “**SEC**”) in the month of April 2025, and further consent to the incorporation by reference of the summaries of our opinions under these captions into the JOYY Inc.’s registration statements on Form S-8 (No. 333-187074, No. 333-215742, No. 333-229099 and No. 333-234003). We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report on Form 20-F for the year ended December 31, 2024.

Yours sincerely,

/s/ Fangda Partners
Fangda Partners

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-187074, No. 333-215742, No. 333-229099 and No. 333-234003) of JOYY Inc. of our report dated April 29, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers LLP
Singapore
April 29, 2025

PricewaterhouseCoopers LLP, 7 Straits View, Marina One East Tower Level 12, Singapore 018936
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