
**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, 2025.

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. 673,183,174 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, 2025.

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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 Shoptline, 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.

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, including our ability to attract and retain customers in new initiatives such as advertising and smart commerce;
- 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, 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 15.3%, 10.4% and 9.8% of our total net revenues for the years ended December 31, 2023, 2024 and 2025, 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 rapidly developing industries and evolving markets.
- 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 majority of our revenues from live streaming services. If user demand for our live streaming service decreases, or if we fail to serve user demand effectively, 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 and retain advertisers, 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 or social conditions, as well as changes in government policies, could materially and adversely affect our business, financial condition and results of operations.
- We face risks related to geopolitical and social instability, as well as international trade and investment restrictions, which could increase our costs, disrupt our operations and adversely impact our business.
- Our business may be subject to restrictions imposed by the governments on access to our services and on foreign investments, which could result in loss of users and increased compliance costs.
- 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, 2025, 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 rapidly developing industries and evolving markets.

Our business and prospects depend on continued development of the global online social entertainment, advertising technology and smart commerce solution industries. The markets for our services are rapidly developing and evolving, and are subject to significant challenges. We cannot assure you that we will succeed in the industries in which we operate or that these industries will continue to grow.

As a growing number of entertainment, advertising or smart commerce solution options emerge that directly or indirectly compete with the services that we offer, these services may not maintain or see increases in their current popularity. Growth of the online social entertainment, advertising technology 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 these markets do 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, launched BIGO Ads 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, including for each of our business offerings including BIGO Ads and Shopline. The actual performance of each of our business offerings may differ from our current expectations. 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 2024 and 2025, 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, advertising 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 attract new customers and increase the average revenue per customer, and successfully compete in a very competitive market. We may incur net losses in the future.

We generate a majority of our revenues from live streaming services. If user demand for our live streaming service decreases, or if we fail to serve user demand effectively, our results of operations may be materially and adversely affected.

A majority of our revenues are generated from live streaming services. For the year ended December 31, 2025, revenues from live streaming constituted 72.0% of our total net revenues. While we have made solid progress exploring and diversifying our revenue streams, particularly with the growth of our advertising technology platform, BIGO Ads, we expect that the majority of our revenues will continue to be contributed from live streaming services in the near future. If user demand for our live streaming service decreases, or if we fail to serve user demand effectively, we may experience declines in live streaming revenues which 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.

Our BIGO Ads platform help advertisers deliver advertisements on BIGO's social apps, such as Likee and imo, and on properties of our network partners. Despite our policies, our platform may be misused by advertisers to deliver prohibited, restricted, or inappropriate content, or content that otherwise fails to adhere to country-specific laws, rules, or regulations. We also work with advertisers that operate in certain regulated industries and markets, each of which imposes additional legal and regulatory requirements on these advertisers, which they may not comply with. On the other end, our platform may also be misused by publishers that attempt to monetize prohibited, restricted, or inappropriate content, and the publishers may engage or attempt to engage in fraudulent or other unlawful activity in violation of our policies. Any of the above may from time to time cause us to incur losses, impose additional operational costs to protect our platform, trigger additional law enforcement or other inquiries, put our reputation at risk, and otherwise adversely affect our business, financial condition, and results of operations.

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, Vietnam, Malaysia, 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 majority of our live streaming revenues using this revenue model in the near future. Our live streaming business has declined in recent years, and we cannot assure you that we will be able to achieve a strong 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 and retain advertisers, or if advertisers are less willing to advertise with us, our revenues may be adversely affected.

We generate a growing portion of our revenues from online advertising, with its percentage contribution growing from 14.4% in 2024 to 20.8% in 2025. 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.

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 maintain or increase advertiser demand and third-party publisher supply, the quantity, or quality of advertisements shown to users, or our pricing of advertisements, (vii) mobile app changes or inventory management decisions we may make that change the size, format, frequency, or relative prominence of advertisements displayed on our apps, (viii) the development and success of technologies designed to block the display of advertisements or block our ad measurement tools, (ix) decisions by clients to reduce their advertising due to concerns about legal liability or uncertainty regarding their own legal and compliance obligations, or due to negative publicity, regardless of its accuracy, involving us, our user data practices, advertising metrics or tools, our advertising solutions or apps, or other companies in the advertising industry, (x) our ability to recruit, train and retain talented employees to support our online advertising business, (xi) 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 (xii) the pricing of our advertising services.

On the network partner side, we provide network partners with software development kits ("SDKs") to efficiently monetize their user traffic. Our platform connects to a massive user base through these SDK integrations. However, if we fail to grow or retain our SDK coverage, if our partners remove our SDK or restrict its functionality, or if integration quality suffers (e.g. due to privacy related restrictions), our access to attractive ad placement opportunities may decline. Reduced coverage can constrain our scale in key geographical regions and verticals, reduce ad performance for advertisers, and limit our ability to attract and retain advertisers.

On the advertiser side, we address the needs of customers across diverse industry verticals and performance objectives. Our advertisers' requirements are not "one-size-fits-all", and require vertical-specific features, workflows and tools. If we do not develop and maintain solutions tailored to these diverse needs, and keep pace with evolving vertical standards, we may experience advertiser attribution and slower revenue growth. In addition, 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. Although we have framework agreements with third-party advertising agencies, 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.

Our advertising solutions rely on proprietary neural network engines whose performance depends on the volume, quality and freshness of training data—if the "data flywheel" slows or stalls, our ad delivery performance and results of operations could be adversely affected.

Our BIGO Ads platform leverages our proprietary neural network engines to predict user conversion likelihood, optimizes bids and budgets, and ranks ad inventory based on observed and inferred signals. The effective performance of our platform leverages a continuous "data flywheel", in which higher ad request volumes, conversion feedback and high-quality attribution data enable model improvement, which in turn enhances ad placement performance and attracts additional demand and supply. Reductions in the volume, quality, timeliness or accessibility of training data, whether due to platform policy changes, evolving privacy regulations, increased use of device- or browser-level privacy controls, or fraudulent traffic, can impair model learning, reduce prediction accuracy and increase variance in ad placement outcomes. In addition, if our algorithms and systems do not improve at the pace we anticipate, or if their performance declines due to reduced or lower-quality training data, our advertisers may lower their budgets or pause their ad placements with us, our take-rates could come under pressure, and our revenue growth and margins could be adversely affected.

More fundamentally, we require highly technical and complex software and hardware to store, retrieve, process and manage immense amounts of data. The software and hardware on which we rely may contain errors, bugs, vulnerabilities or defects, and our systems are subject to technical limitations that may compromise our ability to meet our objectives. Any error, bug, vulnerability or defect in the software and hardware on which we rely, or failures to identify and address them, may lead to adverse outcomes including bad algorithm and system performance, damage to our reputation, increased product engineering expenses, any of which could adversely affect our business, financial condition and results of operations. See also “—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.”

Changes in privacy laws, platform policies and industry frameworks could limit data collection, attribution and targeting and may adversely affect the performance and monetization of our advertising solutions.

Our advertising services depend on collecting, processing, and analyzing signals from our apps and third-party properties to help advertisers acquire and retain users and to help publishers monetize. However, the use of data in connection with advertising activities have received increasing regulatory and industry attention. Apple’s App Tracking Transparency (ATT) framework requires user opt-in before permitting cross-app tracking and access to Identifier for Advertisers (IDFA). This framework, together with Apple’s related policy enforcement, has reduced the availability and quality of signals historically used for ad targeting, optimization, and measurement. Similarly, Google’s Privacy Sandbox initiatives for Android and Chrome introduce new APIs and limitations intended to protect user privacy while supporting advertising use cases. Changes to platform-provided identifiers, attribution windows, measurement methodologies, and API access may reduce the quantity and granularity of data available to us and our customers, require product re-engineering, increase compliance and integration costs, and impair campaign performance and advertiser return on ad spend. Moreover, end-users can more easily implement privacy controls and tracking limitations, and advertisers, browsers, operating systems, and mediation partners may adopt more restrictive defaults over time. Our ability to adapt our products and data pipelines, maintain performance under these constraints, and secure the necessary user permissions is critical. If we are unable to do so in a timely and effective manner, our advertisers may reduce budgets or shift spend to competing channels, our publisher partners may perceive reduced yield, and our business, financial condition and results of operations could be adversely affected.

We may be unable to prevent all forms of ad fraud and invalid traffic, which could harm the performance of our advertising solutions, damage our reputations, and adversely affect our results of operations.

Our advertising platform is exposed to potential fraudulent or malicious activity, including sophisticated bot-nets, click or install inflation, and other forms of invalid traffic. Bad actors may disrupt or manipulate the operation of our system or the systems and devices of our customers and their users in order to misappropriate information, generate fraudulent billings, stage cyberattacks or for other illicit purposes. They may also introduce malware through our platforms to commandeer or gain access to information of our customers or partners. BIGO Ads have partnered with industry professionals such as Pivalate, a global leader in ad fraud traffic monitoring, to combat invalid traffic, comprehensively enhance the governance of our ads ecosystem, strengthen authenticity verification, optimize risk filtering mechanisms and jointly promote a more transparent, trustworthy, and reliable mobile advertising environment. However, our efforts may not eliminate all fraud, may be circumvented, and may generate false positives that affect legitimate traffic, which are circumstances that our competitors may also encounter. Failure to detect or prevent invalid traffic can result in reduced advertising revenue for legitimate apps of our customers. Repeated or material incidents could also cause advertisers to pause or terminate their collaboration with us, harm our brand reputation, and adversely affect our results of operations.

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 Shopline, 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 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 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.

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.

We face risks related to geopolitical and social instability, as well as international trade and investment restrictions, which could increase our costs, disrupt our operations and adversely impact our business.

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 the Russia-Ukraine conflict, the Hamas-Israel conflict, the conflict in the Persian Gulf and surrounding areas as far west as Israel and Lebanon, and the restrictions at various times on shipping through the strait of Hormuz and the Red Sea 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. While we operate in a number of jurisdictions which limit our exposure to disruptions in any single market, the above 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.

Moreover, international political tensions have escalated and continue to subject us to uncertainties with respect to a wide range of issues. 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. In addition, international political tensions have escalated and continue to be subject to uncertainties with respect to a wide range of issues. For example, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. On September 29, 2025, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) issued an immediately effective interim final rule that, among others, extends Entity List and Military End-User List restrictions to entities that are 50% or more owned, directly or indirectly, by parties designated on those lists. This rule is currently suspended for one year. However, if implemented, these measures are expected to have significant impact on the targeted countries, markets and/or entities, making compliance more complicated and time-consuming and increasing the risk of inadvertent omissions. As we work with a wide range of business partners in different countries in the world, should any of our major business partners become subject to sanctions or restrictions by the U.S. or other jurisdictions, our business may be adversely affected.

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.

Our business may be subject to restrictions imposed by the governments on access to our services and on foreign investments, which could result in loss of users and increased compliance costs.

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 (including Hong Kong and Macau), Cuba, Iran, North Korea, Russia and Venezuela, 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. Failure to comply with the order may result in significant fines and regulatory investigations, and could materially and adversely affect our business operations.

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 Digital Personal Data Protection Act, 2023 of India (the “DPDP Act”), which came into effect in phases starting from November 13, 2025, together with the Digital Personal Data Protection Rules, 2025. The DPDP Act imposes obligations on data fiduciaries, including requirements to obtain free, specific, informed, and unconditional consent from data principals for processing their personal data, to implement reasonable security safeguards, to notify personal data breaches to the regulatory authority and affected principals, and to comply with cross-border data transfer restrictions. Violations may result in significant penalties. The earlier Information Technology Act 2000 remains partially in force during a transition period (Section 43A thereof is scheduled for repeal 18 months after November 13, 2025), and its provisions on criminal punishment for unauthorized disclosure of personal information (Section 72A) and safe harbor for intermediaries (Section 79) may continue to apply until fully superseded. 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.

The development of AI technologies may lower the barrier of entry and enable competitors to potentially replicate or improve upon the kind of offerings we provide. Widespread adoption of agentic AI technologies could also reduce demand for our offerings. While we believe we have developed core competitive strengths that are hard to be disrupted or displaced by AI, we cannot assure you that our business will not be adversely affected by the development of AI. We are integrating AI into our businesses. However, we may not adopt AI as quickly or effectively as we expect, and our competitors may adopt AI more quickly or effectively than we do. For details, see “—We may not be successful in adopting, implementing or incorporating new technologies, such as artificial intelligence, into our product offerings.”

Our competitors primarily include global short video platforms such as TikTok, and certain regional live streaming platforms. We also compete with other independent advertising technologies platforms such as AppLovin and Unity, which provide marketing and monetization solutions. 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 business, results of operations and financial condition could be negatively impacted. 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.”

With respect to our advertising business, our BIGO Ads platform relies on our backend systems and on third-party providers. Third-party service interruptions or performance issues—whether due to cyberattacks, capacity constraints, configuration errors, or force-majeure events—can cause interruptions to our services, impair advertiser relationships, and adversely affect our business operations. If third-party providers materially change their pricing, terms or service availability, we may not be able to replace them on commercially reasonable terms or in a timely manner. In addition, 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. Our future success depends in part on our ability to adapt to trends and to innovate. If we do not adapt to, and appropriately allocate our resources among, emerging technologies, our business, financial condition and results of operations may be adversely affected. To adopt a new technology, we must invest financial resources and management attention. We may invest significant resources in a new offering, which could prove unsuccessful or prevent us from directing these resources towards other opportunities. We may never recover the often-substantial up-front costs of developing and adopting emerging technologies, or recover the opportunity cost of diverting management and financial resources. Furthermore, our competitors may adapt an emerging technology more quickly or effectively than we do.

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, 2026, options to purchase 8,074,500 Class A common shares, 1,308,825 restricted shares and 35,152,532 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 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. 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.

We may not be able to adequately protect our intellectual property or prevent unauthorized use or misappropriation of our data and technology, which could harm our business, financial condition and results of operations.

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 may not be able to 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.

In addition to the broader risks to our intellectual property described above, 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 may also 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. 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.

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.

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.

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. 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, 2025. 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, 2025. 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;

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- 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 2025, and 10% for the years 2026 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% for the years 2018 through 2025, and 10% for the years 2026 through 2027. However, Bigo Singapore will need to re-apply for the incentive qualification renewal in 2028. 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. Specifically, the implementation of the Singapore Pillar Two Law is expected to increase our reported tax expenses beginning in 2025. 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 15.3%, 10.4% and 9.8% of our total net revenues for the years ended December 31, 2023, 2024 and 2025, 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 may be cited for reference but have limited precedential weight. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights in mainland China. The interpretation and implementation of laws and regulations may involve procedural steps and judicial practices that evolve over time, which may create inherent uncertainties regarding the outcome of such proceedings. Furthermore, the regulatory environment in mainland China is continuously developing. The interpretation of laws may be influenced by prevailing industry policies and regulatory guidance. While the transparency of the legal system has significantly improved, the application of certain rules and policies in specific cases may still involve interpretative complexities. Any such uncertainties, including those related to the scope and effect of our contractual, property (including intellectual property), and procedural rights, could impact our business operations and the results of our legal protections.

Specifically with respect to the internet industry, the mainland China government has adopted extensive regulations. These internet-related regulations are 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 13.3%, 9.9% and 8.7% of our total net revenues for the year ended December 31, 2023, 2024 and 2025, 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\$37.53 to US\$67.85 in 2025. 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, advertising technology 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, advertising technology 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, 2025, 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, 2025, 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, 2026, Mr. David Xueling Li and his respective affiliates, held 86.8% 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, 2026, Mr. David Xueling Li, our co-founder and director, and his affiliates, held 86.8% 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 12.2% of our outstanding shares as of March 31, 2026, 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 and currently holds direct and indirect interests in Xiaomi and other entities that may have businesses competing with ours. Xiaomi Corporation (HKEX: 1810) is a consumer electronics and smart manufacturing 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, 2026 we had 681,126,029 Class A common shares (excluding 525,608,415 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 regulating liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

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.

Although our board of directors has authorized a currently effective share repurchase program, which was approved in March 2025 and authorized us to repurchase up to US\$300 million of our shares until the end of 2027, 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.”

Since our inception, we have undergone significant strategic transformations, evolving through three distinct operational phases to transition from a regional market leader to a global social entertainment company, and finally into a globally diversified multi-engine technology ecosystem.

Phase 1.0: Foundations in Mainland China (2005–2014). During this initial period, we focused on the development of the social entertainment industry in mainland China. We successfully incubated and scaled several market leading platforms including YY Live and Huya, establishing a leadership position in real-time video engagement and livestreaming technology within the PRC market.

Phase 2.0: Strategic Globalization (2014–2021). In 2014, foreseeing massive global opportunities, we initiated a proactive globalization strategy to capture opportunities in international markets. This expansion was anchored by our investment in, and the subsequent full acquisition of, BIGO in March 2019. This milestone integrated a high-growth global product matrix into our portfolio and established an extensive localized operational network, giving us an in-depth presence across Asia, North America, the Middle East, and Europe. To streamline our strategic focus on global operations, we divested Huya and YY Live, in 2020 and 2021, respectively.

Phase 3.0: Transition to a Multi-Engine Growth Ecosystem (2022–Present). Beginning in 2022, we entered a new strategic phase, characterized by the structural diversification of our revenue streams and the scaling of our business-to-business (B2B) technology suite. Fueled by the launch of BIGO Ads Audience Network and the strategic consolidation of Shoplevel in August 2022, we are transitioning into a multi-growth engine ecosystem. Today, we leverage our foundational social entertainment engagement to empower programmatic advertising and omnichannel smart commerce solutions, to capture structural value across the global digital economy.

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.

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 ir.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, leveraging a proprietary technology stack to bridge social interaction, programmatic advertising, and omnichannel smart commerce.

We are a leader in the global social entertainment sector. 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. We serve a global user base of 272.1 million monthly active users as of the fourth quarter of 2025, covering North America, Europe, the Middle East, Southeast Asia, and more, through our diverse product matrix covering live streaming, short videos, instant messaging, casual games, and beyond. 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 are transitioning from a specialized social entertainment platform into a globally diversified technology ecosystem powered by multiple growth engines. We have been exploring innovative technologies and initiatives to further expand our offerings beyond social entertainment, tapping into new addressable markets worldwide. We are actively scaling our B2B technology stack, resulting in a strategic expansion of our non-live streaming revenues in 2025, primarily from advertising and smart commerce. In 2025, our total non-livestreaming revenue increased by 32.2% year over year, contributing 28.0% of total group revenue, up from 20.1% in the prior year.

The long-term value of JOYY lies in our full-stack synergies, which was derived from the interconnectivity of our social data, advanced and continuously optimizing advertising algorithms, and comprehensive smart commerce solutions, which together form an integrated flywheel of user engagement and monetization.

Core Global Social Entertainment Products

- 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.
- 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.
- 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 has a presence in the Middle East, Europe, and Southeast Asia.
- 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 a presence in Southeast Asia, the Middle East and South America.

Strategic Growth Engines: Advertising and Smart Commerce

- Advertising platform: *BIGO Ads* is an AI-powered programmatic advertising platform. Launched to provide one-stop marketing and monetization solutions, it leverages deep learning, real-time bidding, and smart bidding models (such as oCPC and ROAS optimization) to enable brands to scale user acquisition and app developers to effectively unlock monetization potentials through connecting premium global demand.

- Smart commerce solution provider: *Shopline* is a global smart commerce platform that offers solutions and services empowering 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 an end-to-end solution for global commerce, integrating enterprise-grade storefront management, localized and cross-border payment processing (Shopline Payments), logistics, inventory control, and automated marketing tools. Shopline has helped merchants in diverse industries to launch and scale their online businesses.

Business Model

We generate revenue through a diversified mix of global social engagement and business-to-business (B2B) technology solutions.

Our core global social entertainment platforms, including Bigo Live, Likee, Hago and imo, primarily utilize a virtual item-based monetization model. Users engage in real-time social interactions, purchase virtual currency to send gifts to performers during real-time livestreaming sessions or subscribe to premium membership services that offer exclusive status and privileges. In 2025, virtual tips for live streaming accounted for 72.0% of our revenues.

Our B2B growth engines, primarily BIGO Ads and Shopline, have structurally optimized our revenue mix by expanding our reach into programmatic advertising and omnichannel smart commerce. BIGO Ads generates revenue through comprehensive advertising solutions, leveraging our proprietary programmatic technology to monetize first-party traffic from platforms like imo and Likee, as well as third-party inventory through the BIGO Audience Network. In 2025, advertising revenues, primarily BIGO Ads, accounted for 20.8% of our total net revenues. Shopline operates a smart commerce SaaS model, deriving income from recurring software subscription fees and a suite of transaction-based value-added services, including localized payment processing (Shopline Payments), marketing, and cross-border logistics solutions. In 2025, e-commerce and other revenues collectively accounted for 7.1% of our total net revenues.

We have built a sizable global business with strong operating cashflow. Our total revenue amounted to US\$2.3 billion in 2023, US\$2.2 billion in 2024 and US\$2.1 billion in 2025. Our net cash provided by operating activities was US\$295.6 million in 2023, US\$308.7 million in 2024 and US\$302.3 million in 2025.

The structural evolution of our revenue mix, underpinned by the growing contribution of programmatic advertising and smart commerce, marks a significant inflection point in our corporate history. With a strong net cash position and a diversified portfolio of high-growth technology assets, we believe we are positioned to capture expanding long-term opportunities within the global advertising technology and smart commerce sectors and drive sustainable, long-term growth.

Our Strategy

Driving Multi-Engine Growth through Ecosystem Synergies. JOYY is a global technology company that seamlessly integrates social entertainment with a robust B2B technology stack. By unifying programmatic advertising and smart commerce SaaS solutions, JOYY provides a comprehensive ecosystem to facilitate digital engagement and commercial transformation, creating a self-reinforcing flywheel that empowers creators, advertisers and brand merchants worldwide.

Deepening Global Localization and Operational Excellence. We define our competitive advantage through a strategy of “Global Reach, Local Depth,” leveraging our established presence in over 150 countries to refine localized operations. We have built an extensive global operational network with approximately 30 regional offices and more than 5,400 local staff worldwide. We drive localized product iteration, tailoring the content of our social products and the features of our B2B solutions to specific cultural and regulatory environments. This granular approach cultivates deep user retention and customer loyalty that “one-size-fits-all” global competitors cannot easily replicate. Furthermore, we capitalize on our established localized operational networks to accelerate the international expansion of our B2B initiatives.

Technology Backbone and AI-Powered Operations. We aim to strengthen our proprietary technology stack that serves as a structural advantage, bridging our global social engagement platforms with an integrated B2B technology suite. We have integrated artificial intelligence (AI) and data analytics into all critical aspects of our services and broader business operations. This acts as a central engine for both user engagement and commercial performance.

- **Social Engagement and Creator Productivity:** In our social platforms, AI-driven innovation focuses on deepening user-streamer connections and enhancing creator productivity. We utilize Generative AI to efficiently produce localized virtual items and interactive gifts. By integrating Large Language Model architectures and incorporating multi-modal information into our recommendation systems, we have significantly improved our ability to analyze real-time social content and user intentions. This focus on technical utility results in a highly personalized and sticky experience, characterized by superior engagement efficiency.
- **Our Global Network Infrastructure:** We have established an extensive global data center network, located in Asia, Europe and the Americas. Our infrastructure provides seamless integration and is highly customized for supporting our services with significant flexibility. 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 272.1 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.
- **Operational Efficiency and Data-Driven Decision-Making:** We utilize AI-driven data analytics to optimize our structural margins and streamline corporate cycles. Our AI capabilities empower automated product beta testing and augment critical corporate decision-making in areas such as budgeting and resource allocation. By modularizing foundational R&D processes, we have built agile, scalable capabilities that allow us to replicate operational successes across emerging products with high efficiency.

Our Platforms and Products

Core Global Social Entertainment 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 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.9 Social App in terms of in-app-purchase revenue in 2025, 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.

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A core strategic advantage of imo is its ability to deliver stable, high-quality communication in diverse and challenging network environments. To serve users in regions with varying mobile infrastructure, imo utilizes a proprietary suite of technologies, including adaptive bitrate streaming and advanced packet loss concealment. These technical refinements ensure that imo maintains superior performance and connection stability in weak-network scenarios, driving organic retention in markets where reliable connectivity is a critical utility.

imo currently monetizes its user base mainly through advertisements and live streaming. In 2021, 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.

Imo was ranked as the No.4 and No.5 Social App in terms of downloads in United Arab Emirates and Saudi Arabia, respectively, in 2025, 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 presence in the Middle East, Europe and Southeast Asia.

Likee currently monetizes its user base mainly through virtual tips for live streaming and advertisements. Likee was ranked United Arab Emirates's No.10 Social App in terms of in-app-purchase revenue in 2025, according to the State of Mobile report from [data.ai](#).

Hago

Hago is a social networking platform that encourages users to connect and have fun. Users can make new acquaintances by playing multiplayer casual games, 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. Launched in 2018, Hago has a presence mainly in Southeast Asia, the Middle East and South America.

Hago currently monetizes its user base mainly through virtual tips for live streaming.

B2B Initiatives: Advertising and Smart Commerce

BIGO Ads

BIGO Ads is a global AI-powered programmatic advertising platform, connecting advertisers and publishers with high-quality traffic from BIGO's social apps and premium international developers. Operating as a sophisticated programmatic platform that provides one-stop marketing and monetization solutions, BIGO Ads leverages deep learning, real-time bidding, and smart bidding models (such as oCPC and ROAS optimization) to enable brands to scale user acquisition and app developers to effectively unlock monetization potentials through connecting premium global demand. 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.

First-Party Inventory as Strategic Advantage: A key strategic differentiator for BIGO Ads is its vertical integration with our core social platforms, imo and Likee. This grants BIGO Ads exclusive first-party inventory and a robust repository of proprietary behavioral data, enabling us to provide a unique value proposition to advertisers seeking high-fidelity audience segments. The scale and depth of this first-party data are also instrumental in training our proprietary models.

Scalable Global Reach Through BIGO Audience Network: BIGO Ads benefits from our massive global MAU base and an extensive network of third-party traffic through seamless Software Development Kit (SDK) integrations with premium international developers. In 2025, BIGO Ads significantly scaled its third-party SDK network traffic through successful integration with major global mediation platforms, such as AppLovin MAX and Unity Level Play, resulting in a 166% year-over-year increase in SDK advertising requests in the fourth quarter of 2025.

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Continuous Algorithm Optimization and Growth Fly Wheel: BIGO Ads utilizes advanced Deep Learning and Real-Time Bidding Optimization to deliver measurable outcomes for global marketers. A key upgrade in 2025 was the enhanced IAA D7 ROAS optimization feature rolled out in the third quarter. The enhancement enables advertisers to acquire higher-quality users while maintaining strong return efficiency, allowing them to scale budgets with greater confidence. These technical enhancements drive a self-reinforcing flywheel: superior advertiser ROI attracts increased spending, which in turn incentivizes more third-party publishers to integrate with our SDK, further expanding our data assets and algorithmic accuracy.

In 2025, BIGO Ads achieved substantial growth in revenue, fueled by an expanding advertiser base and advertiser average spending, increased third-party traffic, and our strategic entry into new markets. In 2025, BIGO Ads revenue grew by 38.5% year-over-year to US\$398.5 million.

Shopline

Shopline is a global smart commerce platform offering solutions and services empowering 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 operations, such as multi-channel inventory and sales management, logistics, payment, marketing and data analytics, among others. Shopline has helped merchants in diverse industries to launch and scale their online businesses.

Shopline currently generates revenues from recurring software subscription fees and a suite of transaction-based value-added services, including localized payment processing (Shopline Payments), marketing and cross-border logistics solutions.

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.” We have established an ecosystem where our diverse brands, Bigo Live, Likee, imo, Hago, BIGO Ads, and Shopline, operate with architectural alignment, enabling us to reach a wide variety of coveted user and customer bases around the world.

Marketing Activities

We leverage a “Global Reach, Local Depth” approach, utilizing our extensive global operational network of approximately 30 regional offices and over 5,400 global staff to tailor marketing to specific cultural nuances. For our social entertainment businesses, we utilize a combination of ROI-focused advertising and diverse marketing activities to enhance our global brand recognition and attract users to our platforms. For BIGO Ads, our marketing focuses on building credibility and trust with global advertisers by highlighting our premium first-party traffic and localized operational insights. We leverage strategic partnerships with leading global mediation platforms—such as AppLovin MAX and Unity Level Play—to accelerate the adoption of our SDK among third-party developers, thereby expanding the BIGO Audience Network. 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 expand our customer reach and promote our platform to more merchants (including small and medium-sized businesses as well as brand merchants) in terms of 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 certain regional live streaming platforms. For our advertising business, we face competition from independent advertising technology platforms such as AppLovin and Unity, which provide marketing and monetization solutions. We also face competition 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.

Artificial Intelligence and Algorithm Technologies

Artificial intelligence serves as the center of JOYY's proprietary technology stack. 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.

For our B2B initiatives, our proprietary algorithms drive enhanced performance for our B2B technology suite. Utilizing deep learning and advanced neural networks, BIGO Ads delivers real-time bidding and automated bid optimization (including oCPC and ROAS optimization), enabling advertisers to achieve measurable gains. At Shoptline, we introduced AI-powered merchant tools—including automated marketing and smart operations—to enhance merchant productivity and optimize operational costs across the retail lifecycle.

Quality of Service for Online Multi-media Communications

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 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.

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 2025, 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 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.

For our human moderation teams, we have deployed thousands of in-house and external dedicated content moderation personnel with local language proficiency and cultural understanding in a number of countries worldwide, including, but not limited to, Singapore, the Philippines, Bangladesh, 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, 2025, our research and development team consisted of over 2,000 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 continued optimization of our content recommendation algorithms, AI-driven creative and social tools; (b) the continual improvement of our core audio and video data processing and streaming technologies to ensure seamless, high-quality experiences, (c) the ongoing maintenance and enhancement of network and server infrastructure to minimize latency and reduce interruptions, (d) 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, (e) development of AI-empowered 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, (f) optimization of the advertising engine to help advertisers efficiently target their audience, and (g) the establishment and continuous optimization of our AI-augmented product development architecture and infrastructure, with a strategic goal of accelerating concept-to-deployment cycle across our global product and services.

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 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, 2025, we held 1,707 registered domain names, including joyy.com, joyy.sg, Bigo.TV, Duowan.com, bigolive.sg, likee.com, shoptline.com, 1,094 software copyrights and other copyrights, 3,074 patents and 2,747 trademarks and service marks. In addition, as of December 31, 2025, we had filed 4,927 patent applications, covering certain of our proprietary technologies, and 4,626 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 into different markets and unlocking economic value in the relevant regions.

Empowering Education and Entrepreneurship. We invest in developing future talent and fostering innovation. In June 2023, BIGO announced its Singapore-Jordan Incubation Program in collaboration with the 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. In 2025, Bigo Live partnered with the Yayasan Peduli Anak (Care for Children Foundation) in Indonesia to donate funds toward children's education programs. By integrating online talent shows and cultural broadcasts with offline donations, we fostered a sense of community responsibility while providing tangible support for the academic advancement of underprivileged youth.

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. In 2025, Bigo Live partnered with Union Station Homeless Services in the U.S. for the "Grateful Streams" initiative, pledging funds and utilizing creator-led content to raise awareness and provide thousands of Thanksgiving meals for unhoused individuals and families. In Southeast Asia, we participated in the "Kongsi Rezeki: Tahfiz Berselawat 2025" program in Malaysia, a cross-sector collaboration that raised funds to support vulnerable children with cancer, and low-income families during the Ramadan period.

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. Also, the initiation requirements and implementation details of some procedures are left to be stipulated by the procedural laws of the EU or member states, and cannot be directly applied uniformly through the GDPR. For instance, Article 58 of the GDPR stipulates that a supervisory authority’s access to any premises of the controller and the processor, including any data processing equipment and means, is subject to EU or member state procedural law. This requires companies to separately assess risks and formulate compliance requirements based on the specific circumstances and regulations of each member country. In addition, under certain conditions, the GDPR could also be able to apply to companies that are not in Europe. Although GDPR guidance, case law, and enforcement procedures have become more developed, interpretation and enforcement may remain fact-specific, and GDPR compliance may still require substantial resources and costs.

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 took effect from September 12, 2025. 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 introduces 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. Since most of the Data Act’s rules became applicable, it has affected, and may continue to affect, our business, particularly where our operations involve connected devices, cloud services and data-sharing arrangements, particularly in relation to data access and use, contractual terms, cloud switching and portability, and related compliance obligations.

Finally, Regulation (EU) 2025/2518 has been published and will become applicable from April 2, 2027. It is intended to complement and clarify certain procedural aspects of GDPR enforcement, in particular by introducing harmonized rules on the handling of complaints, ex officio investigations, cooperation in cross-border cases, as well as rights related to hearings and access to documents. Once it becomes applicable, it may contribute to a better understanding of the procedural framework for GDPR enforcement.

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

India's data privacy regulations are primarily governed by two sets of frameworks.

The first is a system of laws and regulations centered on the Information Technology Act 2000 (as amended by Information Technology (Amendment) Act of 2008), which 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. It should be noted that Section 44(2) of the Digital Personal Data Protection Act, 2023, which will take effect 18 months after November 13, 2025, stipulates the deletion of Section 43A of the Information Technology Act, 2000. 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.

The other framework comprises personal data protection regulations centered on the Digital Personal Data Protection Act, 2023 and the Digital Personal Data Protection Rules, 2025. Even prior to the introduction of these two frameworks, India had already issued 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.

Starting from November 13, 2025, the Digital Personal Data Protection Act, 2023, which is the core law for personal information protection, has been coming into effect in a phased manner. Also, the Digital Personal Data Protection Rules, 2025 were notified on 14 November 2025 and have been coming into force in phases since that date, which primarily serve as the operational and implementing rules for the Digital Personal Data Protection Act, 2023. Based on these two legal instruments, a person may process the personal data of a Data Principal only in accordance with the provisions of the Digital Personal Data Protection Act and for a lawful purpose (a) for which the Data Principal has given her consent. The consent given by the Data Principal shall be free, specific, informed, unconditional and unambiguous with a clear affirmative action, and shall signify an agreement to the processing of her personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose, or (b) for certain legitimate uses.

Also, the Digital Personal Data Protection Act, 2023 provides that, irrespective of any agreement to the contrary or any failure of the Data Principal to perform her duties under this Act, the person who alone or in conjunction with other persons determines the purpose and means of processing of personal data (“Data Fiduciary”) shall be responsible for complying with the provisions of this Act and the rules made thereunder in respect of any processing undertaken by it or on its behalf by a Data Processor. A Data Fiduciary may engage, appoint, use, or otherwise involve a Data Processor to process personal data on its behalf, in connection with the offering of goods or services to Data Principals, only under a valid contract. Where personal data processed by a Data Fiduciary is likely to be used to make a decision affecting the Data Principal or to be disclosed to another Data Fiduciary, the Data Fiduciary shall ensure the completeness, accuracy, and consistency of such data. In addition, the Data Fiduciary shall implement appropriate technical and organizational measures to protect personal data in its possession or under its control, including data processed on its behalf by a Data Processor, by taking reasonable security safeguards to prevent personal data breaches. In the event of a personal data breach, the Data Fiduciary shall notify the regulatory authority and the affected Data Principals in the manner prescribed. If the foregoing provisions are violated, the Data Fiduciary may be subject to penalties imposed by the Indian regulatory authority.

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. On March 2, 2026, the Personal Data Protection (Amendment) Regulations 2026 entered into force, which expands the scope of recognized certifications that satisfy the requirement for legally enforceable obligations when transferring personal data outside Singapore. The 2026 amendment adds the Global Privacy Recognition for Processors System and the Global Cross-Border Privacy Rules System to the list of recognized certifications. Specifically, for recipients acting as data intermediaries, the list now includes the Asia-Pacific Economic Cooperation (APEC) Privacy Recognition for Processors System, the APEC Cross-Border Privacy Rules System, the Global Privacy Recognition for Processors System, and the Global Cross-Border Privacy Rules System. For other recipients, the recognized certifications are the APEC Cross-Border Privacy Rules System, with the new addition of the Global Cross-Border Privacy Rules System. The aim of this modification is to facilitate secure international data flows by aligning local requirements with global privacy frameworks.

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 or 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.

As of the date of this annual report, Indonesia has further announced several industry-specific rules to supplement the provisions of the PDP Law and implement personal data protection. Government Regulation No. 17 of 2025 on the governance of electronic system operators in child protection introduced child-focused risk assessment requirements for electronic products, services and features, including risks related to child data collection, public disclosure of children’s personal data, privacy-setting changes without parental consent, and threats to the security of children’s personal data. Minister of Communication and Digital Regulation No. 9 of 2026 further implemented these requirements by establishing self-assessment, reporting, verification and risk-profiling procedures for products, services and features that may be accessed by children. In the telecommunications sector, Minister of Communication and Digital Regulation No. 7 of 2026 on mobile subscriber registration introduced additional safeguards relating to customer identity data, biometric verification, confidentiality obligations and information security certification.

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.

On December 10, 2025, Vietnam passed the new Cybersecurity Law (116/2025/QH15). This law will come into effect on July 1, 2026, and the original Law on Cybersecurity (24/2018/QH14) will become invalid from that date. Regarding data security, Law No. 116/2025/QH15 prohibits the appropriation, trading, seizure, or intentional disclosure of information containing state secrets, work secrets, or trade secrets; the appropriation, trading, seizure, or intentional disclosure of personal secrets, family secrets, and privacy that affect the honor, reputation, dignity, rights, and legitimate interests of authorities, organizations, or individuals; the intentional eavesdropping or unlawful recording of audio or video of conversations in cyberspace; the disclosure of information on civil cryptographic products or information on customers lawfully using civil cryptographic products; and the use or trading of civil cryptographic products of unknown origin. Moreover, Article 25 of Law No. 116/2025/QH15 stipulates the obligations of platforms and network service providers regarding account and data control, including verifying the registration information of digital accounts, protecting user information and accounts; providing information to competent authorities upon request; removing illegal content; maintaining system logs; and storing users' names, usage time, payment information, access IP addresses, and other personal information and data generated during service use.

On January 1, 2026, Vietnam’s new Personal Information Law (No. 91/2025/QH15) came into force. This law provides that personal data is digital data or information in other forms that identify or help identify a specific person, including basic personal data and sensitive personal data. Personal data that has been de-identified is no longer considered personal data. Second, Article 20 of the law stipulates that cross-border personal data transfer includes transferring data stored within Vietnam to foreign countries, transferring data by Vietnamese entities to foreign entities, and using foreign platforms to process data collected in Vietnam. Entities conducting cross-border transfers are generally required to submit a cross-border impact assessment dossier within 60 days from the date of the first transfer and update it as required. The competent authority may also require the suspension of data transfers if such transfers are found to affect national security. Finally, Article 37 of the law provides that a personal data processor shall first enter into a personal data processing agreement with the personal data controller or a controller-cum-processor before receiving personal data. The processor shall handle the data in accordance with the agreement, adopt protective measures, bear liability for damages caused by processing, and prevent unauthorized collection of personal data from its systems and equipment.

Decree No. 356/2025/NĐ-CP also came into force on January 1, 2026. It is the implementing regulation of the Personal Information Law (No. 91/2025/QH15) and operationalizes the principles set out in the law, focusing on personal data classification, consent mechanisms, personal data transfer agreements, cross-border transfer impact assessment, and timelines for handling data subject requests.

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. In 2025, the Personal Data Protection (Amendment) Act 2024 came into effect in phases, focusing on establishing the appointment of a data protection officer and the data breach notification system. Specifically, the amendment stipulated a data controller shall appoint one or more data protection officers who shall be accountable to the data controller for the compliance with this Act. Where a data controller has reason to believe that a personal data breach has occurred, the data controller shall, as soon as practicable, notify the Commissioner (as defined in the amendment) in the manner and form as determined by the Commissioner. Where the personal data breach under the aforementioned causes or likely to cause any significant harm to the data subject, the data controller shall notify the personal data breach to the data subject in the manner and form as determined by the without unnecessary delay. A data controller who contravenes the preceding provisions commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or imprisonment for a term not exceeding two years or to both.

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. In 2025, the Personal Data Protection Department also issued the Personal Data Protection Guidelines on Data Breach Notification, the Personal Data Protection Guidelines on the Appointment of Data Protection Officer, and the Personal Data Protection Guidelines on Cross-Border Transfer of Personal Data, which provide clearer guidance for data compliance.

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.

In 2025, Saudi Arabia issued the General Rules for Secondary Use of Data and launched the SDAIA Sandbox Program for personal data protection, which support the existing Saudi Arabia Personal Data Protection Law framework. The General Rules for Secondary Use of Data establish controls and procedures governing data-sharing requests, including the requirement of a legitimate purpose, compliance with the data minimization principle, consent in specified cases, data retention and destruction arrangements, restrictions on permitted use, liability allocation, and applicable processing timeframes. The SDAIA Sandbox Program is a regulatory support program that allows startups to test and develop privacy-related technological solutions in a controlled environment, with a focus on Privacy by Design and Privacy-Enhancing Technologies, and it is intended to ensure compliance with the Saudi Arabia Personal Data Protection Law.

Data and Privacy Protection—mainland China

The Cyber Security Law (Amended in 2025) 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—European Union

Trademark

According to Article 4 of Regulation (EU) 2017/1001, an EU trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of: (a) distinguishing the goods or services of one undertaking from those of other undertakings; and (b) being represented on the Register of European Union trade marks ('the Register'), in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor. The registration of an EU trade mark will confer on the proprietor exclusive rights therein. Moreover, trademark holders may prohibit third parties from using the same or similar marks in commercial activities, and may also prohibit the affixing of the mark to goods or packaging, its sale, import, export, use as a trade name, or use in commercial documents and advertisements. If trademark rights are infringed, the infringer may face corrective measures such as temporary injunctions, orders to prohibit further infringement, recalls of infringing goods, removal from commercial channels, destruction, and compensation for losses.

European Patent

The definition of a patent at the EU level can be found in Article 52 of the Convention on the Grant of European Patents (European Patent Convention), which states: European patents shall be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application. However, the following in particular shall not be regarded as inventions within the aforementioned meaning: (a) discoveries, scientific theories and mathematical methods; (b) aesthetic creations; (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers; and (d) presentations of information.

The extent of the protection conferred by a European patent or a European patent application shall be determined by the claims, and a European patent shall confer on its proprietor from the date on which the mention of its grant is published in the European Patent Bulletin, in each Contracting State in respect of which it is granted, the same rights as would be conferred by a national patent granted in that State. Furthermore, the term of the European patent shall be 20 years from the date of filing of the application.

Exterior Design

The definition of “design” under EU law is found in Article 3, paragraph 1 of Regulation (EC) No 6/2002 : “design” means the appearance of the whole or a part of a product resulting from the features, in particular the lines, contours, colours, shape, texture and/or materials, of the product itself and/or of its decoration, including the movement, transition or any other sort of animation of those features. A design shall be protected by an EU design, if it is new and has individual character.

A registered EU design shall confer on its holder the exclusive right to use it and to prevent any third party not having the consent of the holder from using it. In particular, these behaviors are prohibited: (a) making, offering, placing on the market or using a product in which the design is incorporated or to which the design is applied; (b) importing or exporting a product referred to in point (a); (c) stocking a product referred to in point (a) for the purposes referred to in points (a) and (b); or (d) creating, downloading, copying and sharing or distributing to others any medium or software which records the design for the purpose of enabling a product referred to in point (a) to be made.

Where an EU design court finds that the defendant has infringed or threatened to infringe an EU design, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the EU design. It shall also take such measures in accordance with its national law as are aimed at ensuring that that prohibition is complied with. Moreover, the EU design court may also apply measures or orders available under the applicable law which it deems appropriate in the circumstances of the case.

Trade Secret

Article 2 of Directive (EU) 2016/943 stipulates that ‘trade secret’ means information which meets all of the following requirements: (a) it is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; (b) it has commercial value because it is secret; and (c) it has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

The acquisition of a trade secret without the consent of the trade secret holder shall be considered unlawful, whenever carried out by: (a) unauthorized access to, appropriation of, or copying of any documents, objects, materials, substances or electronic files, lawfully under the control of the trade secret holder, containing the trade secret or from which the trade secret can be deduced; or (b) any other conduct which, under the circumstances, is considered contrary to honest commercial practices. Also, the use or disclosure of a trade secret shall be considered unlawful whenever carried out, without the consent of the trade secret holder, by a person who is found to meet any of the following conditions: (a) having acquired the trade secret unlawfully; (b) being in breach of a confidentiality agreement or any other duty not to disclose the trade secret; or (c) being in breach of a contractual or any other duty to limit the use of the trade secret.

If the conduct constitutes the aforementioned infringement of trade secrets, it may be subject to various injunctions and corrective measures, including: (a) the cessation of or, as the case may be, the prohibition of the use or disclosure of the trade secret; (b) the prohibition of the production, offering, placing on the market or use of infringing goods, or the importation, export or storage of infringing goods for those purposes; (c) the destruction of all or part of any document, object, material, substance or electronic file containing or embodying the trade secret or, where appropriate, the delivery up to the applicant of all or part of those documents, objects, materials, substances or electronic files; (d) recall of the infringing goods from the market; (e) depriving the infringing goods of their infringing quality; and (f) destruction of the infringing goods or, where appropriate, their withdrawal from the market, provided that the withdrawal does not undermine the protection of the trade secret in question.

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.

Patents

Based on the Patents Act, 1970, “invention” is defined as a new product or process involving an inventive step and capable of industrial application and “patent” refers to a patent for any invention granted under this act. Subject to the provisions of the Patents Act, 1970, the term of every patent granted, after the commencement of the Patents (Amendment) Act, 2002, and the term of every patent which has not expired and has not ceased to have effect, on the date of such commencement, under this act, shall be twenty years from the date of filing of the application for the patent. Also, pursuant to Article 48 of Patents Act, 1970, where the subject matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India. Also, where the subject matter of the patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India.

Trademark

Trademark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colors. The registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by the Trade Marks Act 1999. Sections 103 and 104 of the Trade Marks Act, 1999 establish criminal liability for misuse of trademarks and false trade descriptions. Section 103 punishes acts such as falsifying a trademark, applying a false trademark to goods or services, possessing tools for falsification, applying false trade descriptions, and altering or removing required origin information, unless the person can prove a lack of intent to defraud. Section 104 extends liability to those who sell, offer, or possess goods or provide services bearing false trademarks or descriptions, or lacking required origin information, unless they can show they acted with reasonable precautions, had no suspicion, or acted innocently. In both sections, the prescribed punishment includes imprisonment of at least 6 months and up to 3 years, along with a fine ranging from 50,000 to 200,000 rupees, with limited judicial discretion to reduce the minimum sentence for special reasons.

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.

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. In 2026, Indonesia issued the Ministry of Justice Regulation No. 5 of 2026, guiding the trademark registration process.

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 and Law of 2024, 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.

In 2026, Indonesia issued the Ministry of Justice Regulation No. 6 of 2026, guiding the patent registration process.

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.

On December 10, 2025, Vietnam promulgated Law No. 131/2025/QH15, which introduced certain amendments to the Intellectual Property Law. This amendment took effect on April 1, 2026. This amendment primarily stipulates the following contents: when intellectual property objects are created by artificial intelligence systems, the Vietnam Government shall establish rules for the generation and establishment of rights. Moreover, this amendment clarifies that the exercise of intellectual property rights shall not harm national or public interests or the legitimate rights and interests of others, and permits organizations and individuals to use lawfully published texts and data accessible to the public for scientific research, experimentation, and training of artificial intelligence systems. Furthermore, this amendment incorporates the management, commercial exploitation, national management safeguards, and digitalization of intellectual property activities into the legal framework, encourages the use of intellectual property for capital contribution or mortgage for loans.

In addition, Vietnam promulgated No. 100/2026/NĐ-CP on March 31, 2026, making certain amendments to the implementing regulations on intellectual property rights. According to this decree, the intellectual property right holder shall prepare and maintain a list of intellectual property rights that do not yet meet the conditions for recognition as assets in accounting records in accordance with accounting laws. Also, No. 100/2026/NĐ-CP also introduces a fast-track substantive examination mechanism, meaning that, under specific conditions, patent applications and trademark applications are examined through a fast-track substantive examination process. For patent applications, the specific conditions refer to cases where the invention belongs to the list of high-tech or strategic technologies, or is used for national security, defense, disaster, or epidemic emergencies; the number of claims does not exceed 10 (of which no more than 2 are independent claims); it is not a divisional application or a converted application; it has already been commercially exploited; and the fast-track examination fee has been paid. For trademark applications, the specific conditions refer to cases where the mark belongs to the list of high-tech or strategic technologies, or is used for national security, defense, disaster, or epidemic emergencies, or is one of the conditions required for the applicant when carrying out production or business registration or licensing procedures; it is a domestic application submitted directly to the competent national authority (not an international registration application); the trademark type is not a collective mark, certification mark, three-dimensional mark, or sound mark; and the fee has been paid.

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 registration 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. The Malaysian Patents (Amendment) Regulations 2025, which came into effect on December 31, 2025, provides detailed regulations on the patent opposition process.

Regulations on Intellectual Property—Saudi Arabia

Patents and Utility Model

According to Federal Law No. (11) of 2021 on the Regulation and Protection of Industrial Property Rights, a Patent shall be granted for each new Invention resulting from an innovative idea or innovative improvement, which involves an inventive step and is capable of industrial application. On the contrary, a Utility Model Certificate shall be granted for a new Invention that is industrially applicable but does not involve an innovative step that qualifies for a Patent. Pursuant to Article 18 of Federal Law No. (11) of 2021 on the Regulation and Protection of Industrial Property Rights, the term of the Patent shall be twenty (20) years and the term of the Utility Model Certificate shall be ten (10) years, starting from the filing date of the application. A Patent or Utility Model Certificate gives its owner the exclusive right to use the invention for industrial or commercial purposes, including making, using, selling, offering for sale, and importing the protected product, and also allows the owner to prevent others from carrying out these activities without permission. If the invention is a process or method, the protection extends both to the use of that process and to products directly obtained from it, including the right to stop third parties from using or dealing with such products without consent. In the event of infringing any of the rights conferred on the owner by the Protection Title, the Protection Title owner or licensee may file an action before the court to claim for compensation for the damage suffered thereby as a result of the acts of infringement in violation of the provisions hereof.

Trade Secret

Undisclosed information shall be protected under the provisions of Federal Law No. (11) of 2021 on the Regulation and Protection of Industrial Property Rights and the Executive Regulations thereof, provided that it meets the following conditions: (a) it shall be secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; (b) it has commercial value because it is secret; and (c) it has been subject to reasonable steps by the person lawfully in control thereof to keep it secret. The person lawfully in control of undisclosed information shall take all appropriate measures to maintain the confidentiality of such information and prevent its circulation amongst unauthorized persons and shall also organize and limit the circulation of such information within the establishment to the authorized persons, and preserve and prevent the leakage of such information to third parties. The confidentiality of information, and the attendant rights to prevent others from infringing such information, shall subsist so long as the information is not disclosed. In the event of infringing any of the rights conferred on the owner by the Protection Title, the Protection Title owner or licensee may file an action before the court to claim for compensation for the damage suffered thereby as a result of the acts of infringement in violation of the provisions hereof.

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 China National Intellectual Property Administration is responsible for receiving, examining and approving patent applications. According to the Patent Law (2020 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 (2020 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 Provisions by the Supreme People's Court on Several Issues Concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Communication to the Public on Information Networks (Amended in 2020), where a network 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 network service provider to assume joint liability for such infringement. The PRC court shall determine whether a network service provider is liable for abetting or contributory infringement according to the degree of fault of the network 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 2019), 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—European Union

Directive (EU) 2015/1535 uses the phrase "any Information Society service, that is to say, any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of services" to delineate electronic information services.

When any information that, in itself or in relation to an activity, including the sale of products or the provision of services, is not in compliance with EU law or the law of any member state which is in compliance with EU law, irrespective of the precise subject matter or nature of that law, it constitutes "illegal content" under Regulation (EU) 2022/2065. In addition, Regulation (EU) 2022/2065 further provides that providers of online platforms shall not design, organize or operate their online interfaces in a way that deceives or manipulates the recipients of their service, or in a way that otherwise materially distorts or impairs the ability of the recipients of their service to make free and informed decisions.

Moreover, Directive (EU) 2010/13 requires that audiovisual media services shall not contain incitement to violence or hatred directed against a group or a member of a group, nor public provocation to commit terrorist offences. Directive (EU) 2010/13 further provides that Member States shall take appropriate measures to ensure that audiovisual media services provided by media service providers under their jurisdiction which may impair the physical, mental or moral development of minors are only made available in such a way as to ensure that minors will not normally hear or see them. Such measures may include selecting the time of the broadcast, age verification tools or other technical measures. They shall be proportionate to the potential harm of the program. The most harmful content, such as gratuitous violence and pornography, shall be subject to the strictest measures.

Regulations on Contents—India

Article 2 of the Information Technology Act 2000 (as amended by Information Technology (Amendment) Act of 2008) establishes terminology related to electronic information: Article 2(t) defines electronic record as data, record or data generated, image or sound stored, received or sent in an electronic form or micro film or computer generated micro fiche. Meanwhile, Article 2(v) stipulates information includes data, text, images, sound, voice, codes, computer programs, software and databases or micro film or computer generated micro fiche. Article 67 of the Information Technology Act 2000 further stipulates that whoever publishes or transmits or causes to be published or transmitted in the electronic form, any material which is lascivious or appeals to the prurient interest or if its effect is such as to tend to deprave and corrupt persons who are likely, having regard to all relevant circumstances, to read, see or hear the matter contained or embodied in it, shall be punished on first conviction with imprisonment of either description for a term which may extend to three years and with fine which may extend to five lakh rupees and in the event of second or subsequent conviction with imprisonment of either description for a term which may extend to five years and also with fine which may extend to ten lakh rupees.

Article 2(b) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 requires internet intermediaries to take reasonable efforts to ensure users do not host, display, upload, publish, transmit, store, update, or share any information that they have no right to use, or that is obscene, pornographic, pedophilic, invasive of privacy, abusive, discriminatory, or related to money laundering, gambling, harmful online games, or promoting enmity; that harms children; infringes intellectual property rights; is false, misleading, deceptive, or misrepresents the origin of messages or is identified as such by the Central Government; impersonates others; threatens national unity, integrity, security, public order, or friendly relations with foreign states, or incites offences or obstructs investigations; contains malicious software; relates to unverified or prohibited online games or their promotion; or otherwise violates applicable law.

Regulations on Contents—Singapore

The Electronic Transactions Act 2010 defines key concepts forming the basis of electronic information regulation. It defines “electronic communication” as any communication that the parties make by means of electronic records, and “electronic record” as a record generated, communicated, received or stored by electronic means in an information system or for transmission from one information system to another. In addition, “information” is expressed to include data, text, images, sound, codes, computer programs, software and databases.

In terms of prohibited conduct, the Protection from Online Falsehoods and Manipulation Act 2019 prevents the electronic communication in Singapore of false statements of fact, and further aims to suppress support for and counteract the effects of such communication, as well as to safeguard against the use of online accounts for such communication and for information manipulation.

Finally, Part 10A of the Broadcasting Act 1994 prohibits the following categories of content: (a) content that advocates or instructs on suicide or self-harm; (b) content that advocates or instructs on violence or cruelty to, physical abuse of, or acts of torture or other infliction of serious physical harm on human beings; (c) content that advocates or instructs on sexual violence or coercion in association with sexual conduct, whether or not involving the commission of a heinous sex crime; (d) content depicting for a sexual purpose, or that exploits, the nudity of a child or part of a child in a way that reasonable persons would regard as being offensive, whether or not sexual activity is involved; (e) content that advocates engaging in conduct in a way that (i) obstructs or is likely to obstruct any public health measure carried out in Singapore, or (ii) results or is likely to result in a public health risk in Singapore; (f) content dealing with matters of race or religion in a way that is likely to cause feelings of enmity, hatred, ill will or hostility against, or contempt for or ridicule of, different racial or religious groups in Singapore; (g) content that advocates or instructs on terrorism; and (h) any other content that is prescribed by Part 10A regulations as egregious content.

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 up to 10 years and/or a maximum fine of 10 billion Indonesian Rupiah.

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).

Protection of Minors

Indonesia’s new legislative developments in the electronic information sector in 2025 primarily focus on the protection of minors. Government Regulation No. 17 of 2025, which came into force on March 27, 2025, establishes a governance framework for child protection in electronic systems. It requires platforms to provide information on the minimum age for the use of their services and products, implement verification mechanisms for minor users, and establish reporting mechanisms for content, services, or features that infringe or may potentially infringe upon children’s rights.

Building upon this framework, Minister of Communication and Digital Regulation Number 9 of 2026 on the Implementing Regulation of Government Regulation Number 17 of 2025 on the Governance of Electronic System Operation in the Protection of Children (“MOCD Regulation 9/2026”) further operationalizes these requirements. It requires Electronic System Operators to conduct a self-assessment to ensure that their products comply with children’s age restrictions and to evaluate the level of risk involved. This assessment covers seven aspects: (a) contact with strangers; (b) exposure to pornographic content, violent content, and other content inappropriate for children; (c) exploitation of children as consumers; (d) threats to the security of children’s personal data; (e) causing addiction; (f) psychological health disturbances in children; and (g) physiological disturbances in children.

Where one or more of these aspects is assessed as high risk, the product, service, or feature will be categorized as having a High-Risk Profile. Unless otherwise determined based on the results of the self-assessment and the Minister’s evaluation of the risk profile, online and social media services provided by Electronic System Operators are classified as high-risk products, services, and features. In fulfilling their obligation to comply with minimum age restrictions for children, Electronic System Operators providing such products, services, and features are required to deactivate accounts held by children under the age of 16.

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—Vietnam

The Law on Electronic Transactions (No. 20/2023/QH15) defines the “data message” as information that is generated, sent, received, or stored by electronic means; “electronic data” as data that is created, processed, or stored by electronic means; and the “electronic environment” as the environment of telecommunications networks, the Internet, computer networks, and information systems.

The Law on Cybersecurity (No. 24/2018/QH14) prohibits, in cyberspace, organizing or inciting activities opposing the Socialist Republic of Vietnam; distorting history or revolutionary achievements; undermining national unity or offending religion, or engaging in discrimination; disseminating false information causing public panic or harm to socio-economic activities or infringing lawful rights and interests; engaging in prostitution, social evils, or human trafficking, or publishing obscene or harmful content; inciting crimes; appropriating property, organizing gambling, or infringing copyright and intellectual property rights; forging or illegally handling electronic information pages or financial information, or unlawfully using payment instruments; advertising or trading in prohibited goods or services; instigating unlawful acts; and any other acts using cyberspace or electronic means to infringe national security, social order or safety, including posting or spreading content that opposes the State, incites unrest, defames, disrupts order, or discloses state, business, or personal secrets.

However, it should be noted that Vietnam passed the Cybersecurity Law (No. 116/2025/QH15) on December 10, 2025. This law is scheduled to take effect on July 1, 2026 (i.e., it is not yet in force at present), and the former Law on Cybersecurity (No. 24/2018/QH14) will be repealed on the same date. While under Law No. 116/2025/QH15, the following contents will be prohibited: propaganda against the State; incitement to riots or disorder; insults to national symbols and leaders; incitement to violence or armed opposition; mobilization of large gatherings causing disturbances; distortion of national sovereignty; causing social division or undermining solidarity policies; inciting discrimination, hatred, or ethnic and religious division; obstructing or harming state policies; harming the State’s political, economic, social interests or international prestige; obstructing policy implementation; spreading false or fabricated information harming organizations; boycotts causing damage to organizations or businesses; impersonation or counterfeit of organizational information or trademarks; insults or distortion of personal honor; dissemination of false information causing harm; false accusation of crimes; impersonation of individuals; posting or disseminating prohibited content; engaging in cyber-enabled crimes such as fraud, gambling, theft of telecom charges, and IP infringement; impersonation of websites or illegal handling of financial and personal account data; illegal trading or advertising of prohibited goods and services; facilitating illegal online exchanges or platforms; misuse of identities and data for accounts or entities; trading in counterfeit or illicit goods; inciting others to violate the law; and any other acts violating national security, public order, and safety in cyberspace.

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.

On February 11, 2025, the Communications and Multimedia (Amendment) Act 2025, which provides amendments to the Communications and Multimedia Act 1998, came into effect. Notably, Section 92 (Sending of unsolicited commercial electronic messages) and Section 112 (Preservation of communications data) of the Amendment Act will come into effect on a later date to be determined by the Minister of Communications. This Amendment Act strengthens the protection of individuals. For example, it introduces Section 233A, which provides that no person shall send, or cause to be sent, or authorize the sending of an unsolicited commercial electronic message in contravention of any provisions of the Act or any regulations made under the Act. At the same time, this Amendment Act enhances the regulatory powers of the Malaysian Communications and Multimedia Commission (MCMC). For example, the MCMC may issue directives to content applications service providers requiring them to suspend their services within a specified period where such providers are found to have violated any relevant provisions of the CMA 1998.

Finally, Online Safety Act 2025 (Act 866) came into effect in January 2026. It requires licensed providers to implement measures to reduce users' exposure to harmful content, issue clear user guidelines, provide online-safety tools, set up reporting and user-assistance mechanisms, protect child users, establish a mechanism to make "priority harmful content" inaccessible, and prepare, publish and submit an Online Safety Plan. The Schedule of Online Safety Act 2025 list harmful content to include child sexual abuse material, financial fraud, obscene content, indecent content, harassment or threatening content, content inciting violence or terrorism, content inducing child self-harm, content promoting ill-will or hostility, and content promoting dangerous drug.

Regulations on Contents—Saudi Arabia

Under the current relevant provisions in Saudi Arabia, there is no single and unified statutory definition of "electronic information". Instead, existing legal provisions address such subject matter through concepts such as "data" and "media content." For instance, the Saudi Arabia Anti-Cyber Crime Law (2007) defines "data" as: "Information, commands, messages, voices, or images which are prepared or have been prepared for use in computers. This includes data that can be saved, processed, transmitted, or constructed by computers, such as numbers, letters, codes, etc." While the Law of Audiovisual Media (Royal Decree No. M/33) defines "media content" as audio and/or visual material.

With regard to prohibited content, the Saudi Anti-Cyber Crime Law (2007) provides that any person who commits one of the following cyber crimes shall be subject to imprisonment for a period not exceeding five years and a fine not exceeding three million riyals or to either punishment: (a) Production, preparation, transmission, or storage of material impinging on public order, religious values, public morals, and privacy, through the information network or computers; (b) The construction or publicizing of a website on the information network or computer to promote or facilitate human trafficking; (c) The preparation, publication, and promotion of material for pornographic or gambling sites which violates public morals; (d) The construction or publicizing of a web site on the information network or computer to trade in, distribute, demonstrate method of use or facilitate dealing in narcotic and psychotropic drugs. In addition, the Saudi Anti-Cyber Crime Law (2007) stipulates any person who commits one of the following cyber crimes shall be subject to imprisonment for a period not exceeding ten years, and a fine not exceeding five million riyals or to either punishment: (a) The construction or publicizing of a website on the information network or on a computer for terrorist organizations to facilitate communication with leaders or members of such organizations, finance them, promote their ideologies, publicize methods of making incendiary devices or explosives, or any other means used in terrorist activities; (b) Unlawful access to a web site or an information system directly, or through the information network or any computer with the Intention of obtaining data jeopardizing the internal or external security of the State or its national economy.

Finally, the Law of Audiovisual Media requires all persons engaged in audiovisual media activities to comply with the Kingdom's media policy and a range of content controls, including prohibitions on defamation or blasphemy against religious figures and Islamic tenets, insulting the King or Crown Prince, inciting hatred, violence, or social division, undermining public order, national security, or international relations, and violating human dignity or privacy; it also requires respect for intellectual property rights and freedom of expression within legal limits, prohibits dissemination of false or unverified information, indecent or sexually explicit content, or promotion of drugs, alcohol, tobacco, or unlicensed medicines, supplements, or investment products, mandates modest dress requirements for female presenters as defined by regulations, requires a balance between advertising and content, and any additional controls approved by the competent authority.

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, the Administrative Measures for the Graded Protection of Information Security and the Administrative Provisions on the 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 Administrative Provisions on Mobile Internet Applications Information Services (Amended in 2022), 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 Field of Industry and Information Technology (Trial Implementation), 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 (Amended in 2025) provides that network operators must set up a classified protection system for cyber security. According to the Cyber Security Law (Amended in 2025), 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 PRC Value-added Tax Law and the Implementation Regulations of the PRC 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 Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version), or 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, Guangzhou BaiGuoYuan and other PRC domestic companies, 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 (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 State Administration for Foreign Exchange of the PRC, or 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, the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (Amended in 2023) 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.

The 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 and its Implementation Rules (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.

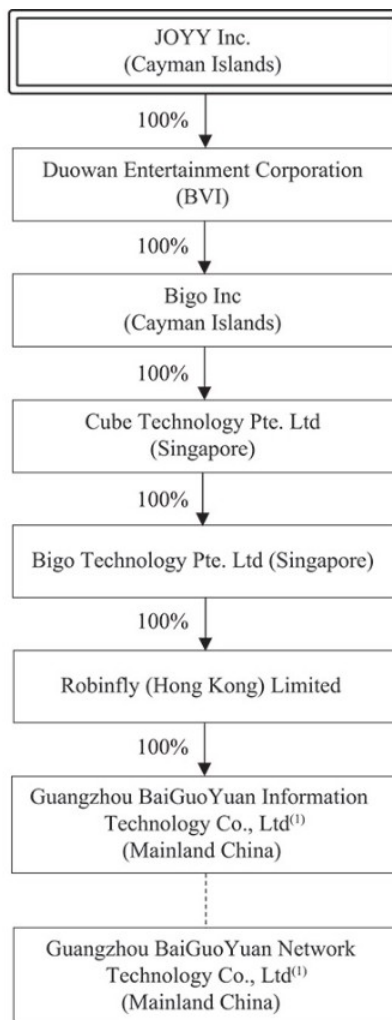
In addition, the Measures for Cybersecurity Review, among others, (i) a “network platform operator” holding over one million users’ personal information shall apply for a cybersecurity review when listing their securities “in a foreign country”, (ii) a critical information infrastructure operator that 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:



—————> Equity interest
 - - - - - Contractual arrangements

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 40,849 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 22,456 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. As of December 31, 2025, the parcels of land to which we own use right and the buildings we acquired had an aggregate area of 175,847 square meters. We are conducting construction of buildings on a parcel of land located in Foshan to which we acquired use right in April 2021. Our capital commitment in connection with the construction of buildings located on such parcel was US\$68.6 million as of December 31, 2025. 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. By seamlessly integrating social entertainment with a robust B2B technology stack, JOYY provides a comprehensive ecosystem to facilitate digital engagement and commercial transformation, creating a self-reinforcing flywheel that empowers creators, advertisers and brand merchants worldwide.

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 272.1 million in the fourth quarter of 2025.

Our total net revenues amounted to US\$2.3 billion in 2023, US\$2.2 billion in 2024 and US\$2.1 billion in 2025. Our net cash provided by operating activities was US\$295.6 million in 2023, US\$308.7 million in 2024 and US\$302.3 million in 2025.

We derived our revenues primarily from live streaming services, accounting for 87.3%, 79.9% and 72.0% of our total net revenues in 2023, 2024 and 2025, respectively. We have been exploring additional monetization opportunities and diversifying our revenue streams beyond livestreaming. In particular, our advertising revenues have demonstrated strong growth momentum in 2025. Our advertising revenues accounted for 5.3%, 14.4% and 20.8% of our total net revenues in 2023, 2024 and 2025, 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. 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;
- our ability to attract and retain advertisers and advertising agencies;
- 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

We generate revenue through a diversified mix of global social entertainment and business-to-business (B2B) technology solutions.

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

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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,					
	2023		2024		2025	
	US\$	% of total net revenues	US\$	% of total net revenues	US\$	% of total net revenues
	(in thousands, except for percentages)					
Live streaming	1,979,371	87.3	1,788,021	79.9	1,529,667	72.0
Advertising	119,880	5.3	323,013	14.4	442,718	20.8
Others	168,619	7.4	126,754	5.7	151,863	7.2
Total net revenues ⁽¹⁾	<u>2,267,870</u>	<u>100.0</u>	<u>2,237,788</u>	<u>100.0</u>	<u>2,124,248</u>	<u>100.0</u>

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,					
	2023		2024		2025	
	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⁾	968,225	42.7	1,206,679	53.9	1,250,411	58.9
Middle East ⁽²⁾	441,277	19.5	317,848	14.2	244,222	11.5
Mainland China	347,825	15.3	233,578	10.4	208,722	9.8
Southeast Asia and others ⁽³⁾	510,543	22.5	479,683	21.5	420,893	19.8
Total net revenues	<u>2,267,870</u>	<u>100.0</u>	<u>2,237,788</u>	<u>100.0</u>	<u>2,124,248</u>	<u>100.0</u>

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 Indonesia, Vietnam and rest of the world.

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 2025, we had 3.6 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 2025, our ARPU for live streaming was US\$365.

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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.

Advertising Revenues. We generate revenue by providing performance-based and brand advertising solutions to global advertisers looking to acquire users. Our revenue is generated through (i) advertisements displayed within our own ecosystem of social entertainment platforms and (ii) our BIGO Audience Network, which leverages our proprietary recommendation algorithms to deliver targeted advertisements across third-party network partner properties. Advertising revenues are primarily derived from BIGO Ads.

Other revenues. We generate other revenues from e-commerce and our online game business.

- *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.
- *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,		
	2023	2024	2025
	US\$	US\$	US\$
		(in thousands)	
Research and development expenses	295,503	278,740	247,133
Sales and marketing expenses	369,577	333,334	297,470
General and administrative expenses	122,661	152,517	164,529
Goodwill impairment	—	454,935	—
Total	787,741	1,219,526	709,132

Other Operating Income

Gain (loss) on disposal of subsidiary

We disposed certain subsidiaries 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.

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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 qualification and is entitled to enjoy the beneficial tax rate of 5% as the incentive for the years 2018 through 2025, and 10% for the years 2026 through 2027. Bigo Singapore 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, among others, 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. 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 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,					
	2023		2024		2025	
	US\$	% of total net revenues	US\$	% of total net revenues	US\$	% of total net revenues
	(in thousands, except for percentages)					
Total net revenues ⁽¹⁾	2,267,870	100.0	2,237,788	100.0	2,124,248	100.0
Live streaming	1,979,371	87.3	1,788,021	79.9	1,529,667	72.0
Advertising	119,880	5.3	323,013	14.4	442,718	20.8
Others	168,619	7.4	126,754	5.7	151,863	7.2
Cost of revenues	(1,454,842)	(64.2)	(1,431,585)	(64.0)	(1,361,616)	(64.1)
Gross profit	813,028	35.8	806,203	36.0	762,632	35.9
Research and development expenses	(295,503)	(13.0)	(278,740)	(12.5)	(247,133)	(11.6)
Sales and marketing expenses	(369,577)	(16.3)	(333,334)	(14.9)	(297,470)	(14.0)
General and administrative expenses	(122,661)	(5.4)	(152,517)	(6.8)	(164,529)	(7.7)
Goodwill impairment	—	—	(454,935)	(20.3)	—	—
Total operating expenses	(787,741)	(34.7)	(1,219,526)	(54.5)	(709,132)	(33.4)
(Loss) gain on disposal of subsidiary	(6,177)	(0.3)	1,643	0.1	—	—
Other income	9,705	0.4	6,055	0.3	2,320	0.1
Operating income (loss)	28,815	1.3	(405,625)	(18.1)	55,820	2.6
Gain on deemed disposal and disposal of investments	74,851	3.3	—	—	—	—
Gain on fair value changes of investments	12,425	0.5	6,636	0.3	12,320	0.6
Foreign currency exchange (losses) gains, net	(2,906)	(0.1)	764	0.0	(14,111)	(0.7)
Interest expense	(10,420)	(0.5)	(4,847)	(0.2)	(516)	0.0
Interest income and investment income	185,212	8.2	175,556	7.8	162,607	7.7
Income (loss) before income tax expenses	287,977	12.7	(227,516)	(10.2)	216,120	10.2
Income tax expenses	(18,856)	(0.8)	(13,485)	(0.6)	(16,429)	(0.8)
Income (loss) before share of (loss) income in equity method investments, net of income taxes	269,121	11.9	(241,001)	(10.8)	199,691	9.4
Share of income (loss) in equity method investments, net of income taxes	3,297	0.1	(1,637)	(0.1)	11,610	0.5
Net income (loss) from continuing operations	272,418	12.0	(242,638)	(10.8)	211,301	9.9
Gain on disposal of YY Live	—	—	—	—	1,875,921	88.3
Net income (loss)	272,418	12.0	(242,638)	(10.8)	2,087,222	98.3
Net loss attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	29,398	1.3	96,402	4.3	11,213	0.5
Net income (loss) attributable to controlling interest of the Company	301,816	13.3	(146,236)	(6.5)	2,098,435	98.8
Including: Net income (loss) from continuing operations attributable to controlling interest of the Company	301,816	13.3	(146,236)	(6.5)	222,514	10.5
Gain on disposal of YY Live	—	—	—	—	1,875,921	88.3
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	(5,048)	(0.2)	(1,388)	(0.1)	(1,387)	(0.1)
Cumulative dividend on subsidiary's Series A Preferred Shares	(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	347,351	15.3	(147,624)	(6.6)	2,097,048	98.7
Including: Net income (loss) from continuing operations attributable to common shareholders of the Company	347,351	15.3	(147,624)	(6.6)	221,127	10.4
Gain on disposal of YY Live	—	—	—	—	1,875,921	88.3

Note:

(1) Net of rebates and discounts.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Net revenues. Our net revenues decreased from US\$2,237.8 million in 2024 to US\$2,124.2 million in 2025, primarily due to a decline in live streaming revenues.

Live streaming revenues. Our live streaming revenues decreased from US\$1,788.0 million in 2024 to US\$1,529.7 million in 2025. The overall decrease was primarily attributable to our proactive adjustments to the operational strategies and features of our live streaming products to enhance efficiency and compliance, and the decrease in the ARPU for live streaming. In particular, ARPU for live streaming decreased from US\$391 in 2024 to US\$365 in 2025.

Advertising revenues. Our advertising revenues increased from US\$323.0 million in 2024 to US\$442.7 million in 2025. The increase was due to strong performance of BIGO Ads, driven by expansion of traffic, advertiser base, geographic and vertical market diversification, and enhanced algorithm performance that resulted in improved advertisement delivery efficiency and higher advertiser spending.

Other revenues. Other revenues increased by 19.8% from US\$126.8 million in 2024 to US\$151.9 million in 2025. The increase was mainly driven by steady growth of our smart commerce SaaS business.

Cost of revenues. Our cost of revenues decreased from US\$1,431.6 million in 2024 to US\$1,361.6 million in 2025. The decrease was primarily driven by the decrease in BIGO segment. BIGO's cost of revenues decreased by 5.3% to US\$1,206.1 million, primarily driven by decrease in revenue-sharing fees and content costs related to livestreaming.

Operating expenses. Our operating expenses decreased from US\$1,219.5 million in 2024 to US\$709.1 million in 2025. The decrease was primarily attributable to impairment of goodwill of US\$454.9 million associated with our prior acquisitions, driven by lower valuations amid market conditions in 2024.

Research and development expenses. Our research and development expenses decreased from US\$278.7 million in 2024 to US\$247.1 million in 2025, primarily driven by the decrease in salary and welfare of US\$24.5 million and the decrease in share-based compensation expenses of US\$3.0 million.

Sales and marketing expenses. Our sales and marketing expenses decreased from US\$333.3 million in 2024 to US\$297.5 million in 2025. The decrease was primarily driven by the decrease in advertising and promotion expenses of US\$32.9 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\$152.5 million in 2024 to US\$164.5 million in 2025. The increase was primarily driven by the increase in impairment loss arising from certain equity investments of US\$5.6 million and the increase in impairment loss of fixed assets of US\$8.6 million.

Foreign currency exchange gains (losses). We had net foreign currency exchange gains of US\$0.8 million in 2024 and net foreign currency exchange losses of US\$14.1 million in 2025, primarily due to depreciation of the U.S. dollar.

Interest income and investment income. Our interest income and investment income were US\$175.6 million in 2024 and US\$162.6 million in 2025, primarily due to the decrease in interest income driven by lower market interest rates.

Income tax expenses. We recorded income tax expenses of US\$13.5 million in 2024 and US\$16.4 million in 2025. The increase was primarily due to higher effective tax rates due to the effects of Pillar Two, partially offset by lower tax base of certain operational entities.

Gain on disposal of YY Live. We recorded a one-off gain on disposal of YY Live of US\$1,875.9 million in 2025 following the closing of the sale of YY Live to Baidu, which was reported as part of the net income from discontinued operation.

Net income. As a result of the foregoing, we recorded net income attributable to common shareholders of our company of US\$2,097.0 million in 2025, as compared to net loss attributable to common shareholders of our company of US\$147.6 million in 2024.

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.

Advertising revenues. Our advertising revenues increased from US\$119.9 million in 2023 to US\$323.0 million in 2024. The increase was due to strong performance of BIGO Ads, driven by expansion of traffic, geographic and vertical market diversification, and enhanced algorithm performance that resulted in improved advertisement delivery efficiency and higher advertiser spending.

Other revenues. Other revenues decreased by 24.8% from US\$168.6 million in 2023 to US\$126.8 million in 2024. The decrease was mainly driven by our proactive adjustments to certain non-core livestreaming products.

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.

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, 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.

Segment Reporting

For the years ended December 31, 2023, 2024 and 2025, 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.

In light of our evolving business developments, we have made certain refinements to our internal management and segment reporting structure. Effective from the quarter ended March 31, 2026, we adopted a revised reportable segment structure following the changes to our management structure and CODM reporting. Historical segment information will be adjusted retrospectively, and further details will be provided in our future filings.

The table below sets forth our revenues by our current segments for the periods indicated:

	For the Year Ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
	(in thousands)		
Net Revenues:			
BIGO	1,924,320	1,988,340	1,848,445
All other	344,889	251,027	277,137
Elimination	(1,339)	(1,579)	(1,334)

BIGO

2025 compared to 2024. BIGO revenues decreased from US\$1,988.3 million in 2024 to US\$1,848.4 million in 2025, primarily attributable to the decrease in our livestreaming revenues of US\$253.2 million, partially offset by the increase in our advertising revenues of US\$110.7 million.

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.

All other

2025 compared to 2024. Revenues of All other segment increased from US\$251.0 million in 2024 to US\$277.1 million in 2025, primarily due to the continued steady growth of our smart commerce SaaS business.

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.

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,		
	2023	2024	2025
	US\$	US\$	US\$
	(in thousands)		
Operating Costs and Expenses:			
BIGO	1,701,435	1,751,318	1,641,761
All other	542,487	901,372	430,321
Elimination	(1,339)	(1,579)	(1,334)

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.

2025 compared to 2024. The cost of revenues of BIGO decreased from US\$1,273.8 million in 2024 to US\$1,206.1 million in 2025, primarily driven by a US\$48.2 million decrease in revenue-sharing fees and content costs.

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.

Research and development expenses.

2025 compared to 2024. The research and development expenses of BIGO decreased from US\$172.3 million in 2024 to US\$157.0 million in 2025, driven by the decrease in salary and welfare for research and development personnel of US\$12.3 million and decreases in share-based compensation expenses of US\$1.0 million.

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.

Sales and marketing expenses.

2025 compared to 2024. The sales and marketing expenses of BIGO decreased from US\$247.7 million in 2024 to US\$211.3 million in 2025, driven by the decrease in advertising and promotion expenses of US\$36.3 million.

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.

General and administrative expenses.

2025 compared to 2024. The general and administrative expenses of BIGO increased from US\$57.5 million in 2024 to US\$67.4 million in 2025, driven by the increase in salary and welfare for general and administrative personnel of US\$2.8 million and the increase in impairment loss of fixed assets of US\$6.1 million.

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.

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

2025 compared to 2024. The cost of revenues of All other segment decreased from US\$158.1 million in 2024 to US\$155.8 million in 2025, driven by the increased proportion of revenues coming from higher gross margin SAAS and advertising 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.

Research and development expense

2025 compared to 2024. The research and development expenses of All other segment decreased from US\$107.4 million in 2024 to US\$91.0 million in 2025, driven by decreases in salary and welfare for research and development personnel of US\$12.2 million and decreases in share-based compensation expenses of US\$2.0 million.

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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 research and development personnel of US\$17.6 million and decreases in share-based compensation expenses of US\$4.4 million.

Sales and marketing expenses

2025 compared to 2024. The sales and marketing expenses of All other segment increased from US\$85.7 million in 2024 to US\$86.3 million in 2025, driven by the increase in advertising and promotion expenses of US\$3.5 million primarily attributable to Shopline and other non-livestreaming products.

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 Shopline and other non-livestreaming products.

General and administrative expenses

2025 compared to 2024. The general and administrative expenses of All other segment increased from US\$95.2 million in 2024 to US\$97.3 million in 2025, driven by the increase in impairment loss arising from certain equity investments of US\$5.6 million and the increase in impairment loss of fixed assets of US\$2.5 million, partially offset by the decrease in expected credit loss of receivables of US\$6.4 million.

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.

Goodwill impairment

2025 compared to 2024. We recorded goodwill impairment loss of nil in 2025 as compared to goodwill impairment loss of US\$454.9 million in 2024, primarily attributable to goodwill associated with the Company's prior acquisitions, mainly driven by lower valuations due to changes in market conditions in 2024.

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(II) to our audited consolidated financial statements, which are included elsewhere in this annual report.

Financial Information Related to the Variable Interest Entities

The following tables present 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, 2025					
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs (US\$ in thousands)	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated
Inter-company revenues ⁽¹⁾	—	3,613	158,313	62,433	(224,359)	—
Third-party revenues	—	1,939,051	120	185,077	—	2,124,248
Total revenue	—	1,942,664	158,433	247,510	(224,359)	2,124,248
Total cost and operating expenses	(924)	(1,883,969)	(167,173)	(249,501)	230,819	(2,070,748)
Share of income of subsidiaries/VIEs ⁽²⁾	212,099	27,161	31,935	—	(271,195)	—
Others, net	11,339	129,549	3,349	17,349	1,034	162,620
Income before income tax	222,514	215,405	26,544	15,358	(263,701)	216,120
Income tax (expense) benefits	—	(21,839)	617	4,793	—	(16,429)
Share of (loss) income in equity method investments, net of income taxes	—	(116)	—	11,726	—	11,610
Net income from continuing operations	222,514	193,450	27,161	31,877	(263,701)	211,301
Net loss attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	—	11,155	—	58	—	11,213
Net income from continuing operations attributable to controlling interest of JOYY Inc.	222,514	204,605	27,161	31,935	(263,701)	222,514
Gain on disposal of YY Live						1,875,921
Net income attributable to controlling interest of JOYY Inc.						2,098,435

	For the Year Ended December 31, 2024					
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs (US\$ in thousands)	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated
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 from continuing operations	(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						
	<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)					
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 from continuing operations	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

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\$25.8 million, US\$34.8 million and US\$29.6 million for the years ended December 31, 2023, 2024 and 2025, 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, 2025					Consolidated
	JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	
(US\$ in thousands)						
Assets						
Cash and cash equivalents	34	327,033	10,054	37,127	—	374,248
Restricted cash and cash equivalents	—	21,156	—	437	—	21,593
Short-term deposits	—	73,282	27,032	92,221	—	192,535
Restricted short-term deposits	—	1,236	—	5,946	—	7,182
Short-term investments	100,000	508,136	—	5,566	—	613,702
Accounts receivable	—	135,772	28	18,639	—	154,439
Prepayments and other current assets	14,753	163,192	7,339	70,282	—	255,566
Amounts due from Group companies ⁽¹⁾	1,310,666	180,966	500,203	684,537	(2,676,372)	—
Investments in subsidiaries/VIEs ⁽²⁾	5,137,209	2,478,759	1,985,585	—	(9,601,553)	—
Long-term investments	—	85,739	—	466,063	—	551,802
Long-term deposits and held-to-maturity investments	40,000	1,760,451	123,065	135,870	—	2,059,386
Property, plant and equipment, net	—	29,698	66,716	468,710	—	565,124
Land use rights, net	—	—	—	301,390	—	301,390
Intangible assets, net	—	240,745	1,134	24,773	(44,689)	221,963
Goodwill	—	2,194,358	—	—	—	2,194,358
Deferred tax assets	—	9,782	—	—	—	9,782
Other assets	—	23,268	2,263	3,887	—	29,418
Total assets						7,552,488
Liabilities and shareholders' equity						
Liabilities						
Deferred tax liabilities	—	43,196	—	11,745	—	54,941
Accounts payable	—	9,470	105	61,976	—	71,551
Deferred revenue	—	59,743	—	11,492	—	71,235
Income taxes payable	9,075	46,181	3,463	5,814	—	64,533
Accrued liabilities and other current liabilities	29,118	513,496	37,945	46,119	—	626,678
Amounts due to Group companies ⁽¹⁾	—	2,310,937	201,087	172,822	(2,684,846)	—
Other liabilities	22,622	20,317	2,060	16,521	—	61,520
Total liabilities						950,458
Mezzanine equity	—	25,333	—	—	—	25,333
Shareholders' equity						
Total JOYY Inc.'s shareholders' equity	6,541,847	5,173,424	2,478,759	1,985,585	(9,637,768)	6,541,847
Non-controlling interests	—	31,476	—	3,374	—	34,850
Total shareholders' equity	6,541,847	5,204,900	2,478,759	1,988,959	(9,637,768)	6,576,697
Total liabilities, mezzanine equity and shareholders' equity						7,552,488

	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						7,527,797
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						2,744,306
Mezzanine equity						
Shareholders' equity		23,733	—	—	—	23,733
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	4,711,990	4,857,020	2,366,187	1,890,032	(9,065,471)	4,759,758
Total liabilities, mezzanine equity and shareholders' equity						7,527,797

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, 2025						
JOYY Inc.	Equity Subsidiaries	Primary Beneficiaries of VIEs	VIEs and VIEs' Subsidiaries	Eliminations	Consolidated	
(US\$ in thousands)						
Net cash provided by (used in) transactions with external parties	1,393,336	(497,042)	(607,562)	13,593	—	302,325
Net cash (used in) provided by transactions with intra-Group entities ⁽¹⁾	—	(598,744)	617,604	(18,860)	—	—
Net cash provided by (used in) operating activities	1,393,336	(1,095,786)	10,042	(5,267)	—	302,325
Net cash provided by (used in) transactions with external parties	39,776	(509,986)	(75,754)	2,269	—	(543,695)
Net cash provided by (used in) transactions with intra-Group entities ⁽¹⁾	—	1,517,423	(2,698)	(54,389)	(1,460,336)	—
Net cash provided by (used in) investing activities	39,776	1,007,437	(78,452)	(52,120)	(1,460,336)	(543,695)
Net cash provided by (used in) discontinued investing activities	238,983	(175,851)	(21)	24,487	—	87,598
Net cash (used in) provided by transactions with external parties	(132,646)	(155,572)	4,213	(4,310)	—	(288,315)
Net cash (used in) provided by transactions with intra-Group entities ⁽¹⁾	(1,539,571)	30,512	52,902	(4,179)	1,460,336	—
Net cash used in financing activities	(1,672,217)	(125,060)	57,115	(8,489)	1,460,336	(288,315)

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 (used in) provided by 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)

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, 2023, 2024 and 2025, cash paid by the VIEs to our subsidiaries for the settlement of technical support fees in operating activities were US\$45.1 million, US\$44.2 million and US\$76.7 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 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, 2023, 2024 and 2025, we had US\$1,440.4 million, US\$836.8 million and US\$403.0 million, respectively, in cash, cash equivalents, restricted cash, and restricted short-term deposits.

As of December 31, 2025, 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\$58.5 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, 2025 were US\$2,567.5 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,		
	2023	2024	2025
	US\$	US\$	US\$
	(in thousands)		
Net cash provided by continuing operating activities	295,579	308,657	302,325
Net cash provided (used in) by continuing investing activities	420,373	(210,249)	(543,695)
Net cash used in continuing financing activities	(841,745)	(707,831)	(288,315)
Net decrease in cash, cash equivalents and restricted cash in continuing operations	(125,793)	(609,423)	(529,685)
Net increase in cash, cash equivalents and restricted cash in discontinuing operations	—	—	87,598
Cash, cash equivalents and restricted cash at the beginning of the year	1,565,560	1,440,449	836,815
Effect of exchange rate changes on cash, cash equivalents and restricted cash	682	5,789	1,113
Cash, cash equivalents and restricted cash at the end of the year	1,440,449	836,815	395,841

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\$302.3 million for the year ended December 31, 2025. In 2025, the difference between our net cash provided by operating activities and our net income from operations of US\$211.3 million was primarily due to a non-cash item adjustment in amortization of acquired intangible assets and land use rights of US\$64.0 million, a non-cash item adjustment in depreciation of property and equipment of US\$29.1 million, a non-cash item adjustment in share-based compensation of US\$25.8 million, and an increase in accrued liabilities and other payables of US\$80.3 million, and an increase in prepayments and other assets of US\$74.1 million and an increase in accounts receivable of US\$45.0 million.

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.

Investing Activities

Net cash used in investing activities largely reflects placements of short-term deposits, placements of long-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 long-term deposits, maturities of short-term investments, and cash received from disposal of investments and subsidiaries.

Net cash used in continuing investing activities amounted to US\$543.7 million in the year ended December 31, 2025. 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\$2,193.3 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\$2,581.1 million, the payments for purchase of property and equipment of US\$143.1 million, and the cash payment of US\$29.1 million for 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.

Financing Activities

Net cash used in financing activities was US\$288.3 million in 2025, primarily attributable to cash paid for share repurchase of US\$132.8 million and dividends paid to shareholders of US\$155.5 million.

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.

Material Cash Requirements

Our material cash requirements as of December 31, 2025 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, 2025 for our operating lease commitments amounted to US\$24.6 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\$91.9 million as of December 31, 2025. 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, 2025, the total payments due for our loan obligations amounted to US\$10.7 million. We expect all of these loan obligations to become due within one year from December 31, 2025.

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, 2025.

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, 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, 2023, 2024 and 2025, JOYY Inc., through its intermediate holding companies, provided capital contributions of US\$20.0 million, US\$54.9 million and US\$8.6 million, respectively, to our subsidiaries in mainland China.

For the years ended December 31, 2023, 2024 and 2025, JOYY Inc. provided loans of nil, nil and US\$1,539.6 million, respectively, to our intermediate holding companies and subsidiaries, and received repayments of US\$622.2 million, US\$657.7 million and nil, respectively.

For the years ended December 31, 2023, 2024 and 2025, cash paid by the variable interest entities to our subsidiaries for the settlement of technical support fees and software transactions were US\$86.1 million, US\$44.2 million and US\$76.7 million, respectively. For the years ended December 31, 2023, 2024 and 2025, cash received by the variable interest entities from our subsidiaries were US\$14.5 million, US\$82.1 million and US\$55.3 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, 2023, 2024 and 2025, the variable interest entities' cash flows for investing activities provided to our subsidiaries were net cash outflows of US\$129.1 million, net cash inflows of US\$177.9 million and net cash outflows of US\$54.4 million, respectively. For the years ended December 31, 2023, 2024 and 2025, the variable interest entities' cash flows for financing activities provided by our subsidiaries were net cash inflows of US\$0.5 million and US\$4.0 million and net cash outflow of US\$4.2 million, respectively.

For the years ended December 31, 2023, 2024 and 2025, 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, 2025, appropriations to statutory reserves amounting to US\$37.9 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.

In 2020, we adopted two three-year quarterly dividend policies. 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. Pursuant to this 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, for the first quarter of 2025, a dividend of US\$0.94 per ADS, or US\$0.047 per common share, for the second quarter of 2025, a dividend of US\$0.95 per ADS, or US\$0.0475 per common share, for the third quarter of 2025, and a dividend of US\$0.97 per ADS, or US\$0.0483 per common share, for the fourth quarter of 2025. As of the date of this annual report, we have paid dividends in a net aggregate amount of US\$197.3 million in accordance with the new quarterly dividend program. 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.

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\$295.5 million, US\$278.7 million and US\$247.1 million in 2023, 2024 and 2025, 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, 2026 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.

Advertising revenues

We primarily generate advertising revenues from our advertising platform that matches advertiser demand with our own or third-party network partners' supply of advertising inventory. Our performance obligation is to provide customers with access to our advertising solution, which facilitates the advertisers' purchase of advertising inventory from our own or third-party network partners on an impression or action basis. We evaluate and determine that it is the principal. We report advertising revenues on a gross basis.

We also 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.

Others

Other revenues are mainly generated from e-commerce businesses.

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.

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.

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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, 2024, our consolidated goodwill balance was US\$2,194.3 million, and the goodwill associated with the BIGO reporting unit, Shoplevel reporting unit and other reporting unit was US\$1,854.2 million, US\$338.5 million and US\$1.6 million, respectively. As of December 31, 2025, our consolidated goodwill balance was US\$2,194.4 million, and the goodwill associated with the BIGO reporting unit, Shoplevel reporting unit and other reporting unit was US\$1,854.2 million, US\$338.5 million and US\$1.7 million, respectively.

We have performed a goodwill impairment analysis in the fourth quarter of 2023, 2024 and 2025. 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 reporting unit exceeded its carrying value by around 6% of the carrying value of the BIGO reporting unit as of December 31, 2025. Changes in these estimates and assumptions could materially affect the determination of fair value of the reporting unit. A 15 basis point increase or decrease in the assumed revenue growth rate would have resulted in the fair value exceeding carrying value by approximately 9.2% or 3.1%, respectively. A 50 basis point decrease or increase in the assumed discount rate would have resulted in the fair value exceeding carrying value by approximately 8.6% or 3.8%, respectively. A 100 basis point increase or decrease in the assumed terminal growth rate would have resulted in the fair value exceeding carrying value by approximately 9.6% or 3.1%, respectively. 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 uncertainties and actual results may not be the same as the forecasted amounts. These 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 our assessment, the fair value of Shopline reporting unit exceeded its carrying value by around 3% of the carrying value of the Shopline reporting unit as of December 31, 2025. The model is sensitive to changes in key assumptions, with the fair value varying significantly depending on adjustments to revenue growth, terminal growth rate, and discount rate. A 15 basis point increase or decrease in the assumed revenue growth rate would have resulted in the fair value exceeding carrying value by approximately 7.6% or being below carrying value by approximately 1.4%, respectively. A 50 basis point decrease or increase in the assumed discount rate would have resulted in the fair value exceeding carrying value by approximately 10.3% or being below carrying value by approximately 3.5%, respectively. A 100 basis point increase or decrease in the assumed terminal growth rate would have resulted in the fair value exceeding carrying value by approximately 14.8% or being below carrying value by approximately 6.9%, respectively.

In the annual goodwill impairment assessment of our reporting units, the fair value of each of our reporting unit was greater than the respective carrying values, and therefore goodwill related to each of our reporting units was determined not to be impaired.

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	43	Chairperson of the Board of Directors, Chief Executive Officer
David Xueling Li	51	Director
Qin Liu	53	Director
Peter Andrew Schloss	65	Independent Director
Richard Weidong Ji	58	Independent Director
David Tang	71	Independent Director
Fuyong Liu	41	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 also became a director of Horizon Robotics (HKEX: 9660) in October 2015, and he currently serves as a non-executive director of Horizon Robotics. 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 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 an independent non-executive director and chairman of the board of Skywell New Energy Automobile Group Co. Ltd., a company providing sustainable energy technology and intelligent mobility solution. Previously, he was a partner and chief value officer of Kaiyun Energy Co. Ltd., focusing on hydrogen for commercial applications. From 2013 to 2021, Mr. Tang was a managing partner 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, 2025, we paid an aggregate of US\$2.4 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 Shopline, which represented insignificant value as of the date of this annual report. For the fiscal year ended December 31, 2025, 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, 2025.

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, 2026, options to purchase 8,074,500 Class A common shares, 1,308,825 restricted shares and 35,152,532 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.

Second Amended and Restated 2011 Share Incentive Plan

We adopted the original 2011 share incentive plan in September 2011, which was amended in October 2012, September 2021 and March 2026. Upon the adoption of the currently effective Second Amended and Restated 2011 Share Incentive Plan, or the Second 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 Second Amended and Restated 2011 Plan. Under the Second Amended and Restated 2011 Plan, the maximum number of common shares reserved for issuance under the plan is 231,950,949, plus an annual increase of 20,000,000 on the first day of each fiscal year, beginning in 2027, or such smaller number of common shares as determined by our board of directors. As of March 31, 2026, the maximum aggregate number of shares which may be issued under the Second Amended and Restated 2011 Plan is 231,950,949, 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 Second 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 Second Amended and Restated 2011 Plan can act as the plan administrator.

Award Agreement. Options, restricted shares or restricted shares units granted under the Second 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 Second 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 Second 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.

In March 2026, concurrent with the adoption of the Second Amended and Restated 2011 Plan, the 2019 Share Incentive Awards Arrangement was terminated, and all awards that had been granted under the 2019 Share Incentive Awards Arrangement and remained outstanding were assumed by the Second Amended and Restated 2011 Plan.

Grants of Options

As of March 31, 2026, the total amount of outstanding options under our share incentive plans is 8,074,500, among which no options are granted to and held by our directors or management team.

Grants of Restricted Shares

As of March 31, 2026, the total amount of outstanding restricted shares granted under our share incentive plans is 1,308,825, among which no restricted shares are granted to and held by our directors or management team.

Grants of Restricted Share Units

As of March 31, 2026, the total amount of outstanding restricted shares units granted under our share incentive plans is 35,152,532, among which no restricted shares units are granted to and held by our directors or management team.

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.

D. Employees

The following table sets forth the numbers of our employees, categorized by function, as of December 31, 2025:

Functions	Number of Employees	Percentage
Customer services and operations	2,343	43 %
Research and development	2,142	40 %
General and administration	541	10 %
Sales and marketing	395	7 %
Total	5,421	100 %

We had a total of 6,292, 5,815 and 5,421 employees as of December 31, 2023, 2024 and 2025, 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, 2026, 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, 2026, we had 681,126,029 Class A common shares issued and outstanding (excluding 525,608,415 outstanding restricted shares and treasury Class A common shares held by entities controlled by us).

Class B Common Shares

As of March 31, 2026, 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, 2026, 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, 2026, 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 681,126,029 Class A common shares outstanding (excluding 525,608,415 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, 2026.

	Class A	Class B	Total Common Share		Total
	Common Shares	Common Shares	Beneficially Owned		Voting
	Beneficially	Beneficially	Beneficially Owned		Power ⁽⁵⁾
	Owned ⁽¹⁾	Owned ⁽²⁾	Number ⁽³⁾	% ⁽⁴⁾	%
	Number	Number			
Directors and Executive Officers:*					
Ting Li	—	—	—	—	—
David Xueling Li ⁽⁶⁾	160,505,284	203,768,062	364,273,346	36.2	86.8
Qin Liu	90,000	—	90,000	0.0	0.0
Peter Andrew Schloss	225,000	—	225,000	0.0	0.0
Richard Weidong Ji	100,000	—	100,000	0.0	0.0
David Tang	100,000	—	100,000	0.0	0.0
Fuyong Liu	—	—	—	—	—
All directors and executive officers as a group	161,020,284	203,768,062	364,788,346	36.2	86.8
Principal Shareholders:					
YYME Limited ⁽⁷⁾	156,340,804	203,768,062	360,108,866	35.7	55.6
Top Brand Holdings Limited ⁽⁸⁾	—	122,741,483	122,741,483	12.2	—

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 Rennalee 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.
- (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, 2026.
 - (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, 2026.
 - (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, 2026.
 - (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 as of March 31, 2026. 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, 2026, 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, P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

As of March 31, 2026, we had a total of 1,007,635,584 common shares issued and outstanding, including 681,126,029 Class A common shares (excluding 525,608,415 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 1,064,368,400 Class A common shares (including restricted shares and treasury Class A common shares held by entities controlled by us) were held of record 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 of their equity in 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, 2023, 2024 and 2025, we purchased promotional services amounting to US\$8.0 million, US\$7.6 million and US\$5.5 million, respectively, from certain related parties.

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

In 2020, we adopted two three-year quarterly dividend policies. 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. Pursuant to this 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, for the first quarter of 2025, a dividend of US\$0.94 per ADS, or US\$0.047 per common share, for the second quarter of 2025, a dividend of US\$0.95 per ADS, or US\$0.0475 per common share, for the third quarter of 2025, and a dividend of US\$0.97 per ADS, or US\$0.0483 per common share, for the fourth quarter of 2025. As of the date of this annual report, we have paid dividends in a net aggregate amount of US\$197.3 million in accordance with the new quarterly dividend program.

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 depositary 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 depositary 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;

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- 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:

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.

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 (the “IRS”) 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 U.S. 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, 2025, 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, 2025, 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, 2025, 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, 2025, 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 December 6, 2024, 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. Our principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act, and our officers and directors and principal shareholders are exempt from the 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, 2025, we had RMB-denominated cash and cash equivalents, restricted cash and cash equivalents, short-term deposits, long-term deposits, short-term investment and restricted short-term deposits of RMB3,114.8 million. A 10% depreciation of Renminbi against the U.S. dollars based on the foreign exchange rate on December 31, 2025 would result in a decrease of US\$44.3 million in cash and cash equivalents, restricted cash and cash equivalents, short-term deposits, long-term deposits, short-term investment and restricted short-term deposits. A 10% appreciation of Renminbi against the U.S. dollars based on the foreign exchange rate on December 31, 2025 would result in an increase of US\$44.3 million in cash and cash equivalents, restricted cash and cash equivalents, short-term deposits, long-term deposits, short-term investment and restricted 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, 2025, a hypothetical one percentage point decrease in interest rates would have resulted in a decrease of US\$22.0 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 depositary 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 depositary'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 depositary 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);
- 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 depositary 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 depositary 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 depositary 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 depositary may collect its annual fee for depositary 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 Depositary to Us

On February 21, 2025, JPMorgan Chase Bank, N.A. replaced Citibank, N.A. and became our current depositary. Our current depositary 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 depositary may agree from time to time. We expect to receive reimbursement from our current depositary starting in 2026.

For the year ended December 31, 2025, Citibank, N.A. acted as our depositary before JPMorgan Chase Bank, N.A. became our depositary. 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, 2025, we received reimbursement of US\$0.2 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, 2025, 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, 2025 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, 2025.

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, 2025, 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, 2025 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,	
	2024	2025
Audit fees ⁽¹⁾	3,477	4,032
Tax fees ⁽²⁾	29	33

Notes:

- (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, 2025.

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 2025. All ADSs were repurchased in the open market and pursuant to the 2025 Program.

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 Plans (US\$ in thousands)
January 2025	—	—	—	217,267
February 2025	—	—	—	217,267
March 2025	238,351	42.40	238,351	289,893
April 2025	316,950	39.11	555,301	277,497
May 2025	—	—	555,301	277,497
June 2025	278,940	50.11	834,241	263,519
July 2025	—	—	834,241	263,519
August 2025	27,813	53.93	862,054	262,019
September 2025	475,998	61.55	1,338,052	232,721
October 2025	274,119	58.30	1,612,171	216,740
November 2025	227,907	61.44	1,840,078	202,738
December 2025	581,674	64.26	2,421,752	165,358
Total	2,421,752	55.60	2,421,752	165,358

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 October 15, 2012)
2.3	Second Amended and Restated Deposit Agreement dated February 21, 2025 among the Registrant, JPMorgan Chase Bank, N.A., as depositary, and holders and beneficial owners of American Depositary Shares evidenced by American Depositary Receipts issued thereunder (incorporated herein by reference to Exhibit 2.3 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 29, 2025)
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	Second Amended and Restated 2011 Share Incentive Plan of the Registrant (incorporated herein by reference to Exhibit 99.2 to the current report on Form 6-K (File No. 001-35729), furnished with the Securities and Exchange Commission on March 11, 2026)
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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Exhibit Number	Description of Document
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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Exhibit Number	Description of Document
4.19	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)
4.20	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)
4.21	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)
4.22	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)
4.23	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)
4.24	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)
4.25	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)
4.26	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)
4.27	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)
4.28	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)
4.29	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)
4.30	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)

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Exhibit Number	Description of Document
4.31	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)
4.32	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)
4.33	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)
4.34	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)
4.35	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)
4.36	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)
4.37	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)
4.38	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)
4.39	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)
4.40	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)
4.41	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)
4.42	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)

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Exhibit Number	Description of Document
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)
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 (incorporated herein by reference to Exhibit 11.2 to the annual report on Form 20-F (File No. 001-35729), filed with the Securities and Exchange Commission on April 29, 2025)
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 28, 2026

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, 2025 and 2024, 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, 2025, 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, 2025, 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, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 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, 2025, 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 matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

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\$2,194.4 million as of December 31, 2025. 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 and Shopline reporting units were not impaired as at December 31, 2025. When determining the fair value of the Bigo and Shopline reporting units for its annual goodwill impairment testing for the year ended December 31, 2025, 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.

/s/ PricewaterhouseCoopers LLP
Singapore
April 28, 2026

We have served as the Company's auditor since 2022.

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2025

(All amounts in thousands, except share, ADS, per share and per ADS data)

	As of December 31,	
	2024	2025
	US\$	US\$
Assets		
Current assets		
Cash and cash equivalents	444,761	374,248
Restricted cash and cash equivalents	371,332	21,593
Short-term deposits	1,061,011	192,535
Restricted short-term deposits	20,722	7,182
Short-term investments	288,589	613,702
Accounts receivable, net of allowance of US\$20,938 and US\$21,023 as of December 31, 2024 and 2025, respectively	121,861	154,439
Amounts due from related parties, net of allowance of US\$1 and nil as of December 31, 2024 and 2025, respectively	467	106
Prepayments and other current assets, net of allowance of US\$20,486 and US\$20,884 as of December 31, 2024 and 2025, respectively	247,538	255,566
Total current assets	2,556,281	1,619,371
Non-current assets		
Long-term deposits and held-to-maturity investments	1,124,308	2,059,386
Deferred tax assets	2,563	9,782
Investments	530,685	551,802
Property and equipment, net	499,723	565,124
Land use rights, net	303,115	301,390
Intangible assets, net	277,257	221,963
Right-of-use assets, net	20,457	21,241
Goodwill	2,194,324	2,194,358
Other non-current assets	19,084	8,071
Total non-current assets	4,971,516	5,933,117
Total assets	7,527,797	7,552,488
Liabilities, mezzanine equity and shareholders' equity		
Current liabilities (including amounts of the consolidated VIEs without recourse to the Company of US\$190,356 and US\$137,979 as of December 31, 2024 and 2025, respectively)		
Accounts payable	84,015	71,551
Deferred revenue	66,813	61,713
Advances from customers	4,031	5,408
Income taxes payable	78,304	64,533
Accrued liabilities and other current liabilities	2,393,923	626,678
Amounts due to related parties	1,378	24,472
Lease liabilities due within one year	10,775	8,939
Short-term loans	34,853	10,672
Total current liabilities	2,674,092	873,966

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2025 (CONTINUED)

(All amounts in thousands, except share, ADS, per share and per ADS data)

	As of December 31,	
	2024 US\$	2025 US\$
Non-current liabilities (including amounts of the consolidated VIEs without recourse to the Company of US\$14,259 and US\$15,688 as of December 31, 2024 and 2025, respectively)		
Lease liabilities	9,948	12,029
Deferred revenue	12,635	9,522
Deferred tax liabilities	47,631	54,941
Total non-current liabilities	<u>70,214</u>	<u>76,492</u>
Total liabilities	<u>2,744,306</u>	<u>950,458</u>
Commitments and contingencies (Note 30)		
Mezzanine equity	23,733	25,333
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 714,663,197 shares outstanding as of December 31, 2024; 1,306,734,444 shares issued and 673,183,174 shares outstanding as of December 31, 2025, respectively)	7	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, 2024 and December 31, 2025, respectively)	3	3
Treasury Shares (US\$0.00001 par value; 603,177,267 and 633,551,270 shares held as of December 31, 2024 and December 31, 2025, respectively)	(1,223,186)	(1,302,098)
Additional paid-in capital	3,345,536	3,315,070
Statutory reserves	40,500	37,869
Retained earnings	2,796,745	4,699,089
Accumulated other comprehensive loss	(247,615)	(208,093)
Total JOYY Inc.'s shareholders' equity	<u>4,711,990</u>	<u>6,541,847</u>
Non-controlling interests	47,768	34,850
Total shareholders' equity	<u>4,759,758</u>	<u>6,576,697</u>
Total liabilities, mezzanine equity and shareholders' equity	<u>7,527,797</u>	<u>7,552,488</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

(All amounts in thousands, except share, ADS, per share and per ADS data)

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
Net revenues			
Live streaming	1,979,371	1,788,021	1,529,667
Advertising	119,880	323,013	442,718
Others	168,619	126,754	151,863
Total net revenues	2,267,870	2,237,788	2,124,248
Cost of revenues ⁽¹⁾	(1,454,842)	(1,431,585)	(1,361,616)
Gross profit	813,028	806,203	762,632
Operating expenses ⁽¹⁾			
Research and development expenses	(295,503)	(278,740)	(247,133)
Sales and marketing expenses	(369,577)	(333,334)	(297,470)
General and administrative expenses	(122,661)	(152,517)	(164,529)
Goodwill impairment	—	(454,935)	—
Total operating expenses	(787,741)	(1,219,526)	(709,132)
(Loss) gain on deconsolidation and disposal of subsidiaries	(6,177)	1,643	—
Other income	9,705	6,055	2,320
Operating income (loss)	28,815	(405,625)	55,820
Interest expense	(10,420)	(4,847)	(516)
Interest income and investment income	185,212	175,556	162,607
Foreign currency exchange (losses) gains, net	(2,906)	764	(14,111)
Gain on disposal and deemed disposal of investments	74,851	—	—
Gain on fair value changes of investments	12,425	6,636	12,320
Income (loss) before income tax expenses	287,977	(227,516)	216,120
Income tax expenses	(18,856)	(13,485)	(16,429)
Income (loss) before share of income (loss) in equity method investments, net of income taxes	269,121	(241,001)	199,691
Share of income (loss) in equity method investments, net of income taxes	3,297	(1,637)	11,610
Net income (loss) from continuing operations	272,418	(242,638)	211,301
Gain on disposal of YY Live	—	—	1,875,921
Net income (loss)	272,418	(242,638)	2,087,222
Net loss attributable to the non-controlling interest shareholders and the mezzanine equity classified non-controlling interest shareholders	29,398	96,402	11,213
Net income(loss) attributable to controlling interest of JOYY Inc.	301,816	(146,236)	2,098,435
Including:			
Net income (loss) from continuing operations attributable to controlling interest of JOYY Inc.	301,816	(146,236)	222,514
Net income from discontinued operations attributable to controlling interest of JOYY Inc.	—	—	1,875,921
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	(5,048)	(1,388)	(1,387)
Cumulative dividend on subsidiary's Series A Preferred Shares	(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.	347,351	(147,624)	2,097,048

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025 (CONTINUED)

(All amounts in thousands, except share, ADS, per share and per ADS data)

	For the year ended December 31,		
	2023 US\$	2024 US\$	2025 US\$
Including:			
Net income (loss) from continuing operations attributable to common shareholders of JOYY Inc.	347,351	(147,624)	221,127
Net income from discontinued operations attributable to common shareholders of JOYY Inc.	—	—	1,875,921
Other comprehensive (loss) income:			
Foreign currency translation adjustments, net of nil tax	(35,327)	(27,497)	56,206
Unrealized losses on available-for-sale investment, net of nil tax	—	(23,108)	(16,684)
Comprehensive income (loss) attributable to the common shareholders of JOYY Inc.	312,024	(198,229)	2,136,570
Net income (loss) per ADS*			
—Basic	5.31	(2.55)	39.86
Continuing operations	5.31	(2.55)	4.20
Discontinued operations	—	—	35.66
—Diluted	4.87	(2.55)	39.37
Continuing operations	4.87	(2.55)	4.15
Discontinued operations	—	—	35.22
Weighted average number of ADS used in calculating net income (loss) per ADS			
—Basic			
Continuing operations	65,434,782	57,892,728	52,604,993
Discontinued operations	65,434,782	57,892,728	52,604,993
—Diluted			
Continuing operations	73,148,827	57,892,728	53,262,375
Discontinued operations	73,148,827	57,892,728	53,262,375
Net income(loss) per common share*			
—Basic	0.27	(0.13)	1.99
Continuing operations	0.27	(0.13)	0.21
Discontinued operations	—	—	1.78
—Diluted	0.24	(0.13)	1.97
Continuing operations	0.24	(0.13)	0.21
Discontinued operations	—	—	1.76
Weighted average number of common shares used in calculating net income (loss) per common share			
—Basic			
Continuing operations	1,308,695,642	1,157,854,559	1,052,099,864
Discontinued operations	1,308,695,642	1,157,854,559	1,052,099,864
—Diluted			
Continuing operations	1,462,976,544	1,157,854,559	1,065,247,496
Discontinued operations	1,462,976,544	1,157,854,559	1,065,247,496

* 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,		
	2023 US\$	2024 US\$	2025 US\$
Cost of revenues	3,575	1,720	3,927
Research and development expenses	19,415	12,408	9,418
Sales and marketing expenses	797	615	1,383
General and administrative expenses	8,192	8,457	11,072

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, 2023, 2024 AND 2025

(All amounts in thousands, except share, ADS, per share and per ADS data)

	Class A common shares		Class B common shares		Treasury shares Amount US\$	Additional paid-in capital US\$	Statutory reserves US\$	Retained earnings US\$	Accumulated other comprehensive income (loss) US\$	Total JOYY Inc.'s shareholders' equity US\$	Non-controlling interests US\$	Total shareholders' equity US\$
	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 and retirement 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	<u>890,843,639</u>	<u>9</u>	<u>326,509,555</u>	<u>3</u>	<u>(913,939)</u>	<u>3,282,754</u>	<u>37,709</u>	<u>2,947,160</u>	<u>(197,010)</u>	<u>5,156,686</u>	<u>133,330</u>	<u>5,290,016</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, 2023, 2024 AND 2025 (CONTINUED)

(All amounts in thousands, except share, ADS, per share and per ADS data)

	Class A common shares		Class B common shares		Treasury shares	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 and retirement 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 CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025 (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, 2024	714,663,197	7	326,509,555	3	(1,223,186)	3,345,336	40,500	2,796,745	(247,615)	4,711,990	47,768	4,759,758
Issuance of common shares for vested restricted shares and restricted share units	(22,363)	—	—	—	—	—	—	—	—	—	—	—
Transfer from treasury shares to issued common shares for vested restricted share units	6,977,380	—	—	—	13,977	(13,977)	—	—	—	—	—	—
Share-based compensation	—	—	—	—	—	25,434	—	—	—	25,434	366	25,800
Appropriation to statutory reserves	—	—	—	—	—	—	1,721	(1,721)	—	—	—	—
Repurchase and retirement of common shares	(48,435,040)	—	—	—	(92,889)	(41,753)	—	—	—	(134,642)	—	(134,642)
Repurchase of non-controlling interest and redeemable non-controlling interests	—	—	—	—	—	(133)	—	—	—	(133)	—	(133)
Deconsolidation of subsidiaries	—	—	—	—	—	—	(4,352)	4,352	—	—	—	—
Dividends declared	—	—	—	—	—	—	—	(197,335)	—	(197,335)	—	(197,335)
Net income attributable to JOYY Inc. and non-controlling interest shareholders	—	—	—	—	—	—	—	2,098,435	—	2,098,435	(11,213)	2,087,222
Accretion of subsidiaries' redeemable convertible preferred shares to redemption value	—	—	—	—	—	—	—	(1,387)	—	(1,387)	(213)	(1,600)
Exercise/settlement of RSU's in subsidiaries	—	—	—	—	—	(37)	—	—	—	(37)	139	102
Other comprehensive loss	—	—	—	—	—	—	—	—	39,522	39,522	(1,997)	37,525
Balance as of December 31, 2025	<u>673,183,174</u>	<u>7</u>	<u>326,509,555</u>	<u>3</u>	<u>(1,302,098)</u>	<u>3,315,070</u>	<u>37,869</u>	<u>4,699,089</u>	<u>(208,093)</u>	<u>6,541,847</u>	<u>34,850</u>	<u>6,576,697</u>

The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

(All amounts in thousands)

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
Cash flows from operating activities			
Net income (loss) from continuing operations	272,418	(242,638)	211,301
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation of property and equipment	46,576	25,388	29,088
Amortization of acquired intangible assets and land use rights	73,383	65,517	64,044
Operating lease expense	12,541	11,702	12,691
Expected credit loss of receivables	1,654	10,682	1,733
(Gains) losses on disposal of property and equipment, intangible assets and other long-term assets	(274)	(141)	1,171
Impairment of investments	—	9,386	15,000
Impairment of property and equipment	—	—	8,580
Impairment of goodwill	—	454,935	—
Impairment of other assets	—	—	6,212
Share-based compensation	31,979	23,200	25,800
Share of (income) loss in equity method investments, net of income taxes	(3,297)	1,637	(11,610)
Gain on disposal and deemed disposal of investments	(74,851)	—	—
Loss (gain) on deconsolidation and disposal of subsidiaries	6,177	(1,643)	—
Deferred income taxes, net	(11,808)	(7,982)	362
Foreign currency exchange losses(gains), net	2,906	(764)	14,111
Interest expense	3,143	1,831	1,181
Gain on fair value changes of investments	(12,425)	(6,636)	(12,320)
Accounts receivable	(32,422)	(13,651)	(45,008)
Prepayments and other assets	(30,660)	(2,852)	(74,075)
Amounts due from related parties	5,622	7,695	2,591
Lease liabilities	(12,546)	(11,712)	(12,231)
Amounts due to related parties	(1,783)	(28,128)	8,549
Accounts payable	(5,563)	(22,726)	(3,480)
Deferred revenue	(9,163)	(7,151)	(8,238)
Advances from customers	2,557	(1,914)	1,399
Income taxes payable	7,883	(7,813)	(14,814)
Accrued liabilities and other current liabilities	23,532	52,435	80,288
Net cash provided by operating activities	295,579	308,657	302,325
Cash flows from investing activities			
Placements of short-term and long-term deposits	(3,046,581)	(3,061,621)	(2,170,967)
Maturities of short-term and long-term deposits	3,293,451	3,247,560	2,005,319
Placements of short-term investments	(657,639)	(369,904)	(410,121)
Maturities of short-term investments	752,196	19,433	188,030
Purchase of property and equipment	(81,567)	(83,722)	(143,111)
Purchase of intangible assets and land use right	(445)	(775)	(284)
Cash paid for investments	(66,014)	(26,575)	(29,141)
Cash received from disposal of investments	222,097	—	—
Proceeds from disposal of a subsidiary	—	70,715	—
Loans to employees and third parties	(650)	(18)	—
Repayments of loans from employees, related parties and third parties	1,048	785	274
Proceeds from disposal of property and equipment	3,830	721	7,510
Others	647	(6,848)	8,796
Net cash provided (used in) by continuing investing activities	420,373	(210,249)	(543,695)
Net cash provided by discontinued investing activities	—	—	87,598
Net cash provided by (used in) investing activities	420,373	(210,249)	(456,097)

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(CONTINUED)**

(All amounts in thousands)

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
Cash flows from financing activities			
Proceeds from exercise of vested share options	180	113	87
Dividends paid to shareholders	(84,197)	—	(155,527)
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	95,169	42,168	10,537
Repayment of bank borrowings	(82,544)	(84,646)	(10,633)
Repurchase of shares	(273,896)	(259,428)	(132,779)
Cash paid on extinguishment of convertible bonds	(432,232)	(406,038)	—
Settlement of capped call options	7,775	—	—
Net cash used in financing activities	(841,745)	(707,831)	(288,315)
Net decrease in cash, cash equivalents and restricted cash	(125,793)	(609,423)	(442,087)
Cash, cash equivalents and restricted cash at the beginning of the year	1,565,560	1,440,449	836,815
Effect of exchange rate changes on cash, cash equivalents and restricted cash	682	5,789	1,113
Cash, cash equivalents and restricted cash at the end of the year	1,440,449	836,815	395,841

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$

Supplemental disclosure of cash flows information of continuing operation:

—Cash paid for interest, net of amounts capitalized	(7,829)	(3,016)	(516)
—Income taxes paid	(22,084)	(29,052)	(33,744)

Supplemental disclosures of non-cash investing and financing activities of continuing operation:

—Accrued capital expenditure	47,109	95,049	62,108
—Disposal of investments and business	—	—	—

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.

(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”.

(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, 2025 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 BaiGuoYuan Network Technology Co., Ltd. (“Guangzhou BaiGuoYuan”)	PRC	March 4, 2019		Holder of internet content provider licenses and internet value added services
Guangzhou Ruicheng Network Technology Co., Ltd. (“Guangzhou Ruicheng”)	PRC	September 9, 2020		Investment holding

(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 VIE, Guangzhou BaiGuoYuan, which holds the internet value-added service license and approvals to provide such internet services in the PRC. The Company, via its subsidiaries Guangzhou Huanju Shidai and BaiGuoYuan Technology, controlled Guangzhou Ruicheng 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 Guangzhou Huanju Shidai, Guangzhou Ruicheng and its nominee shareholders

The following is a summary of the contractual arrangements entered among Guangzhou Huanju Shidai, Guangzhou Ruicheng and its nominee shareholders:

- Exclusive Services Agreement

Under the exclusive services agreement between 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.

- Exclusive Option Agreement

The parties to the exclusive option agreement are Guangzhou Huanju Shidai, Guangzhou Ruicheng and each of the shareholders of Guangzhou Ruicheng. Under the exclusive option agreement, each of the shareholders of Guangzhou Ruicheng 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 his or its equity interests in Guangzhou Ruicheng. Guangzhou Huanju Shidai or its designated representative(s) have sole discretion as to when to exercise such options, either in part or in full. Without Guangzhou Huanju Shidai's prior written consent, Guangzhou Ruicheng's shareholders shall not sell, transfer, mortgage or otherwise dispose their equity interests in Guangzhou Ruicheng. The term of this agreement shall remain in effect until the option is fully exercised or otherwise terminated at Guangzhou Huanju Shidai's sole discretion.

- Voting Rights Proxy Agreement

Pursuant to the irrevocable power of attorney executed by each shareholder of Guangzhou Ruicheng, each such shareholder appointed Guangzhou Huanju Shidai as its attorney-in-fact to exercise such shareholders' rights in Guangzhou Ruicheng, including, without limitation, the power to vote on its behalf on all matters of Guangzhou Ruicheng requiring shareholder approval under PRC laws and regulations and the articles of association of Guangzhou Ruicheng. 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.

- Equity Interest Pledge Agreement

Pursuant to the equity interest pledge agreement between Guangzhou Huanju Shidai and the shareholders of Guangzhou Ruicheng and each direct and indirect shareholder of Guangzhou Ruicheng, each such shareholders of Guangzhou Ruicheng have pledged all of their equity interests to Guangzhou Huanju Shidai to guarantee the performance by such shareholders' performance of their respective obligations under the exclusive service agreement, exclusive option agreement, and voting rights proxy agreement. If Guangzhou Ruicheng and/or its shareholders breach their contractual obligations under those agreements, Guangzhou Huanju Shidai, as 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.

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

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.

- 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.

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)

Through the aforementioned contractual agreements, Guangzhou Ruicheng and Guangzhou BaiGuoYuan are consolidated under US GAAP (ASC 810) because the Company, through Guangzhou Huanju Shidai and BaiGuoYuan Technology, respectively, has the ability to:

- exercise effective control over Guangzhou Ruicheng 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”). Haishaman (Shanghai) Information Technology Co., Ltd. (“Haishaman”) also entered similar contractual agreements with Shanghai Ruogu Information Technology Co., Ltd. (“Shanghai Ruogu”). 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, Shanghai Ruogu, 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\$771,016 as of December 31, 2025. 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)

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, 2023, 2024 and 2025.

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, 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 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 and held-to-maturity investments

Long-term time deposits and held-to-maturity investments are mainly deposits in commercial banks and wealth management products issued by commercial banks and other financial institutions with maturities of greater than one year. Interest earned is recorded as interest income in the consolidated statements of comprehensive income during the periods presented.

Investments in debt securities with maturities of greater than one year that we have positive intent and ability to hold to maturity are classified as long-term held-to-maturity investments and stated at amortized cost less allowance for credit losses.

(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>
Servers, computers and equipment	3-5 years	0%-5 %
Buildings	32-40 years	0 %
Motor vehicles	3-10 years	0%-5 %
Renovation of buildings	10 years	0 %
Leasehold improvements	Shorter of lease term or 5 years	0 %
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
Non-compete agreement	1 year
Technology	5 - 6 years
Software	1 - 10 years
Licenses	15 years
Operating rights	Shorter of the economic life or contract terms
Domain names	10 - 15 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.

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, 2023, 2024 and 2025 were amounting to nil, nil, and 8,580 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 nil, US\$454,935 and nil during the years ended December 31, 2023, 2024 and 2025, 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

The Company accounts for convertible debt instruments in accordance with ASU 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. Under this guidance, the instruments are 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. Advertising revenues are mainly comprised of revenues from Bigo Ads. Other revenues are mainly generated from e-commerce business and online games. Disaggregated revenues are disclosed in Note 33 “Segment Reporting”.

Under ASC 606, 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) Advertising revenues

The Group primarily generates advertising revenues from its advertising platform that matches advertiser demand with our own or third party network partners' supply of advertising inventory. The Group's performance obligation is to provide customers with access to its advertising solution, which facilitates the advertisers' purchase of advertising inventory from our own or third party network partners on an impression or action basis. The Group evaluates and determines that it is the principal. The Group reports advertising revenues on a gross basis.

The Group 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)

(iii) Others

Other revenues mainly generated from e-commerce business and online games.

(1) 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.

(2) 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.

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 8.

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, 2024 and 2025, deferred revenue related to live streaming business were US\$56,414 and US\$49,088, respectively. During the years ended December 31, 2024 and 2025, the Group recognized revenue related to its live streaming business of US\$56,817 and US\$50,728, respectively, which was included in the corresponding contract liability balance at the beginning of the periods.

As of December 31, 2024 and 2025, deferred revenue related to advertising revenue were US\$295 and US\$211, respectively. During the years ended December 31, 2024 and 2025, the Group recognized revenue related to advertising businesses of nil and US\$295, respectively, that was included in the corresponding contract liability balance at the beginning of the periods.

As of December 31, 2024 and 2025, deferred revenue related to other revenue were US\$22,739 and US\$21,936, respectively. During the years ended December 31, 2024 and 2025, the Group recognized revenue related to other revenue of US\$16,856 and US\$15,790, respectively, that was included in the corresponding contract liability balance at the beginning of the periods.

As of December 31, 2025, the aggregate amount of the transaction price allocated to the remaining performance obligation is US\$71,235, the Group expects to recognize US\$61,713 performance obligation as revenue in 2026, the remaining performance obligation is expected to be recognized as revenue in 2027 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.

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)

(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.

(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, 2023, 2024 and 2025, respectively.

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)

(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. Advertising and market promotion expense are expensed as incurred. The advertising and market promotion expenses amounted to approximately US\$270,439, US\$240,315 and US\$207,458 during the years ended December 31, 2023, 2024 and 2025, 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\$69,717, US\$67,750 and US\$67,405 for the years ended December 31, 2023, 2024 and 2025, 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.

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.

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)

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.

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)

(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.

(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 3.2 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 5.61% was adopted at commencement date in determining the present value of lease payments.

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.

For the year ended December 31, 2025, operating lease cost and short-term lease cost were US\$12,893 and US\$7,325, respectively. There were no other lease cost other than operating lease cost and short-term lease cost for the year ended December 31, 2025. For the year ended December 31, 2025, cash paid for operating leases included in operating cash flows was US\$12,748. For the year ended December 31, 2025, lease liabilities arising from obtaining right-of-use assets was US\$13,076.

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\$
2026	10,289
2027	5,584
2028	3,020
2029 and after	4,399
Total undiscounted cash flows	<u>23,292</u>
Less: imputed interest	<u>(2,324)</u>
Present value of lease liabilities	<u>20,968</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. 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, 2023, 2024 and 2025. As of December 31, 2024 and 2025, 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, 2023, 2024 and 2025, appropriations to general reserve fund and statutory surplus fund amounted to US\$5,179, US\$2,814, and US\$1,721, 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 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. Beginning January 1, 2025, the Company adopted ASU 2023-09 prospectively.

Recently issued accounting pronouncements not yet adopted

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.

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

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 of December 31, 2024, the Company had not recognized any gain from the transaction due to the pending regulatory approvals discussed above. 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 10). 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).

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. Gain from disposal of YY Live amounted to approximately US\$ 1.9 billion, which was reported as part of the net income from discontinued operations in the first quarter of 2025.

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)**

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, 2024 shown below are recorded within prepayments and other current assets in the consolidated balance sheet.

	<u>As of December 31,</u> <u>2024</u> US\$
Assets	
Current assets	
Cash and cash equivalents	201,393
Accounts receivable, net	18,239
Prepayments and other current assets	4,986
Total current assets	<u>224,618</u>
Non-current assets	
Deferred tax assets	4,294
Property and equipment, net	10,356
Intangible assets, net	7,456
Other non-current assets	3,814
Total non-current assets	<u>25,920</u>
Total assets	<u>250,538</u>
Liabilities	
Current liabilities	
Accounts payable	1,117
Deferred revenue	49,495
Advances from customers	12,663
Income taxes payable	9,787
Accrued liabilities and other current liabilities	139,282
Total current liabilities	<u>212,344</u>
Total liabilities	<u>212,344</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

(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, 2025, 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, 2023, 2024 and 2025, 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,	
	2024	2025
	US\$	US\$
Assets		
Current assets		
Cash and cash equivalents	74,242	37,127
Restricted cash and cash equivalents	3,620	437
Short-term deposits	301,784	92,221
Restricted short-term deposits	—	5,946
Short-term investments	—	5,566
Accounts receivable, net	11,123	18,639
Amounts due from Group companies	587,774	684,537
Amounts due from related parties	359	9
Prepayments and other current assets	91,610	70,282
Total current assets	1,070,512	914,764
Non-current assets		
Investments	414,921	466,063
Long-term deposits and held-to-maturity investments	73,034	135,870
Property and equipment, net	388,178	468,710
Land use rights, net	303,115	301,390
Intangible assets, net	31,913	24,773
Right of use asset, net	3,644	1,982
Other non-current assets	11,594	1,896
Total non-current assets	1,226,399	1,400,684
Total assets	2,296,911	2,315,448
Liabilities		
Current liabilities		
Accounts payable	67,829	61,976
Deferred revenue	7,637	8,151
Advances from customers	39	18
Income taxes payable	9,986	5,814
Accrued liabilities and other current liabilities	64,427	46,119
Amounts due to Group companies	202,264	172,822
Amounts due to related parties	3,515	3,791
Lease liabilities due within one year	2,070	1,438
Short-term loans	34,853	10,672
Total current liabilities	392,620	310,801
Non-current liabilities		
Lease liabilities	1,693	602
Deferred revenue	3,067	3,341
Deferred tax liabilities	9,499	11,745
Total non-current liabilities	14,259	15,688
Total liabilities	406,879	326,489

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,		
	2023	2024	2025
	US\$	US\$	US\$
Net revenues from Group companies	54,280	56,762	62,433
Net revenues from third parties	301,405	220,793	185,077
Total cost and operating expenses	(354,306)	(289,962)	(249,501)
Other items of the consolidated statements of comprehensive income	21,589	23,645	64,149
Net income from continuing operations	22,968	11,238	62,158

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
Net cash (used in) provided by operating activities with Group companies	(31,888)	36,974	(18,860)
Net cash provided by (used in) operating activities with third parties	58,965	(27,111)	13,593
Net cash provided by (used in) operating activities	27,077	9,863	(5,267)
Net cash (used in) provided by investing activities with Group companies	(129,111)	177,941	(54,389)
Net cash (used in) provided by investing activities with third parties	(82,360)	(96,627)	2,269
Net cash (used in) provided by investing activities	(211,471)	81,314	(52,120)
Net cash provided by (used in) financing activities with Group companies	517	3,950	(4,179)
Net cash (used in) provided by financing activities with third parties	(2,831)	(80,315)	(4,310)
Net cash used in financing activities	(2,314)	(76,365)	(8,489)

Transactions between the VIEs and other entities in the consolidated group

For the years ended December 31, 2023, 2024 and 2025, the VIEs earned inter-company revenues from sales of software in the amounts of US\$21,970, US\$8,341 and US\$253, respectively. In addition, the VIEs recognized inter-company cost of revenues and operating expenses in the amounts of US\$47,257, US\$1,729 and US\$571 for the years ended December 31, 2023, 2024 and 2025, respectively for the purchase of software. The VIEs also recognized inter-company cost of revenues and operating expenses in the amounts of US\$25,798, US\$34,829 and US\$29,591 for the years ended December 31, 2023, 2024 and 2025, 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, 2023, 2024 and 2025, cash paid by the VIEs to Group companies for the settlement of software transactions were US\$41,070, nil and nil, respectively. For the years ended December 31, 2023, 2024 and 2025, cash paid by the VIEs to Group companies for the settlement of technical support fees were US\$45,063, US\$44,171 and US\$76,650, respectively. For the years ended December 31, 2023, 2024 and 2025, cash received by VIEs from Group companies were US\$14,505, US\$82,111 and US\$55,279, 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, 2024 and 2025, 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, 2023, 2024 and 2025 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 9. 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. 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, 2024 and 2025 primarily consist of the following currencies:

	<u>December 31, 2024</u>		<u>December 31, 2025</u>	
	<u>Amount</u>	<u>US\$ equivalent</u>	<u>Amount</u>	<u>US\$ equivalent</u>
US\$	276,110	276,110	267,637	267,637
RMB	753,707	104,847	371,282	52,823
Others	N/A	63,804	N/A	53,788
Total		<u>444,761</u>		<u>374,248</u>

As of December 31, 2024, the Group's restricted cash and cash equivalents were US\$371,332, primarily consisting of amounts deposited and held in an escrow account owned by the Group, which was a portion of the consideration received from Baidu under the agreement to dispose of the YY Live business. On February 25, 2025, the Company completed the sale of YY Live, all conditions for the release of the escrowed funds were satisfied, and the escrow arrangement was terminated, resulting in the substantial release of such restricted amounts. The remaining balance of US\$21,593 as of December 31, 2025, primarily pertains to the fixed deposits pledged for payment processing operations.

6. 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, 2024 and 2025 primarily consist of the following currencies:

	<u>December 31, 2024</u>		<u>December 31, 2025</u>	
	<u>Amount</u>	<u>US\$ equivalent</u>	<u>Amount</u>	<u>US\$ equivalent</u>
US\$	702,450	702,450	73,100	73,100
RMB	2,162,766	300,869	839,485	119,435
Others	N/A	57,692	N/A	N/A
Total		<u>1,061,011</u>		<u>192,535</u>

7. Restricted short-term deposits

As of December 31, 2024, the Group's restricted short-term deposits were US\$20,722, which was mainly pledged as collateral for short-term loans.

As of December 31, 2025, the Group's restricted short-term deposits were US\$7,182, which was mainly pledged as collateral for short-term loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

8. Accounts receivable, net

	December 31,	
	2024	2025
	US\$	US\$
Accounts receivable, gross	142,799	175,462
Less: allowance for expected credit loss of receivables	(20,938)	(21,023)
Accounts receivable, net	<u>121,861</u>	<u>154,439</u>

The following table summarizes the details of the Group's allowance for expected credit losses:

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
Balance at the beginning of the year	(20,670)	(20,093)	(20,938)
Additions charged to general and administrative expenses, net	(82)	(3,427)	(1,137)
Write-off during the year	659	2,582	1,052
Balance at the end of the year	<u>(20,093)</u>	<u>(20,938)</u>	<u>(21,023)</u>

9. Financing receivables, net

(1) Micro-credit personal loans

Micro-credit personal loans provided by the Group are non-accrual financing receivables related to personal loans amounted to nil and nil as of December 31, 2024 and 2025, 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,	
	2024	2025
	US\$	US\$
Balance at the beginning of the year	(18,213)	—
Addition for the year, net	—	—
Disposal of a subsidiary	18,213	—
Balance at the end of the year	<u>—</u>	<u>—</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)****9. 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. 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\$14,157 and US\$14,384 as of the years ended December 31, 2024 and 2025 are disclosed in Note 10, respectively. The Group has ceased the corporate loan business during 2019.

10. Prepayments and other current assets

	December 31,	
	2024	2025
	US\$	US\$
Interest receivable	69,814	111,694
Value added taxes to be deducted	51,200	60,439
Receivables from payment platforms	22,401	30,263
Employee advances	1,500	208
Prepayments and deposits to vendors and content providers	8,323	13,453
Deposits	6,147	6,251
Amount due from a lessee of sale-and-leaseback arrangement - net (Note 9)	14,157	14,384
Net assets subject to disposal related to YY Live (Note 3)	38,194	—
Others	35,802	18,874
Total	247,538	255,566

11. Long-term time deposits and held-to-maturity investments

Time deposits and held-to-maturity debt securities represent the time deposits made in financial institutions and debt securities that the Group has positive intent and ability to hold to maturity with maturities of more than one year. As of December 31, 2024 and 2025, the carrying amounts for the investments, net of allowance for credit losses, were US\$ 1,124,308 and US\$ 2,059,386, respectively. The gross unrecognized holding gains or losses on the investments were nil as of December 31, 2024 and 2025. Interest income recorded on these time deposits and held-to-maturity debt securities in the consolidated statements of comprehensive income were US\$ 147, US\$20,399 and US\$ 77,168 for the years ended December 31, 2023, 2024 and 2025, 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

	December 31,	
	2024	2025
	US\$	US\$
Equity investments accounted for using the equity method (i)	336,704	374,999
Equity investments with readily determinable fair values (ii)	3,838	23,315
Equity investments without readily determinable fair values (iii)	149,343	129,358
Available-for-sale debt investments (iv)	40,800	24,130
Total	530,685	551,802

- (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.

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. In 2023, net income of US\$77,524 were recognized from the deemed disposal and disposal of Huya. In 2024 and 2025, the Group acquired minority stakes in a number of privately-held entities with total consideration of US\$22,540 and US\$25,520, respectively.

The following tables set forth the summarized financial information of the Group's equity method investments:

	December 31,	
	2024	2025
	US\$	US\$
Current assets	480,890	765,996
Non-current assets	1,276,950	2,119,515
Current liabilities	55,971	72,495
Non-current liabilities	12,968	106,961

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
Revenues	147,015	54,743	573,021
Gross profit	102,095	4,885	431,241
Net (loss) income	8,893	(59,519)	402,227
Net (loss) income attributable to the investees	8,893	(59,519)	402,227

- (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 2024 and 2025, the Group did not dispose of any investment with readily determinable fair values.

In 2023, 2024 and 2025, fair value gain of US\$324, US\$2,334 and US\$9,144 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 2024 and 2025, the Group acquired minority preferred shares or ordinary shares of a number of privately-held entities with total consideration of US\$4,035 and US\$3,621, 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 2024 and 2025, the Group did not dispose any investment without readily determinable fair values.

For equity securities without readily determinable fair values as of December 31, 2024 and 2025, the Group recorded cumulative impairment and downward adjustments of US\$42,725 and US\$57,412 and cumulative upward adjustments of US\$55,737 and US\$49,288. For these investments, the Group recorded impairment and downward adjustments of US\$10,244 and US\$15,864, respectively, and upward adjustments of US\$272 and US\$586, respectively, in earnings during the years ended December 31, 2024 and 2025.

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. In 2025, fair value loss of US\$278 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\$278 for the year ended December 31, 2025, fair value loss of US\$278 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 2023, 2024 and 2025, based on the Group's assessment, an impairment charge of nil, US\$9,386 and US\$15,000 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, 2024			
	Cost or amortized cost US\$	Gross unrealized losses US\$	Translation difference US\$	Balance as of year end US\$
Available-for-sale debt investments	63,928	(23,108)	(20)	40,800

	For the year ended December 31, 2025			
	Cost or amortized cost US\$	Gross unrealized losses US\$	Translation difference US\$	Balance as of year end US\$
Available-for-sale debt investments	40,800	(16,684)	14	24,130

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,	
	2024	2025
	US\$	US\$
Gross carrying amount		
Servers, computers and equipment	300,157	301,482
Buildings	267,661	295,332
Construction in progress	214,728	274,918
Motor vehicles	17,387	17,198
Renovation of buildings	14,363	14,809
Leasehold improvements	5,582	5,772
Furniture, fixture and office equipment	4,868	4,744
	<u>824,746</u>	<u>914,255</u>
Total of gross carrying amount	824,746	914,255
Less: accumulated depreciation	<u>(325,023)</u>	<u>(341,811)</u>
	—	(7,320)
Less: impairment loss	—	(7,320)
	<u>499,723</u>	<u>565,124</u>
Property and equipment, net	<u>499,723</u>	<u>565,124</u>

Depreciation expense for the years ended December 31, 2023, 2024 and 2025 were US\$46,576, US\$25,388 and US\$29,088, 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:

	December 31,	
	2024	2025
	US\$	US\$
Gross carrying amount	368,942	377,319
Less: accumulated amortization	(65,827)	(75,929)
Land use rights, net	<u>303,115</u>	<u>301,390</u>

Amortization expense for the years ended December 31, 2023, 2024 and 2025 were US\$8,473, US\$8,397 and US\$8,486, respectively.

The estimated amortization expenses for each of the following five years are as follows:

	Amortization expense of land use rights
	US\$
2026	8,463
2027	8,463
2028	8,463
2029	8,463
2030	8,463

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,	
	2024	2025
	US\$	US\$
Gross carrying amount		
Trademark	515,646	515,687
Customer relationships	154,808	154,824
Non-compete agreement	12,100	12,100
Technology	14,475	14,501
Software	9,341	9,229
Licenses	8,836	9,036
Operating rights	6,434	6,580
Domain names	1,801	1,817
Others	1,504	1,505
Total of gross carrying amount	<u>724,945</u>	<u>725,279</u>
Less: accumulated amortization		
Trademark	(249,890)	(302,069)
Customer relationships	(154,529)	(154,540)
Non-compete agreement	(12,100)	(12,100)
Technology	(8,771)	(10,782)
Software	(8,585)	(8,686)
Licenses	(2,992)	(3,664)
Operating rights	(6,336)	(6,480)
Domain names	(1,028)	(1,342)
Others	(681)	(832)
Total accumulated amortization	<u>(444,912)</u>	<u>(500,495)</u>
Less: accumulated impairment	<u>(2,776)</u>	<u>(2,821)</u>
Intangible assets, net	<u>277,257</u>	<u>221,963</u>

Amortization expense for the years ended December 31, 2023, 2024 and 2025 were US\$64,910, US\$57,120 and US\$55,558 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\$
2026	55,114
2027	52,778
2028	51,098
2029	21,147
2030	15,109

The weighted average amortization periods of intangible assets as of December 31, 2024 and 2025 are as below:

	December 31,	
	2024	2025
Trademark	10 years	10 years
Customer relationships	5 years	0 years
Technology	6 years	6 years
Software	7 years	9 years
License	15 years	15 years
Operating rights	2 years	0 years
Domain names	14 years	14 years
Others	10 years	10 years

16. Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2024 and 2025 are as follows:

	All other	BIGO	Total
	US\$	US\$	US\$
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	340,103	1,854,221	2,194,324
Impairment (i)	—	—	—
Foreign currency translation adjustments	34	—	34
Balance as of December 31, 2025	340,137	1,854,221	2,194,358

- (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. The quantitative goodwill impairment test 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 to be 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)****16. Goodwill (continued)**

The Group performed a goodwill impairment analysis in the fourth quarter of 2023, 2024 and 2025. When determining the fair value of the Bigo reporting unit, the Group used the income approach. When utilizing the income approach in testing reporting units for impairment, the Group 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 3%, 3% and 6% as at December 31, 2023, 2024 and 2025, respectively. Accordingly, the Group determined the Bigo reporting unit was not impaired as at December 31, 2023, 2024 and 2025. 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. Following the impairment charged recorded for the Shopline reporting unit in 2024, the Group continued to determine the fair value of the Shopline reporting unit using the income approach, with the fair value exceeded its related carrying value by approximately 3% as of December 31, 2025. Accordingly, the Group determined the Shopline reporting unit was not impaired as at December 31, 2025.

As a result of the Group's annual goodwill impairment assessment for the years ended December 31, 2023, 2024 and 2025, impairment losses of nil, US\$454,935 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 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,	
	2024 US\$	2025 US\$
Deferred revenue, current		
Live streaming	50,728	45,684
Advertising	295	211
Others	15,790	15,818
Total current deferred revenue	<u>66,813</u>	<u>61,713</u>
Deferred revenue, non-current		
Live streaming	5,686	3,404
Advertising	—	—
Others	6,949	6,118
Total non-current deferred revenue	<u>12,635</u>	<u>9,522</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,	
	2024	2025
	US\$	US\$
Revenue sharing fees and content costs	82,731	83,433
Salaries and welfare	91,035	89,881
Marketing and promotion expenses	56,988	95,883
Value added taxes and other taxes payable	224,834	245,665
Bandwidth costs	20,876	13,928
Consideration received related to disposal of YY Live business (Note 3)	1,859,325	—
Payables to merchants	33,085	38,280
Dividends payable	—	26,815
Others	25,049	32,793
Total	2,393,923	626,678

19. Short-term loans

	December 31,	
	2024	2025
	US\$	US\$
Short-term loans	34,853	10,672

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. 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.

The Group entered into several agreements with bank, pursuant to which the Group borrowed loan with total principal amount of US\$11 million within a banking facility of US\$12 million in 2025. These loans were all with a maturity of less than one year and the annual interest rate is 0.93-1.20%. 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

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.

In 2023, the repayment amount of US\$432 million 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, 2024 and 2025 was US\$435 and nil 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,		
	2023	2024	2025
	US\$	US\$	US\$
Revenue sharing fees and content costs	945,149	1,020,440	967,624
Payment handling costs	137,989	120,292	98,164
Bandwidth costs	79,718	91,419	84,037
Salary and welfare	84,427	92,002	86,910
Depreciation and amortization	36,753	19,204	26,021
Technical service fee	60,537	41,917	38,723
Share-based compensation	3,575	1,720	3,927
Other costs	106,694	44,591	56,210
Total	1,454,842	1,431,585	1,361,616

22. Other income

	For the year ended December 31,		
	2023	2024	2025
	US\$	US\$	US\$
Government grants	7,379	4,668	1,205
Others	2,326	1,387	1,115
Total	9,705	6,055	2,320

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 2025, and 10% for the years 2026 through 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 accrued a provision for the top-up tax arising from the enacted legislation. 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 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 was 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, 2024 and 2025 are approximately US\$2,446,227 and US\$2,567,541, respectively.

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, 2024 and 2025.

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(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

23. Income tax (continued)

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,		
	2023	2024	2025
	US\$	US\$	US\$
Income (loss) before income tax expense			
Singapore operations	166,966	257,005	202,988
Other operations	121,011	(484,521)	13,132
Total	<u>287,977</u>	<u>(227,516)</u>	<u>216,120</u>
Current income tax (expenses) benefit			
Singapore operations	(23,049)	(23,688)	(20,022)
Other operations	(7,615)	2,221	3,955
Total	<u>(30,664)</u>	<u>(21,467)</u>	<u>(16,067)</u>
Deferred income tax benefit (expenses)			
Singapore operations	109	(602)	(10,360)
Other operations	11,699	8,584	9,998
Total	<u>11,808</u>	<u>7,982</u>	<u>(362)</u>
Income tax (expenses) benefit			
Singapore operations	(22,940)	(24,290)	(30,382)
Other operations	4,084	10,805	13,953
Total	<u>(18,856)</u>	<u>(13,485)</u>	<u>(16,429)</u>

The Company records annual income tax with regard to a number of tax jurisdictions, primarily Singapore. Certain jurisdictions in which the Group operates have implemented the Pillar Two Model Rules. The Company conducted an assessment of all jurisdictions in 2025. While we expect to meet transitional safe harbor requirements in most jurisdictions, there are a limited number of jurisdictions where we expect Pillar Two top - up taxes to apply. The income tax provision for the year ended December 31, 2025 includes the effects of Pillar Two taxes, resulting in an income tax expense of US\$8.4 million. 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>2023</u>	<u>2024</u>
Singapore statutory income tax rate (*)	17.0 %	17.0 %
% Effect of tax holiday and preferential tax benefit	(7.0)%	16.1 %
Effect of different tax rates available to different jurisdictions	(19.5)%	4.0 %
Permanent differences (i)	14.9 %	(26.6)%
Change in valuation allowance	10.1 %	(26.8)%
Effect of Super Deduction available to the Group	(9.0)%	10.4 %
Effective income tax rate	<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 share-based compensation costs and expenses incurred by subsidiaries and VIEs.

In accordance with the updated requirements of ASU No. 2023-09 for the year ended December 31, 2025, a reconciliation between the statutory rate and the Group's effective tax rate is as follows (in thousands, except percentages):

	<u>For the year ended December 31,</u>	
	<u>2025</u>	
	Amount US\$	Percent
Statutory Rate:	36,740	17.0 %
Foreign Tax Effects		
British Virgin Islands ("BVI")		
Statutory tax rate difference between BVI and Singapore	(35,451)	(16.4)%
Nontaxable or nondeductible items	21,420	9.9 %
Others	2,472	1.1 %
Cayman		
Statutory tax rate difference between Cayman and Singapore	(21,123)	(9.8)%
Nontaxable or nondeductible items	21,420	9.9 %
PRC		
Statutory tax rate difference between PRC and Singapore	7,729	3.6 %
Change in valuation allowance	(7,653)	(3.5)%
Nontaxable or nondeductible items	(6,885)	(3.2)%
Others	(1,335)	(0.6)%
Other jurisdictions	(874)	(0.4)%
Effect of cross-border tax laws	8,388	3.9 %
Tax credits	(21,225)	(9.8)%
Change in valuation allowance	5,236	2.4 %
Nontaxable or nondeductible items	6,065	2.8 %
Other Adjustment	1,505	0.7 %
Effective tax expense	<u>16,429</u>	<u>7.6 %</u>

Note: For the year ended December 31, 2025, income taxes paid amounted to US\$ 27,963 in Singapore, and US\$ 5,781 in other jurisdictions.

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(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, 2024 and 2025 are as follows:

	December 31,	
	2024	2025
	US\$	US\$
Deferred tax assets:		
Tax loss carried forward	235,362	286,103
Allowance for expected credit loss of receivable, accrued expense and others not currently deductible for tax purposes	32,441	34,918
Deferred revenue	1,507	1,430
Impairment of investment	2,922	2,988
Capitalized research and development expenses	15,025	28,051
Others	(85)	—
Valuation allowance (i)	(272,922)	(330,844)
Deferred tax assets, net	14,250	22,646
Deferred tax liabilities:		
Related to the fair value changes of investments	12,015	15,179
Related to acquired intangible assets	38,089	31,324
Others	9,214	21,302
Deferred tax liabilities	59,318	67,805
Classification in the consolidated balance sheets:		
Deferred tax assets, net	2,563	9,782
Deferred tax liabilities	47,631	54,941

- (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,		
	2023	2024	2025
	US\$	US\$	US\$
Balance at beginning of the year	(242,051)	(224,130)	(272,922)
Additions	(31,733)	(60,805)	(98,692)
Reversals	49,654	12,013	40,770
Balance at end of the year	<u>(224,130)</u>	<u>(272,922)</u>	<u>(330,844)</u>

Tax loss carry forwards

As of December 31, 2025, total tax loss carry forwards of the Company's subsidiaries and VIEs in the PRC amounted to US\$797,347, 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 2026 to 2030, if not utilized except for those arose from HNTEs which will expired during the period from 2026 to 2035. 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\$83,153, US\$541,802 and US\$111,218, 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 2022 through 2025 remain subject to the review by the relevant Singapore tax authorities. There were no ongoing tax examinations as of December 31, 2025 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 2021 through 2025 remain subject to the review by the relevant PRC tax authorities. There were no ongoing tax examinations as of December 31, 2025 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.

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(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, 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.

During the year ended December 31, 2025, 22,363 Class A common shares were forfeited for the exercised share options, vested restricted shares and restricted share. In addition, 6,977,380 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, 2025. The Company also repurchased an aggregate of 2,421,752 ADSs, representing 48,435,040 Class A common shares at an average price of US\$55.5971 per ADS or US\$2.7799 per Class A common share, for aggregate consideration of US\$134.6 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, 2025, 10,000,000,000 Class A common shares and 1,000,000,000 Class B common shares had been authorized, 1,306,734,444 Class A common shares and 326,509,555 Class B common shares had been issued, 673,183,174 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.

In August 2024, the Company's board of directors authorized the further extension of program for another 12-month period (the "2021 Program"). As of December 31, 2024, the Company has utilized US\$183.3 million under the 2021 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 2021 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.

In March 2026, the Company's board of directors and its compensation committee approved and authorized the Second Amended and Restated 2011 Share Incentive Plan (the "New Plan"). The New Plan amends and restates the previously adopted Amended and Restated 2011 Share Incentive Plan in its entirety and assumes all awards granted thereunder. Under the New Plan, the maximum aggregate number of shares of the Company available for grant of awards is initially 231,950,949 Class A common shares, plus an annual increase of 20,000,000 Class A common shares on the first day of each fiscal year, beginning in 2027, or such lesser number of Class A common shares as determined by the board of directors of the Company. The New Plan will expire upon the tenth anniversary of the adoption date. Concurrently with the adoption of the New Plan, the previously adopted 2019 Share Incentive Awards Arrangement was also terminated. No more awards may be granted under the 2019 Share Incentive Awards Arrangement, and all awards that had been granted under the 2019 Share Incentive Awards Arrangement and remained outstanding were assumed by the New Plan.

During the years ended December 31, 2023, 2024 and 2025, the Company granted restricted share units to employees of 7,744,374, 10,968,657 and 15,895,447, respectively, pursuant to the 2011 Share Incentive Scheme.

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(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)

The following table summarizes the restricted share units activity for the years ended December 31, 2023, 2024 and 2025:

	<u>Number of restricted shares units</u>	<u>Weighted average grant-date fair value (US\$)</u>
Outstanding, December 31, 2022	17,535,567	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
Granted	15,895,447	2.6261
Forfeited	(2,361,856)	2.0989
Vested	<u>(7,237,585)</u>	1.8973
Outstanding, December 31, 2025	<u>22,430,101</u>	2.3106
Expected to vest as of December 31, 2025	<u>19,160,592</u>	2.2921

For the years ended December 31, 2023, 2024 and 2025, the Company recorded share-based compensation of US\$13,766, US\$12,554 and US\$21,698 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, 2025, total unrecognized compensation expense relating to the restricted share units was US\$28,888. The expense is expected to be recognized over a weighted average period of 1.17 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, 2023, 2024 and 2025, the Company granted restricted share to employees of 1,146,257, 882,988 and 853,559, respectively.

The following table summarizes the restricted shares activity for the years ended December 31, 2023, 2024 and 2025:

	<u>Number of restricted shares</u>	<u>Weighted average grant-date fair value (US\$)</u>
Outstanding, December 31, 2022	10,935,436	2.8002
Granted	1,146,257	1.8259
Forfeited	(1,142,786)	2.2756
Vested	<u>(5,426,078)</u>	3.0559
Outstanding, December 31, 2023	<u>5,512,829</u>	2.4547
Granted	882,988	1.6971
Forfeited	(886,951)	2.2159
Vested	<u>(2,258,324)</u>	2.6870
Outstanding, December 31, 2024	<u>3,250,542</u>	2.1458
Granted	853,559	2.4498
Forfeited	(875,922)	2.2276
Vested	<u>(1,613,485)</u>	2.3462
Outstanding, December 31, 2025	<u>1,614,694</u>	2.0619
Expected to vest as of December 31, 2025	<u>1,597,874</u>	2.0626

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(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, 2023, 2024 and 2025, the Company recorded share-based compensation for restricted shares in relation to continuing operations of US\$7,929, US\$2,773 and US\$954 using the graded-vesting attribution method.

As of December 31, 2025, total unrecognized compensation expense relating to the restricted shares was US\$2,002. The expense is expected to be recognized over a weighted average period of 1.58 years using the graded-vesting attribution method.

(iii) Share options

2011 Share Incentive Scheme

Grant of options

During the years ended December 31, 2023, 2024 and 2025, 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:

	Number of options	Weighted average exercise price (US\$)	Weighted average remaining contractual life (years)	Aggregate intrinsic value (US\$)
Outstanding, January 1, 2023	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	8,074,500	3.8436	0.76	—
Forfeited	—	—	—	—
Outstanding, December 31, 2025	8,074,500	3.8436	0.38	—
Expected to vest as of December 31, 2025	8,074,500	3.8436	0.38	—
Exercisable as of December 31, 2025	8,074,500	3.8436	0.38	—

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, 2023, 2024 and 2025 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, 2023, 2024 and 2025 and the exercise price.

For the years ended December 31, 2023, 2024 and 2025, the Company recorded share-based compensation in relation to continuing operations of US\$120, nil and US\$270 using the graded vesting attribution method.

(b) Other share-based awards

Other than those disclosed above, for the years ended December 31, 2023, 2024 and 2025, the Company recorded share-based compensation expense of US\$10,164, US\$7,873 and US\$2,878 for other subsidiaries.

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(All amount in thousands, except share, ADS, per share and per ADS data, unless otherwise stated)

27. Basic and diluted net income per share

Basic and diluted net income per share for the years ended December 31, 2023, 2024 and 2025 are calculated as follows:

	For the year ended December 31,		
	2023 US\$	2024 US\$	2025 US\$
Numerator:			
Net income (loss) from continuing operations attributable to common shareholders of JOYY Inc.	347,351	(147,624)	221,127
Dilutive effect of convertible bonds	8,653	—	—
Numerator for diluted income (loss) per share from continuing operations	<u>356,004</u>	<u>(147,624)</u>	<u>221,127</u>
Net income from discontinued operations attributable to common shareholders of JOYY Inc.	—	—	1,875,921
Numerator for diluted income per share from discontinued operations	<u>—</u>	<u>—</u>	<u>1,875,921</u>
Denominator:			
Denominator for basic calculation—weighted average number of Class A and Class B common shares outstanding	1,308,695,642	1,157,854,559	1,052,099,864
Dilutive effect of convertible bonds	141,564,583	—	—
Dilutive effect of restricted stock	8,025,901	—	7,682,058
Dilutive effect of restricted share units	4,690,418	—	5,465,574
Denominator for diluted calculation	<u>1,462,976,544</u>	<u>1,157,854,559</u>	<u>1,065,247,496</u>
Basic net income (loss) per Class A and Class B common share	0.27	(0.13)	1.99
Continuing operations	0.27	(0.13)	0.21
Discontinued operations	—	—	1.78
Diluted net income(loss) per Class A and Class B common share	0.24	(0.13)	1.97
Continuing operations	0.24	(0.13)	0.21
Discontinued operations	—	—	1.76
Basic net income (loss) per ADS*	5.31	(2.55)	39.86
Continuing operations	5.31	(2.55)	4.20
Discontinued operations	—	—	35.66
Diluted net income (loss) per ADS*	4.87	(2.55)	39.37
Continuing operations	4.87	(2.55)	4.15
Discontinued operations	—	—	35.22

* 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, 2023, 2024 and 2025, 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.

	<u>For the year ended December 31,</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Shares issuable upon exercise of share options	8,574,220	8,074,500	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:

<u>Major related parties</u>	<u>Relationship with the Group</u>
Guangzhou Sunhongs Corp., Ltd. (“Guangzhou Sunhongs”)	Significant influence exercised by a principal shareholder of the Company
Xiaomi Corporation (“Xiaomi Group”)	Controlled by a principal shareholder of the Company

During the years ended December 31, 2023, 2024 and 2025, significant related party transactions are as follows:

	<u>For the year ended December 31,</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	US\$	US\$	US\$
Bandwidth service provided by Guangzhou Sunhongs	1,382	1,614	777
Promotion expense charged from related parties	8,008	7,553	5,521
Others	1,308	1,083	1,013

As of December 31, 2024 and 2025, the amounts due from/to related parties are as follows:

	<u>December 31,</u>	
	<u>2024</u>	<u>2025</u>
	US\$	US\$
Amounts due from related parties, current	<u>467</u>	<u>106</u>
Amounts due to related parties, current		
Due to Xiaomi Group	1,193	1,462
Dividend Payable	—	22,622
Others	185	388
Total	<u>1,378</u>	<u>24,472</u>

* Other receivables and payables from/to related parties are unsecured and payable on demand.

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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, 2024 and 2025:

	<u>As of December 31, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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>
	<u>As of December 31, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Short-term investments (i)	—	613,702	—	613,702
Equity investment with readily determinable fair values (ii)	23,315	—	—	23,315
Available-for-sale debt investment (iii)	—	—	24,130	24,130
	<u>23,315</u>	<u>613,702</u>	<u>24,130</u>	<u>661,147</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, 2023, 2024 and 2025:

	<u>Available-for-sale debt investment</u>
	US\$
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	40,800
Unrealized fair value change recognized in other comprehensive loss	(16,684)
Foreign currency exchange gain, net	14
Balance as of December 31, 2025	<u>24,130</u>

(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, 2023, 2024 and 2025, gain on fair value changes of investment of US\$11,179, loss on fair value changes of investment of US\$587 and loss on fair value changes of investment of US\$278 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 2023, 2024 and 2025, based on the Group's assessment, an impairment charge of nil, US\$9,386 and US\$15,000 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, 2025 amounting to US\$1,357 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, 2024 and 2025, the Group had outstanding capital commitments totaling to US\$192,855 and US\$91,931, which consisted of capital expenditures related to properties and additional investments in equity investments, respectively.

(c) Litigation

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 believe that the ultimate outcome of these unresolved matters, individually and in the aggregate, is not probable and such claims would not 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 quarterly dividend program from 2025 to 2027, under which a total of approximately US\$600 million in cash will be distributed on a quarterly basis over the three - year period. The board of directors has accordingly declared a dividend of US\$0.99 per ADS, or US\$0.0495 per common share, for the first quarter of 2026. The board of directors has approved an additional cash dividend in a total amount of US\$20 million (US\$0.39 per ADS, or US\$0.0195 per common share), representing approximately 10% of total cash dividends declared for fiscal year 2025. The additional cash dividend will be paid together with the aforementioned quarterly dividend. Aggregating the quarterly cash dividend and the additional cash dividend for the first quarter of 2026, the Company's board of directors has declared a cash dividend in the aggregate amount of US\$1.38 per ADS, or US\$0.069 per common share, which is expected to be paid on May 8, 2026 to shareholders of record as of the close of business on April 22, 2026. The ex-dividend date will be April 22, 2026.

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\$744,087 and US\$771,016 for the Group's VIEs as of December 31, 2024 and 2025, respectively, and US\$182,861 and US\$189,158 for the Group's subsidiaries as of December 31, 2024 and 2025, 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, 2025 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 Note 1 (a)), including "BIGO" and "All other" for the years ended December 31, 2023, 2024 and 2025. 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, 2025:

	<u>BIGO</u> US\$	<u>All other</u> US\$	<u>Elimination⁽¹⁾</u> US\$	<u>Total</u> US\$
Net revenues				
Live streaming	1,446,437	83,230	—	1,529,667
Advertising	398,538	44,180	—	442,718
Others	3,470	149,727	(1,334)	151,863
Total net revenues	<u>1,848,445</u>	<u>277,137</u>	<u>(1,334)</u>	<u>2,124,248</u>
Cost of revenues ⁽²⁾	(1,206,124)	(155,782)	290	(1,361,616)
Gross profit	<u>642,321</u>	<u>121,355</u>	<u>(1,044)</u>	<u>762,632</u>
Operating expenses⁽²⁾				
Research and development expenses	(156,986)	(90,952)	805	(247,133)
Sales and marketing expenses	(211,265)	(86,299)	94	(297,470)
General and administrative expenses	(67,386)	(97,288)	145	(164,529)
Total operating expenses	<u>(435,637)</u>	<u>(274,539)</u>	<u>1,044</u>	<u>(709,132)</u>
Other income	1,078	1,242	—	2,320
Operating income (loss)	<u>207,762</u>	<u>(151,942)</u>	<u>—</u>	<u>55,820</u>
Interest expense	(3,090)	(153)	2,727	(516)
Interest income and investment income	55,083	110,251	(2,727)	162,607
Foreign currency exchange losses, net	(13,721)	(390)	—	(14,111)
Gain on fair value changes of investment	514	11,806	—	12,320
Income (loss) before income tax (expenses) benefits	<u>246,548</u>	<u>(30,428)</u>	<u>—</u>	<u>216,120</u>
Income tax (expenses) benefits	(20,278)	3,849	—	(16,429)
Income (loss) before share of income in equity method investments, net of income taxes	<u>226,270</u>	<u>(26,579)</u>	<u>—</u>	<u>199,691</u>
Share of income in equity method investments, net of income taxes	—	11,610	—	11,610
Net income (loss) from continuing operations	<u>226,270</u>	<u>(14,969)</u>	<u>—</u>	<u>211,301</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	2,875	1,052	3,927
Research and development expenses	5,431	3,987	9,418
Sales and marketing expenses	893	490	1,383
General and administrative expenses	1,334	9,738	11,072

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, 2024:

	<u>BIGO</u> US\$	<u>All other</u> US\$	<u>Elimination⁽¹⁾</u> US\$	<u>Total</u> US\$
Net revenues				
Live streaming	1,699,591	88,430	—	1,788,021
Advertising	287,815	35,198	—	323,013
Others	934	127,399	(1,579)	126,754
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⁾	<u>(1,273,805)</u>	<u>(158,094)</u>	<u>314</u>	<u>(1,431,585)</u>
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	<u>(19,571)</u>	<u>6,086</u>	<u>—</u>	<u>(13,485)</u>
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	<u>—</u>	<u>(1,637)</u>	<u>—</u>	<u>(1,637)</u>
Net income (loss) from continuing operations	<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> US\$	<u>All other</u> US\$	<u>Total</u> 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:

	<u>BIGO</u> US\$	<u>All other</u> US\$	<u>Elimination⁽¹⁾</u> US\$	<u>Total</u> US\$
Net revenues				
Live streaming	1,819,484	159,887	—	1,979,371
Advertising	91,849	28,031	—	119,880
Others	12,987	156,971	(1,339)	168,619
Total net revenues	<u>1,924,320</u>	<u>344,889</u>	<u>(1,339)</u>	<u>2,267,870</u>
Cost of revenues ⁽²⁾	(1,189,500)	(265,662)	320	(1,454,842)
Gross profit	<u>734,820</u>	<u>79,227</u>	<u>(1,019)</u>	<u>813,028</u>
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	<u>(511,935)</u>	<u>(276,825)</u>	<u>1,019</u>	<u>(787,741)</u>
Loss on deconsolidation and disposal of subsidiaries	—	(6,177)	—	(6,177)
Other income	7,240	2,465	—	9,705
Operating income (loss)	<u>230,125</u>	<u>(201,310)</u>	<u>—</u>	<u>28,815</u>
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	<u>266,308</u>	<u>21,669</u>	<u>—</u>	<u>287,977</u>
Income tax expenses	(17,007)	(1,849)	—	(18,856)
Income before share of income in equity method investments, net of income taxes	<u>249,301</u>	<u>19,820</u>	<u>—</u>	<u>269,121</u>
Share of income in equity method investments, net of income taxes	—	3,297	—	3,297
Net income from continuing operations	<u>249,301</u>	<u>23,117</u>	<u>—</u>	<u>272,418</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	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

(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>2023</u>	<u>2024</u>	<u>2025</u>
	US\$	US\$	US\$
Revenues:			
Developed countries and regions	968,225	1,206,679	1,250,411
Middle East	441,277	317,848	244,222
Mainland China	347,825	233,578	208,722
Southeast Asia and others	510,543	479,683	420,893

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>2024</u>	<u>2025</u>
	US\$	US\$
Long - lived assets, net:		
Mainland China	770,349	842,750
Singapore	13,041	12,105
Others	39,905	32,900

34. Subsequent Events

In light of our evolving business developments, we have made certain refinements to our internal management and segment reporting structure. Effective for the first quarter ended March 31, 2026, the Company adopted a revised reportable segment structure, following the changes to its management structure and CODM reporting. Historical segment information will be adjusted retrospectively in future filings.

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
Shoptline Corporation Limited	Cayman Islands
Mangatoon Inc	Cayman Islands
Singularity IM, Inc.	Delaware
PageBites, Inc.	Delaware
Shoptline US 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
Hello Yo Pte. Ltd.	Singapore
Cube Networks Pte. Ltd.	Singapore
Shoptline Commerce Pte. Ltd.	Singapore
NeoTasks Limited	Hong Kong
Robinfly (Hong Kong) Limited	Hong Kong
Starling Labs Limited	Hong Kong
Shoptline 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
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
Zhuhai Huanju Interactive Entertainment Technology Co., Ltd.	Mainland China
Guangzhou Huanhua Information Technology Co., Ltd.	Mainland China
Guangzhou Hongxiao Network Technology Co., Ltd.	Mainland China

**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 28, 2026

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 28, 2026

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, 2025 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 28, 2026

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, 2025 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 28, 2026

By: /s/ Fuyong Liu

Name: Fuyong Liu

Title: Vice President of Finance



Our ref VSL/741072-000001/85927642v1

JOYY Inc.
30 Pasir Panjang Road
#15-31A Mapletree Business City,
Singapore 117440

April 28, 2026

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 2025 (the "**Annual Report**"), which will be filed with the Securities and Exchange Commission in the month of April 2026.

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

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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 28, 2026

Re: 2025 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, 2025 (the “**Annual Report**”), which will be filed with the Securities and Exchange Commission (the “**SEC**”) in the month of April 2026, 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, 2025.

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 28, 2026 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 28, 2026
