

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
For the transition period from _____ to _____
- 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 _____

Commission file number: 001-35224

Xunlei Limited
(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)

3709 Baishi Road, Nanshan District, Shenzhen, 518000

The People's Republic of China

(Address of principal executive offices)

Naijiang (Eric) Zhou, Chief Financial Officer

Telephone: +86-0755 61111571

Email: zhounaijiang@xunlei.com

3709 Baishi Road, Nanshan District, Shenzhen, 518000

The People's Republic of China

(Name, Telephone, Email 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	Name of each exchange on which registered	Ticker symbol
American depositary shares, each representing five common shares	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)	XNET
Common shares, par value	The Nasdaq Stock Market LLC	
US\$0.00025 per share*	(The Nasdaq Global Select Market)	

* Not for trading, but only in connection with the listing on The Nasdaq Global Select Market of American depositary shares.

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)

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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: 314,277,001 common shares (excluding (i) 49,835,510 common shares that are (a) reserved for bulk issuance upon the exercise or vesting of awards granted under our share incentive plan, or (b) repurchased by our company but not yet canceled, and (ii) 10,889,429 common shares, consisting of 274,057 ADSs (representing 1,370,285 common shares) and 9,519,144 common shares held by Leading Advice Holdings Limited, a share incentive awards holding platform) as of December 31, 2025.

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 "accelerated filer," "large 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 Securities Act.

Yes ☐ No ☐

[†] 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-Oxley 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

In this annual report, except where the context otherwise requires and for purposes of this annual report only:

- “ADSs” refers to our American depositary shares, each representing five common shares, and “ADRs” refers to any American depositary receipts that evidence our ADSs;
- “China” or “PRC” refers to the People’s Republic of China, excluding, for the purpose of this annual report only, Hong Kong, Macau and Taiwan;
- “daily active user” refers to a user who accessed Mobile Xunlei through a mobile device, on a given day;
- “digital media content” refers to videos, music, games, software and documents transmitted in digital form;
- “monthly unique visitors” refers to the number of different individual visitors who accessed Xunlei products (including websites and software) on our platform from the same computer at least once within a month; under this method, a user who accessed Xunlei products from two different computers would count as two unique visitors;
- “RMB” or “Renminbi” refers to the legal currency of China;
- “shares” or “common shares” refers to our common shares, par value US\$0.00025 per share;
- “Shenzhen Suqu” refers to Shenzhen Suqu Network Technology Co., Ltd., a variable interest entity in China;
- “Shenzhen Xunlei” refers to Shenzhen Xunlei Networking Technologies Co., Ltd., a variable interest entity in China;
- “subscriber” refers to users who can access our premium acceleration services, including accounts temporarily suspended, but excluding sub-accounts and accounts on a trial basis;
- “US\$,” “dollars” or “U.S. dollars” refers to the legal currency of the United States;
- “VIEs” or the “variable interest entities” refers to Shenzhen Xunlei and Shenzhen Suqu and a variable interest entity means each of them; and
- “WFOEs” refers to Giganology (Shenzhen) Co., Ltd., or Giganology Shenzhen and Xunlei Computer (Shenzhen) Co., Ltd., our wholly foreign-owned enterprises in China, and a WFOE means each of them.

We use U.S. dollar as reporting currency in our financial statements and in this annual report. Transactions in Renminbi are recorded at the rates of exchange prevailing when the transactions occur. Solely for the convenience of the reader, the translations of Renminbi amounts into U.S. dollars contained in this annual report were made at RMB7.0288 to US\$1.00, the rate released by the State Administration of Foreign Exchange of the People’s Republic of China on December 31, 2025. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade.

FORWARD-LOOKING INFORMATION

This annual report on Form 20-F contains forward-looking statements that reflect our current expectations and views of future events. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by words or phrases such as “may,” “might,” “could,” “should,” “would,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to,” “project,” “continue,” “potential,” 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 business strategies, including the strategies to streamline our business;
- our future business development, results of operations and financial condition;
- our ability to maintain and strengthen our market position in China;
- our ability to retain subscribers for our premium acceleration and other services;
- our ability to develop new products and services and attract, maintain and monetize user traffic;
- trends and competition in the internet industry in China;
- rules and regulations governing the internet industry in China;
- our ability to handle intellectual property rights-related matters; and
- general economic and business conditions in China.

You should not place undue reliance on these forward-looking statements and you should read these statements in conjunction with other sections of this annual report, in particular the risk factors disclosed in “Item 3. Key Information—D. Risk Factors.” 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. Moreover, we operate in a rapidly evolving environment. New risks emerge from time to time and it is impossible 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 from those contained in any forward-looking statement. 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 do not undertake any obligation to update or revise the forward-looking statements except as required under applicable law.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

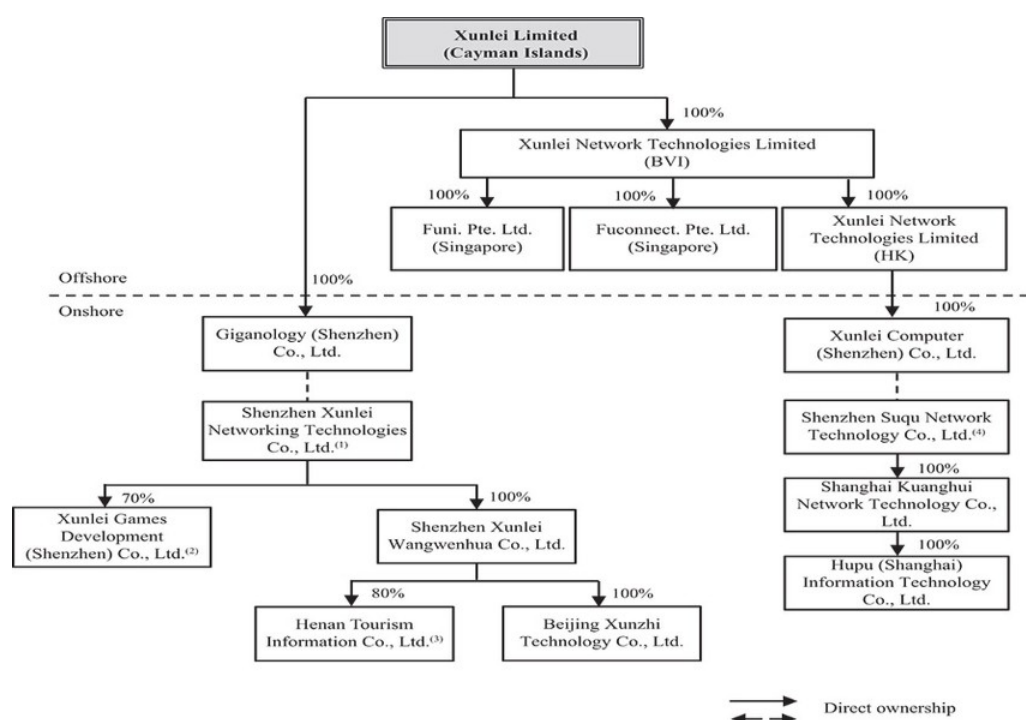
Our Holding Company Structure and Contractual Arrangements with the Variable Interest Entities

Xunlei Limited is not a Chinese operating company but a Cayman Islands holding company with no equity ownership in the variable interest entities. We conduct our operations primarily in China through (i) our PRC subsidiaries, and (ii) the variable interest entities, with which we maintain contractual arrangements and their subsidiaries in China. PRC laws and regulations place certain restrictions on foreign ownership of companies that engage in value-added telecommunication service, and prohibit foreign investment in internet cultural operating service and online transmission of audio-visual programs service. Accordingly, we operate these businesses in China through the variable interest entities, and rely on contractual arrangements among our PRC subsidiaries, the variable interest entities and their shareholders to control the business operations of the variable interest entities. Revenues contributed by the variable interest entities accounted for 90.7%, 79.1% and 72.7% of our total revenues in 2023, 2024 and 2025, respectively. As used in this annual report, “we,” “us,” “our company” and “our” refer to Xunlei Limited, its subsidiaries, and, in the context of describing our operations and consolidated financial information, the variable interest entities in China, Shenzhen Xunlei, which was established in January 2003 to operate our Xunlei internet platform together with its various subsidiaries in the PRC, and Shenzhen Suqu, which was established in October 2021 and acquired 100% of equity interest in Shanghai Kuanghui Network Technology Co., Ltd., or Shanghai Kuanghui, which operates Hupu, a leading sports media and data platform in China, in May 2025. Investors in our ADSs are not purchasing equity interest in the variable interest entities in China but instead are purchasing equity interest in a holding company incorporated in the Cayman Islands.

A series of contractual agreements, including business operation agreement, equity pledge agreement, powers of attorney, exclusive technology support and services agreement, exclusive technology consulting and training agreement, proprietary technology license contract, intellectual properties purchase option agreement, equity interests disposal agreement and loan agreements, have been entered into by and among our subsidiaries, the variable interest entities and their shareholders. Terms contained in each set of contractual arrangements with the variable interest entities and their shareholders are substantially similar. As a result of the contractual arrangements, we are able to direct the activities that most significantly affect the variable interest entities’ economic performance and are considered the primary beneficiary of the variable interest entities, and we have consolidated the financial results of the variable interest entities and their subsidiaries in our consolidated financial statements in accordance with U.S. GAAP. For more details of these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the Variable Interest Entities.”

However, the contractual arrangements may not be as effective as ownership in providing us with control over the variable interest entities and we may incur substantial costs to enforce the terms of the arrangements. In addition, these agreements have not been tested in PRC courts. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—We rely on contractual arrangements with the variable interest entities in China and their shareholders for our operations, which may not be as effective as ownership in providing operational control over the variable interest entities and their subsidiaries” and “—The shareholders of the variable interest entities may have potential conflicts of interest with us, which may materially and adversely affect our business.”

The following diagram illustrates our corporate structure, including the variable interest entities, principal subsidiaries of our company and principal subsidiaries of the variable interest entities, as of the date of this annual report on Form 20-F. In March 2026, Shenzhen Xunlei entered into definitive agreements to transfer an aggregate 50% equity interest in Shenzhen Onething Technologies Co., Ltd., or Shenzhen Onething, for an aggregate cash consideration of RMB125 million. Upon completion of the transaction in March 2026, Shenzhen Xunlei retained 20% equity interest in Shenzhen Onething, and we no longer consolidate the financial results of Shenzhen Onething.



Notes:

- (1) Shenzhen Xunlei is a variable interest entity. Mr. Sean Shenglong Zou, our co-founder, Mr. Hao Cheng, our co-founder, Mr. Jianming Shi, Guangzhou Shulian Information Investment Co., Ltd. and Ms. Fang Wang own 76.0%, 8.3%, 8.3%, 6.7% and 0.7% of Shenzhen Xunlei's equity interests, respectively.
- (2) The remaining 30% of the equity interest is owned by Mr. Hao Cheng.
- (3) The remaining 20% of the equity interest is owned by Henan Cultural Tourism Investment Group Co., Ltd.
- (4) Shenzhen Suqu is a variable interest entity. Shenzhen Zhiyi Wensi Consulting LLP ("Zhiyi Wensi") and Shenzhen Zhilue Xinsi Consulting Co., Ltd. ("Zhilue Xinsi") own 99% and 1% of Shenzhen Suqu's equity interests, respectively. Zhiyi Wensi is a PRC limited liability partnership with (i) Zhilue Xinsi, as its general partner, holding a 5% partnership interest, and (ii) Mr. Kening Wu, as its limited partner, holding the remaining 95% partnership interest. Zhilue Xinsi is a PRC limited liability company whose registered shareholders are Mr. Kening Wu, our vice president, and Mr. Xiaosong Li, our director and vice president, holding 60% and 40% of the equity interests, respectively.

There are also substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our PRC subsidiary with respect to its contractual arrangements with the variable interest entities and their shareholders. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If our PRC subsidiary or any of the variable interest entities is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC governmental restrictions on foreign investment in internet-related business and foreign investors' mergers and acquisition activities in China, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations" and "—Uncertainties exist with respect to the interpretation and implementation of the enacted PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations."

Our corporate structure is subject to risks associated with our contractual arrangements with the variable interest entities. If the PRC government deems that our contractual arrangements with the variable interest entities do not comply with PRC regulatory restrictions on foreign investment in relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our holding company, our PRC subsidiaries and variable interest entities, and investors of our company face uncertainty about potential future actions by the PRC 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 whole. For a detailed description of the risks associated with our corporate structure, please refer to “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure.”

We face various risks and uncertainties related to doing business in China. Our business operations are primarily conducted in China, and we are subject to complex and evolving PRC laws and regulations. For example, we face risks associated with regulatory approvals on our future offshore offerings (if any), anti-monopoly regulatory actions and oversight on cybersecurity and data privacy, which may impact our ability to conduct certain businesses, accept foreign investments or list on or remain listed on United States or other foreign exchanges outside of China. These risks could result in a material adverse change in our operations and the value of our ADSs, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline or be of little or no value. For a detailed description of risks related to doing business in China, please refer to “Item 3.D. Key Information—Risk Factors—Risks Related to Doing Business in China.”

Pursuant to the Holding Foreign Companies Accountable Act, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of this annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. As of the date of this annual report, the PCAOB has not issued any new determination regarding its ability to inspect or investigate registered public accounting firms headquartered in mainland China and Hong Kong. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCAA after we file this annual report on Form 20-F. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in certain jurisdictions and we use an accounting firm headquartered in one of those jurisdictions to issue an audit report on our financial statements to be filed with the Securities and Exchange Commission, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections” and “—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

The PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations, including data security or anti-monopoly related regulations, in this nature may cause the value of such securities to significantly decline or be of little or no value. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC government’s oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs.”

Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our ADSs. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could adversely affect us.”

Permissions Required from the PRC Authorities for Our Operations

We conduct our business primarily through our PRC subsidiaries, the variable interest entities and their subsidiaries in China. Our operations in China are governed by PRC laws and regulations. As of the date of this annual report, our PRC subsidiaries, the variable interest entities and their subsidiaries in China have obtained the requisite licenses and permits from the PRC government authorities that are material for the business operations of our holding company, our PRC subsidiaries, the variable interest entities and their subsidiaries in China, including, among others, the Value-added Telecommunication Services License and Online Culture Operation Permit. However, given the uncertainties of interpretation and implementation of laws and regulations and the enforcement practices of government authorities, we cannot assure you that we have obtained or will obtain all permits or licenses required for conducting our business in China. For example, Shenzhen Xunlei, an entity that provides video content display services, is not a registered owner of the license for online transmission of audio-visual programs. As a result, it is possible that the PRC government authorities could determine that these businesses are operating without proper licenses. We may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We are strictly regulated in China. Any lack of requisite licenses or permits applicable to our businesses or to our third-party services providers and any changes in government policies or regulations may have a material and adverse impact on our businesses, financial condition and results of operations.”

In addition, each of Shenzhen Xunlei and its consolidated entities that operate online games has obtained a Value-added Telecommunication Services License for operating our online game business. Shenzhen Xunlei, which holds 70% of the equity interest in Xunlei Games, had previously obtained an Internet Publishing Services License for the publication of internet games, which expired on September 17, 2022. We have submitted the renewal application, however, as of the date of this annual report, the renewal has not yet been approved. Furthermore, none of Shenzhen Xunlei or any of its subsidiaries that operates online games has obtained an Internet Publishing Services License. Given the uncertainties involved in the interpretation and implementation of laws and regulations and the enforcement practices of government authorities, we cannot assure you that Shenzhen Xunlei and its consolidated entities that operate online games are not required to obtain Internet Publishing Services Licenses as well. As a result, PRC government authorities may find that these entities are operating online game services without having the proper license and may penalize us accordingly. Upon such event, Shenzhen Xunlei and its consolidated entities that operate online games could be ordered to cease their operations of such online game services and could be subject to confiscation of illegal income and major equipment, or to fines. As of the date of this annual report, we have not received any administrative penalties, including fines, restrictions or suspension of our business, or regulatory inquiries for our operation without an effective Internet Publishing Services License. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to successfully address the challenges and risks we face in the online games market, such as a failure to operate popular, high-quality games or to obtain all the licenses required to operate online games, which may subject us to penalties from the government authorities, including the discontinuance of our online game business.”

Furthermore, in connection with our previous issuance of securities to foreign investors, under PRC laws, regulations and rules, as of the date of this annual report, we, our PRC subsidiaries and the variable interest entities (i) are not required to obtain permissions from the China Securities Regulatory Commission, or the CSRC, (ii) are not required to go through a cybersecurity review by the Cyberspace Administration of China, and (iii) have not received or been denied such requisite permissions by any PRC authorities.

However, the PRC government has promulgated rules and regulations to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings (if any) under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval.”

Cash and Asset Flows through Our Organization

Under PRC laws, Xunlei Limited may provide funding to our PRC subsidiaries only through capital contributions or loans, and to the variable interest entities only through loans, subject to satisfaction of applicable registration and approval requirements from the PRC government. For the years ended December 31, 2023, 2024 and 2025, Shenzhen Xunlei received debt financing of US\$0.4 million, US\$7.0 million and US\$5.7 million from Giganology Shenzhen, in this annual report, respectively.

Xunlei Limited is a holding company with no material operations of its own. We conduct our operations primarily through our PRC subsidiaries, the variable interest entities and their subsidiaries in China. As a result, Xunlei Limited's ability to pay dividends depends upon dividends paid by our PRC subsidiaries. If our existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our PRC subsidiaries and the variable interest entities is required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies. For more details, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources" and "Item 3. Key Information—Risk Factors—Risks Related to Our Corporate Structure—We may rely principally on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of Giganology Shenzhen and Xunlei Computer to pay dividends to us could have a material adverse effect on our ability to conduct our business."

Under PRC laws and regulations, our PRC subsidiaries and the variable interest entities 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 China is also subject to examination by the banks designated by the State Administration of Foreign Exchange, or SAFE. The restricted amounts include the paid-up capital and the statutory reserve funds of our PRC subsidiaries and the net assets of the variable interest entities, in which we have no legal ownership, US\$173.2 million, US\$173.8 million and US\$175.0 million, as of December 31, 2023, 2024 and 2025, respectively. For details, see "Item 3. Key Information—Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and government control of currency conversion may restrict or prevent us from making loans to our PRC subsidiaries and variable interest entities and their subsidiaries or making additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business."

In the year ended December 31, 2023, 2024 and 2025, no assets other than cash were transferred through our organization.

Xunlei Limited has not declared or paid any cash dividends. Our priority is to retain sufficient funds to support the development and growth of our businesses, unless there are any particular arrangements or decisions made by our board of directors in accordance with applicable laws. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy." For the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or common shares, see "Item 10. Additional Information—E. Taxation."

The following discussion reflects the hypothetical taxes that might be required to be paid within mainland China, assuming that:

(i) we have taxable earnings, and (ii) we determine to pay a dividend in the future:

	Tax calculation ⁽¹⁾
Hypothetical pre-tax earnings ⁽²⁾	100
Tax on earnings at statutory rate of 25% ⁽³⁾	(25)
Net earnings available for distribution	75
Withholding tax at standard rate of 10% ⁽⁴⁾	(7.5)
Net distribution to Xunlei Limited/shareholders	67.5

Notes:

- (1) For purposes of this example, the tax calculation has been simplified. The hypothetical book pre-tax earnings amount, not considering timing differences, is assumed to equal taxable income in China.
- (2) Under the terms of VIE agreements, our PRC subsidiaries may charge the VIEs for services provided to VIEs. These service fees shall be recognized as expenses of the VIEs, with a corresponding amount as service income by our PRC subsidiaries and eliminate in consolidation. For income tax purposes, our PRC subsidiaries and VIEs file income tax returns on a separate company basis. The service fees paid are recognized as a tax deduction by the VIEs and as income by our PRC subsidiaries and are tax neutral.
- (3) Certain of our subsidiaries and VIEs qualify for a 15% preferential income tax rate in China. However, such rate is subject to qualification, is temporary in nature, and may not be available in a future period when distributions are paid. For purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.
- (4) The PRC Enterprise Income Tax Law imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise to its immediate holding company outside of China. A lower withholding income tax rate of 5% is applied if a VIE's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

The table above is based on the assumption that all profits of the VIEs will be distributed as fees to our PRC subsidiaries under tax neutral contractual arrangements. If, in the future, the accumulated earnings of the VIEs exceed the service fees paid to our PRC subsidiaries (or if the current and contemplated fee structure between the inter-company entities is determined to be non-substantive and disallowed by Chinese tax authorities), the VIEs could make a non-deductible transfer to our PRC subsidiaries for the amounts of the stranded cash in the VIE. This would result in the double taxation of earnings: once at the VIE level (nondeductible expense) and again at the WFOE level (for presumptive earnings on the transfer). This has the impact of reducing the amount available above from 67.5% to approximately 50.6% of pre-tax income, respectively. We believe that there is only a remote possibility that this scenario would happen.

Financial Information Related to the Variable Interest Entities

The following table presents the condensed consolidating schedule of financial information of Xunlei Limited, our WFOEs (which are the primary beneficiaries of the VIEs), our other subsidiaries (excluding our WFOEs), and the VIEs and their subsidiaries, for the years ended December 31, 2023, 2024 and 2025 and as of the dates presented.

Selected Condensed Consolidated Statements of Operations Data

	For the year ended December 31, 2025					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
			(US\$ in thousands)			
Inter-company total revenues ⁽¹⁾⁽⁵⁾	—	—	11,558	2,416	(13,974)	—
Third-party total revenues	—	126,363	—	336,047	—	462,410
Inter-company costs of revenues	—	(2,208)	—	—	2,208	—
Third-party costs of revenues	—	(81,208)	—	(161,678)	—	(242,886)
Inter-company operating expenses ⁽¹⁾⁽⁵⁾	—	(208)	—	(11,558)	11,766	—
Third-party operating expenses	(1,424)	(38,417)	(9,960)	(161,111)	—	(210,912)
Profit from subsidiaries and consolidated VIE ⁽²⁾	1,050,119	9,936	7,658	—	(1,067,713)	—
Net income attributable to Xunlei Limited	1,048,265	1,048,348	11,707	7,658	(1,067,713)	1,048,265

	For the year ended December 31, 2024					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
			(US\$ in thousands)			
Inter-company total revenues ⁽¹⁾⁽⁵⁾	—	—	12,695	294	(12,989)	—
Third-party total revenues	—	68,255	—	256,150	—	324,405
Third-party costs of revenues	—	(41,883)	—	(113,684)	—	(155,567)
Inter-company operating expenses ⁽¹⁾⁽⁵⁾	—	(294)	—	(12,695)	12,989	—
Third-party operating expenses	(1,712)	(23,122)	(12,182)	(146,261)	—	(183,277)
(Loss)/Profit from subsidiaries and consolidated VIE ⁽²⁾	(627)	8,137	(8,531)	—	1,021	—
Net income attributable to Xunlei Limited	1,215	11,707	(4,196)	(8,532)	1,021	1,215

	For the year ended December 31, 2023					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
			(US\$ in thousands)			
Inter-company total revenues ⁽¹⁾⁽⁵⁾	—	—	12,896	—	(12,896)	—
Third-party total revenues	—	34,051	—	330,860	—	364,911
Third-party costs of revenues	—	(23,589)	—	(177,060)	—	(200,649)
Inter-company operating expenses ⁽¹⁾⁽⁵⁾	—	—	—	(12,896)	12,896	—
Third-party operating expenses	(7,931)	(6,753)	(10,388)	(139,613)	—	(164,685)
Profit from subsidiaries and consolidated VIE ⁽²⁾	16,948	6,153	6,995	—	(30,096)	—
Net income attributable to Xunlei Limited	14,225	9,875	13,226	6,995	(30,096)	14,225

Selected Condensed Consolidated Balance Sheets Data

	As of December 31, 2025					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
	(US\$ in thousands)					
Cash and cash equivalents	33,556	32,847	51,725	38,892	—	157,020
Short-term investments	7,815	10,014	112,097	18,229	—	148,155
Accounts receivable, net	—	7,305	1,138	59,970	—	68,413
Inventories	—	2	—	401	—	403
Amount due from group companies ⁽³⁾⁽⁵⁾	14,581	—	81,742	3,941	(100,264)	—
Due from related parties	—	301	—	12,531	—	12,832
Prepayments and other current assets	1,629	1,146	3,163	6,912	—	12,850
Restricted cash	—	—	—	806	—	806
Investments in subsidiaries and consolidated VIE ⁽²⁾	1,124,959	188,536	—	—	(1,313,495)	—
Long-term investments	—	1,063,492	—	7,104	—	1,070,596
Due from related parties, non-current	—	19,826	—	—	—	19,826
Deferred tax assets	—	1,678	145	8,666	(406)	10,083
Property and equipment, net	—	65	140	54,579	—	54,784
Operating lease assets	—	—	—	1,943	—	1,943
Intangible assets, net	—	—	—	32,722	—	32,722
Goodwill	—	—	—	39,164	—	39,164
Amount due from group companies, non-current portion ⁽³⁾	199,576	—	—	—	(199,576)	—
Other long-term prepayments and non-current assets	—	—	9	2,317	—	2,326
Total assets	1,382,116	1,325,212	250,159	288,177	(1,613,741)	1,631,923
Accounts payable	—	4,600	—	37,365	—	41,965
Amount due to group companies ⁽³⁾⁽⁵⁾	4,840	10,308	1,198	83,918	(100,264)	—
Due to related parties	—	—	—	8	—	8
Contract liabilities and deferred income, current portion	—	1,445	—	41,662	—	43,107
Income tax payable	2	3,516	7	815	—	4,340
Accrued liabilities and other payables	3,783	17,276	5,332	54,943	—	81,334
Lease liabilities, current portion	—	—	—	487	—	487
Bank borrowings, current portion	—	—	—	37,209	—	37,209
Contract liabilities and deferred income, non-current portion	—	—	—	1,624	—	1,624
Deferred tax liabilities	—	428	125	5,991	(406)	6,138
Bank borrowings, non-current portion	—	—	—	38,413	—	38,413
Lease liabilities, non-current portion	—	—	—	1,251	—	1,251
Deficits in subsidiaries and consolidated VIE ⁽²⁾	—	—	86,547	—	(86,547)	—
Amount due to group companies, non-current portion ⁽³⁾	—	90,810	39,868	68,898	(199,576)	—
Other long-term payables	—	—	—	3,530	—	3,530
Total liabilities	8,625	128,383	133,077	376,114	(386,793)	259,406
Total shareholders' equity/(deficits)	1,373,491	1,196,413	117,082	(86,547)	(1,226,948)	1,373,491
Non-controlling interests	—	416	—	(1,390)	—	(974)
Total liabilities, non-controlling interests and shareholders' equity	1,382,116	1,325,212	250,159	288,177	(1,613,741)	1,631,923

	As of December 31, 2024					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
			(US\$ in thousands)			
Cash and cash equivalents	33,275	28,531	73,009	42,514	—	177,329
Short-term investments	14,225	—	81,500	14,484	—	110,209
Accounts receivable, net	—	5,441	—	27,221	—	32,662
Inventories	—	4	—	1,251	—	1,255
Amount due from group companies ⁽³⁾⁽⁵⁾	12,646	2,849	78,824	5,500	(99,819)	—
Due from related parties	—	19,973	14	11,532	—	31,519
Prepayments and other current assets	1,008	1,275	3,965	3,810	—	10,058
Restricted cash	—	—	—	218	—	218
Investments in subsidiaries and consolidated VIE ⁽²⁾	67,997	168,345	—	—	(236,342)	—
Long-term investments	—	24,029	—	6,570	—	30,599
Deferred tax assets	—	920	195	9,873	(460)	10,528
Property and equipment, net	—	88	35	55,307	—	55,430
Operating lease assets	—	—	—	450	—	450
Intangible assets, net	—	3,409	—	4,901	—	8,310
Amount due from group companies, non-current portion ⁽³⁾	200,855	—	—	—	(200,855)	—
Other long-term prepayments and non-current assets	—	2,794	8	2,532	—	5,334
Total assets	330,006	257,658	237,550	186,163	(537,476)	473,901
Accounts payable	—	3,634	—	19,330	—	22,964
Amount due to group companies ⁽³⁾⁽⁵⁾	7,651	7,456	236	84,476	(99,819)	—
Due to related parties	—	—	—	17	—	17
Contract liabilities and deferred income, current portion	—	3,109	—	36,827	—	39,936
Income tax payable	35	2,284	637	6,430	—	9,386
Accrued liabilities and other payables	4,264	8,534	2,953	36,342	—	52,093
Lease liabilities, current portion	—	—	—	253	—	253
Bank borrowings, current portion	—	—	—	2,087	—	2,087
Contract liabilities and deferred income, non-current portion	—	—	—	458	—	458
Deferred tax liabilities	—	559	185	870	(460)	1,154
Bank borrowings, non-current portion	—	—	—	27,127	—	27,127
Lease liabilities, non-current portion	—	—	—	161	—	161
Deficits in subsidiaries and consolidated VIE ⁽²⁾	—	—	96,254	—	(96,254)	—
Amount due to group companies, non-current portion ⁽³⁾	—	92,861	39,093	68,901	(200,855)	—
Other long-term payables	—	—	—	480	—	480
Total liabilities	11,950	118,437	139,358	283,759	(397,388)	156,116
Total shareholders' equity/(deficits)	318,056	138,150	98,192	(96,254)	(140,088)	318,056
Non-controlling interests	—	1,071	—	(1,342)	—	(271)
Total liabilities, non-controlling interests and shareholders' equity	330,006	257,658	237,550	186,163	(537,476)	473,901

	As of December 31, 2023					
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	Consolidated Group
			(US\$ in thousands)			
Cash and cash equivalents	31,919	14,762	86,835	37,286	—	170,802
Short-term investments	28,382	—	57,871	14,825	—	101,078
Accounts receivable, net	—	3,359	—	27,851	—	31,210
Inventories	—	—	—	2,219	—	2,219
Amount due from group companies ⁽³⁾⁽⁵⁾	6,583	3,349	87,971	5,278	(103,181)	—
Due from related parties	—	300	14	12,330	—	12,644
Prepayments and other current assets	1,720	826	4,298	2,579	—	9,423
Investments in subsidiaries and consolidated VIE ⁽²⁾	68,086	162,689	—	—	(230,775)	—
Long-term investments	—	25,466	—	6,668	—	32,134
Due from related parties, non-current	—	19,619	—	—	—	19,619
Deferred tax assets	—	478	—	—	—	478
Property and equipment, net	—	126	20	59,882	—	60,028
Operating lease assets	—	—	—	575	—	575
Intangible assets, net	—	—	—	5,697	—	5,697
Goodwill	—	—	—	20,826	—	20,826
Amount due from group companies, non-current portion ⁽³⁾	199,864	—	—	—	(199,864)	—
Other long-term prepayments and non-current assets	—	—	25	1,928	—	1,953
Total assets	336,554	230,974	237,034	197,944	(533,820)	468,686
Accounts payable	—	2,913	—	21,517	—	24,430
Amount due to group companies ⁽³⁾⁽⁵⁾	8,150	1,088	203	93,740	(103,181)	—
Contract liabilities, current portion	—	1,652	—	34,723	—	36,375
Income tax payable	72	1,034	546	4,739	—	6,391
Accrued liabilities and other payables	3,470	4,422	3,781	42,035	—	53,708
Lease liabilities, current portion	—	—	—	276	—	276
Bank borrowings, current portion	—	—	—	6,906	—	6,906
Contract liabilities and deferred income, non-current portion	—	—	—	846	—	846
Deferred tax liabilities	—	—	—	513	—	513
Bank borrowings, non-current portion	—	—	—	15,539	—	15,539
Lease liabilities, non-current portion	—	—	—	229	—	229
Deficits in subsidiaries and consolidated VIE ⁽²⁾	—	—	90,632	—	(90,632)	—
Amount due to group companies, non-current portion ⁽³⁾	—	91,360	39,602	68,902	(199,864)	—
Total liabilities	11,692	102,469	134,764	289,965	(393,677)	145,213
Total shareholders' equity/(deficits)	324,862	128,505	102,270	(90,632)	(140,143)	324,862
Non-controlling interests	—	—	—	(1,389)	—	(1,389)
Total liabilities, non-controlling interests and shareholders' equity	336,554	230,974	237,034	197,944	(533,820)	468,686

Selected Condensed Consolidated Statements of Cash Flows Data

	For the year ended December 31, 2025					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
	(US\$ in thousands)					
Purchases of goods and services from group companies (4)	—	(2,399)	(3)	(29,486)	31,888	—
Sales of goods and services to group companies (4)	—	—	28,975	2,913	(31,888)	—
Other operating activities with external parties	(1,848)	8,842	(3,457)	28,942	—	32,479
Net cash (used in)/generated from operating activities	(1,848)	6,443	25,515	2,369	—	32,479
Loans to group companies (4)	(5,710)	—	(60,248)	—	65,958	—
Repayment of loans from group companies (4)	2,365	—	42,164	—	(44,529)	—
Other investing activities with external parties	6,425	(5,472)	(29,523)	(70,526)	—	(99,096)
Net cash generated from/(used in) investing activities	3,080	(5,472)	(47,607)	(70,526)	21,429	(99,096)
Loans from group companies (4)	—	5,710	—	60,248	(65,958)	—
Repayment of loans to group companies (4)	—	(2,365)	—	(42,164)	44,529	—
Other financing activities with external parties	(951)	—	—	46,431	—	45,480
Net cash (used in)/generated from financing activities	(951)	3,345	—	64,515	(21,429)	45,480
Net increase/(decrease) in cash and cash equivalents	281	4,316	(22,092)	(3,642)	—	(21,137)
Cash, cash equivalents and restricted cash at beginning of year	33,275	28,531	73,009	42,732	—	177,547
Effect of exchange rates on cash, cash equivalents and restricted cash	—	—	808	608	—	1,416
Cash, cash equivalents and restricted cash at end of year	33,556	32,847	51,725	39,698	—	157,826

	For the year ended December 31, 2024					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
			(US\$ in thousands)			
Purchases of goods and services from group companies ⁽⁴⁾	—	—	(504)	—	504	—
Sales of goods and services to group companies ⁽⁴⁾	—	—	—	504	(504)	—
Other operating activities with external parties	1,143	9,019	(8,989)	29,803	—	30,976
Net cash generated from/(used in) operating activities	1,143	9,019	(9,493)	30,307	—	30,976
Loans to group companies ⁽⁴⁾	(7,081)	—	(7,003)	—	14,084	—
Repayment of loans from group companies ⁽⁴⁾	23	500	28,028	342	(28,893)	—
Other investing activities with external parties	15,464	(2,808)	(24,136)	(10,433)	—	(21,913)
Net cash generated from/(used in) investing activities	8,406	(2,308)	(3,111)	(10,091)	(14,809)	(21,913)
Loans from group companies ⁽⁴⁾	—	7,081	—	7,003	(14,084)	—
Repayment of loans to group companies ⁽⁴⁾	(500)	(23)	(342)	(28,028)	28,893	—
Other financing activities with external parties	(7,693)	—	—	6,768	—	(925)
Net cash (used in)/generated from financing activities	(8,193)	7,058	(342)	(14,257)	14,809	(925)
Net increase/(decrease) in cash and cash equivalents	1,356	13,769	(12,946)	5,959	—	8,138
Cash, cash equivalents and restricted cash at beginning of year	31,919	14,762	86,835	37,286	—	170,802
Effect of exchange rates on cash, cash equivalents and restricted cash	—	—	(880)	(513)	—	(1,393)
Cash, cash equivalents and restricted cash at end of year	33,275	28,531	73,009	42,732	—	177,547

	For the year ended December 31, 2023					Consolidated Group
	Xunlei Limited	Other subsidiaries	WFOEs	VIEs and their subsidiaries	Elimination	
			(US\$ in thousands)			
Purchases of goods and services from group companies ⁽⁴⁾	—	—	(217)	—	217	—
Sales of goods and services to group companies ⁽⁴⁾	—	—	—	217	(217)	—
Other operating activities with external parties	(391)	4,198	(5,725)	27,634	—	25,716
Net cash (used in)/generated from operating activities	(391)	4,198	(5,942)	27,851	—	25,716
Loans to group companies ⁽⁴⁾	(188)	(3,150)	(437)	—	3,775	—
Repayment of loans from group companies ⁽⁴⁾	—	—	19,285	—	(19,285)	—
Other investing activities with external parties	2,031	—	(3,944)	(21,985)	—	(23,898)
Net cash generated from/(used in) investing activities	1,843	(3,150)	14,904	(21,985)	(15,510)	(23,898)
Loans from group companies ⁽⁴⁾	3,150	188	—	437	(3,775)	—
Repayment of loans to group companies ⁽⁴⁾	—	—	—	(19,285)	19,285	—
Other financing activities with external parties	(4,687)	—	—	(8,837)	—	(13,524)
Net cash (used in)/generated from financing activities	(1,537)	188	—	(27,685)	15,510	(13,524)
Net (decrease)/increase in cash and cash equivalents	(85)	1,236	8,962	(21,819)	—	(11,706)
Cash, cash equivalents and restricted cash at beginning of year	32,004	13,526	79,482	59,796	—	184,808
Effect of exchange rates on cash, cash equivalents and restricted cash	—	—	(1,609)	(691)	—	(2,300)
Cash, cash equivalents and restricted cash at end of year	31,919	14,762	86,835	37,286	—	170,802

Notes:

- (1) Inter-company sales of goods and services were eliminated at the consolidation level.
- (2) It represents the elimination of the investments in subsidiaries and the VIEs and their subsidiaries by group companies.
- (3) It represents the elimination of inter-company balances among Xunlei Limited, other subsidiaries, our WFOEs, the VIEs and their subsidiaries.
- (4) It represents the elimination of inter-company operating, investing and financing activities among Xunlei Limited, other subsidiaries, our WFOE, the VIEs and their subsidiaries.
- (5) For the years ended December 31, 2023, 2024 and 2025, the VIEs incurred US\$12.9 million, US\$12.7 million and US\$11.6 million, in fees related to technical services provided by our WFOEs and our WFOEs concurrently recognized the same amounts as revenues, respectively. Unsettled balance of such transactions was US\$30.6 million and US\$14.5 million as of December 31, 2024 and 2025, respectively.

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 involves significant risks. You should carefully consider all of the information in this annual report, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Business

Risks and uncertainties relating to our business include, but are not limited to, the following:

- Our business model has been undergoing significant innovation and transition, and our historical growth rate may not be indicative of our future performance and our new business may not be successful;
- The laws and regulations governing the operation of blockchain products and services in China are evolving and subject to changes. If we fail to comply with existing and future applicable laws, regulations or requirements of local regulatory authorities, our business, financial condition and results of operations may be materially and adversely affected;
- We may not be able to retain our large user base, convert our users into subscribers of our premium services or maintain our existing subscribers;
- The intellectual property protection mechanism we have implemented may not always be effective or sufficient. Certain services we provide to our users have exposed us to and may continue to expose us to copyright infringement claims and other related claims. Any damage awards, injunctive relief and/or court orders could materially and adversely affect our existing business model, divert our management's attention and adversely impact our business and reputation;
- We are subject to various risks in connection with our international operations;
- If we fail to keep up with the technological development in the internet industry and users' changing demand, our business, financial condition and results of operations may be materially and adversely affected;
- We may be subject to claims or lawsuits outside of China, which could increase our risk of direct or indirect liabilities for our existing or future service offerings;
- We may not be able to prevent unauthorized use of our intellectual property or disclosure of our trade secrets and other proprietary information, which could reduce demand for our services and have material and adverse impacts on our business, financial condition and results of operations;
- The revenue model for our live-streaming business may not remain effective and we cannot guarantee that our future monetization strategies will be successfully implemented or generate sustainable revenues and profit;

- We may fail to offer attractive content for our live-streaming services or to attract and retain talented and popular broadcasters, which may materially adversely affect the operation of our live-streaming services and its results of operations;
- We may be held liable for information or content displayed on, retrieved from or linked to our platform, or distributed to our users, if such content is deemed to violate laws or regulations in China and other jurisdictions, or for improper or fraudulent activities conducted on our platform, and authorities in China and the relevant jurisdictions may impose legal sanctions on us and our reputation may be damaged; and
- System failure, interruptions and downtime, including those caused by cyber-attacks or security breaches, can result in user dissatisfaction, adverse publicity or leakage of confidential information of our users and customers, and our business, financial condition, results of operations may be materially and adversely affected; and
- Our business is subject to complex and evolving PRC and international laws and regulations regarding data privacy and cybersecurity. Failure to comply with these laws and regulations would result in claims, penalties, damages to our reputation and brand or otherwise harm our business.
- If we are deemed an “investment company” under the Investment Company Act of 1940, it could adversely affect the price of the ADSs and could materially and adversely affect our business, results of operations, and financial condition.

Risks Related to Our Corporate Structure

Risks and uncertainties relating to our corporate structure include, without limitation, the following:

- If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC governmental restrictions on foreign investment in internet-related business and foreign investors’ mergers and acquisition activities in China, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations;
- We rely on contractual arrangements with the variable interest entities in China and their shareholders for our operations, which may not be as effective as ownership in providing operational control over the variable interest entities and their subsidiaries; and
- Any failure by the variable interest entities or their shareholders to perform their obligations under our contractual arrangements with them may have a material adverse effect on our business.

Risks Related to Doing Business in China

We are also subject to risks and uncertainties relating to doing business in China in general, including, but are not limited to, the following:

- Changes in China’s economic, political or social conditions or government policies could have a material adverse effect on our business and operations. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Changes in China’s economic, political or social conditions or government policies could have a material adverse effect on our business and operations”;
- Regulation and censorship of information disseminated over the internet in China have adversely affected our business and may continue to adversely affect our business, and we may be liable for the digital media content on our platform. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Regulation and censorship of information disseminated over the internet in China have adversely affected our business and may continue to adversely affect our business, and we may be liable for the digital media content on our platform”;

- The PRC government’s oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC government’s oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs”;
- Uncertainties with respect to the PRC legal system could adversely affect us. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could adversely affect us”;
- The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections”; and
- Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

General Risks Related to Our ADSs

In addition to the risks described above, we are subject to general risks related to the ADSs, including, without limitation, the following:

- The market price of our ADSs may be volatile;
- You may be subject to limitations on transfer of your ADSs;
- 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 common shares which are represented by your ADSs are voted; and
- You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited because we are incorporated under Cayman Islands law, we conduct our operations primarily in China and substantially all of our directors and officers reside outside the United States.

Risks Related to Our Business

Our business model has been undergoing significant innovation and transition, and our historical growth rate may not be indicative of our future performance and our new business may not be successful.

We launched our core product, Xunlei Accelerator, in 2004 and introduced subscription services in 2009 to enable users to quickly access and consume digital media content. Coupled with our core product and services, we also provide a range of internet value-added services. Our cloud acceleration product offered by our subscription services has maintained nationwide popularity over the past few years. Our business model has been undergoing significant innovation and continued transition. For example, we launched and then sold cloud computing products and services in recent years. We had also operated domestic video and audio live-streaming businesses and later shut them down and started overseas audio live-streaming business. Changes in business model and expansion into new services involve new risks and challenges. If we fail to explore these new technologies and apply them innovatively to keep our products and services competitive, we may experience immediate decline in the growth of our businesses. In addition, the regulatory environment surrounding these businesses may also be evolving and any unfavorable developments may adversely affect our businesses.

Apart from Xunlei Accelerator, we launched our video live-streaming business in 2016 and audio live-streaming business in 2018. In 2021, we further diversified our live-streaming products portfolio by rolling out Hiya in April 2021, an audio live-streaming product for overseas markets primarily in the Middle East, North Africa and Southeast Asia, and Hiya Voice in September 2021, another audio live-streaming product mainly focusing on the China market. Users may chat and interact with broadcasters, and they can purchase virtual gifts from the platform to reward the broadcasters they like. In 2023, we streamlined our audio live-streaming business by terminating the operations of Hiya Voice in China to adapt to the evolving market conditions. In 2024, we further terminated our video live-streaming services offered on Xunlei Live in China. As a result, we have ceased providing both audio and video live-streaming services in China, while we continue to provide audio live-streaming services in overseas markets. In May 2025, we acquired Hupu, which is a leading sports chat-room platform with millions of sports enthusiasts.

Although we continue to improve our existing products and services and roll out new offerings to capitalize on growth opportunities, our efforts may not be successful. For instance, in November 2024, we established a global technology center in Hong Kong, which serves as an integrated platform for technological research and development, innovation incubation, and international collaboration. The center may encompass a technology open platform, an AI laboratory, and an investment incubator, among other components. This initiative aims to facilitate the dissemination of cutting-edge technologies for global businesses while providing decentralized solutions for various industries. We also announced to set up an AI research center in Hangzhou, Zhejiang Province. There can be no assurance that we will be successful in these endeavors, if at all. In addition, the laws and regulations concerning these technologies in China and around the globe are evolving and subject to changes. If we fail to comply with existing and future applicable laws, regulations or requirements for our future products and services, our business, financial condition and results of operations may be materially and adversely affected. See also “—We may not be able to retain our large user base, convert our users into subscribers of our premium services or maintain our existing subscribers” and “—Risks Related to Doing Business in China—Regulation and censorship of information disseminated over the internet in China have adversely affected our business and may continue to adversely affect our business, and we may be liable for the digital media content on our platform.”

Additionally, we may from time to time in the future divest certain portion of our business or undergo strategic business reorganization. Such potential divestment and reorganization of our business may create uncertainty and disrupt our operations, adversely affecting our relationships with employees, customers, suppliers, and other stakeholders. Successfully executing these processes involves complex procedures that require significant management attention and resources. There can be no assurance of timely or successful completion. Such potential divestment and reorganization of our business may incur significant financial costs, such as increased costs or reduced revenues, and the anticipated benefits, such as cost savings or improved operational efficiency, may not be realized as expected. These activities are typically subject to various regulatory approvals and legal requirements, and failure to obtain necessary approvals or comply with legal requirements could delay or prevent completion, potentially resulting in legal liabilities or penalties. Even after completion, long-term uncertainties regarding the stability and success of our business may persist, posing ongoing risks to our financial health and operational stability. Specifically, such potential divestment and reorganization may hinder our ability to pursue growth opportunities and maintain competitive advantage. These risks could disrupt our ability to manage our business, which may materially and adversely affect our business operations, results of operations, and financial position.

Due to the abovementioned factors, our historical growth rate may not be indicative of our future performance and our new business initiatives may not be successful. As a result, we cannot assure you that we will grow at the same rate as we did in the past, if at all.

We may not be able to retain our large user base, convert our users into subscribers of our premium services or maintain our existing subscribers.

Our Xunlei Accelerator had approximately 50.5 million monthly unique visitors in December 2025 according to our internal records. If we are unable to consistently provide our users with quality services and experience, if users do not perceive our service offerings to be of value, or if we introduce new or adjust existing features or change the mix of digital media content in a manner that is not favorably received by our users, we may not be able to retain our existing user base.

We experienced fluctuations in the number of subscribers in the past partly due to the intensified scrutiny over internet content from the Chinese government, and may continue to experience fluctuations in the future. We put in more efforts to monitor the content on our platform in response to government campaigns against inappropriate internet content and experienced a decline in the number of subscribers from 2014 to 2020. However, we have managed to realize a growth in the number of subscribers since 2020 primarily as a result of our renewed efforts on and continuous optimization and development of the product. Specifically, we recorded a record high of the number of subscribers in December 2025. Nonetheless, such favorable trends may not sustain, and any increase in the number of subscribers may not necessarily lead to a corresponding increase in revenue. Similar government action or other forces may make it challenging for us to retain our user base, or may contribute to a decline in our user base, in the future. See “—Risks Related to Doing Business in China—Regulation and censorship of information disseminated over the internet in China have adversely affected our business and may continue to adversely affect our business, and we may be liable for the digital media content on our platform.”

In the long term, even without taking into account the abovementioned restrictions, we cannot assure you that we would be able to retain our large user or subscriber base. For example, our efforts to provide greater incentives for our users to subscribe, including marketing activities to highlight the value of differentiated subscriber-only services, such as Green Channel, may not continue to succeed. Our subscribers may stop their subscriptions or other spending on our products or services because we no longer serve their needs or if we are unable to offer a satisfying user experience or successfully compete with current and new competitors in both retaining our existing subscribers and attracting new subscribers, which would adversely impact our business, results of operations and prospects. In addition, the development of technologies may also render our acceleration technology obsolete.

We believe that maintaining and enhancing our Xunlei brand is of significant importance to the success of our business. A well-recognized brand is critical to increasing our user base and, in turn, enhancing our attractiveness to advertisers, subscribers and paying users. If we fail to sustain or improve the strength of our brand, we may subsequently experience difficulty in maintaining market share. We have developed our reputation and established a leading position by providing our users with superior acceleration services. We will continue to conduct various marketing and brand promotion activities. We cannot assure you, however, that these activities will be successful and achieve the brand promotion effects we expect. In addition, any negative publicity in relation to our services or our marketing or promotion practices, regardless of its veracity, could harm our brand image and, in turn, result in a reduced number of users and advertisers. Historically, there was negative publicity about our company, our products and services and certain key members of our management team, which adversely affected our brand, public image and reputation. If we fail to maintain and enhance our brand, or if we incur excessive expenses in this effort, our business, financial condition and results of operations may be materially and adversely affected.

The intellectual property protection mechanism we have implemented may not always be effective or sufficient. Certain services we provide to our users have exposed us to and may continue to expose us to copyright infringement claims and other related claims. Any damage awards, injunctive relief and/or court orders could materially and adversely affect our existing business model, divert our management’s attention and adversely impact our business and reputation.

Our success depends, in large part, on our ability to operate our business without infringing, misappropriating or otherwise violating third-party rights, including third-party intellectual property rights. Internet, technology and media companies are frequently involved in litigations based on allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of third-party rights. In the ordinary course of our business, we receive, from time to time, written notices from third parties claiming that certain content and games on our network, websites, products or services infringe their copyrights or the copyrights of third parties. These notices may contain threats to take legal actions against us or requests for cessation of distribution, marketing or displaying such content or games on our network, websites, products or services. As of the date of this annual report, we are involved in four pending copyright lawsuits in China. Almost all of these claims alleged that content on our network, products or services constitute infringements of the plaintiffs’ copyrights. For example, in November 2025, Hupu was sued for alleged unauthorized dissemination of NBA game content and unauthorized use of the “NBA” trademark, with claimed damages in an aggregate amount of approximately RMB86.5 million (US\$12.1 million). The case is currently pending first-instance substantive proceedings. The total amount of damages claimed in these pending copyright lawsuits is approximately RMB87.2 million (US\$12.2 million). These pending lawsuits, claims alleging copyright infringement or other claims arising from the content accessible through our distributed computing network, or on our websites or through our other services, with or without merit, may lead to damage awards and/or court orders, diversion of our management’s attention and financial resources and negative publicity affecting our brand and reputation, and therefore may adversely affect our results of operations and business prospects.

We provide subscribers with limited space to temporarily store content downloaded on our servers for optimal acceleration performance. Subscribers may also request our cloud servers to transmit a file on their behalf and download it to their local storage. We also provide users with cloud storage services through Xunlei Cloud Drive, which allows users to download and upload documents, images, audios, videos and other files to cloud servers at an accelerated speed. See “Item 4. Information on the Company—B. Business Overview—Our Platform.” Although we have made commercially reasonable efforts to request users to comply with applicable intellectual property laws, we cannot ensure that all of our users have the rights to use, transmit or share such content or if such content do not infringe third-party intellectual property rights. We have implemented internal procedures to meet the requirements under laws and regulations of the PRC and certain other jurisdictions to monitor and review content available on our platform, and remove content promptly once we receive notice of infringement from the legitimate right holder. See also “Item 4. Information on the Company—B. Business Overview—Intellectual Property—Digital media data monitoring and copyright protection” for more details. However, due to the significant amount of digital media content accessible through our acceleration services and other value-added services, we cannot guarantee the effectiveness of our intellectual property protection mechanisms and measures. We may be liable for temporarily storing or transmitting content or creating links representing content on behalf of our subscribers if such content infringes third-party intellectual property rights, and any such potential legal liabilities could materially and adversely affect our business.

In addition, we cannot assure you that our technologies, business methods and services will be free from claims of patent infringements, and that patent holders would not seek to enforce such patents against us in China, the United States or any other jurisdictions. We are not currently involved in any patent infringement case in China. However, we were involved in a patent infringement case in the past and we cannot assure you that we will not be involved in similar cases in the future. In addition, our analysis may fail to identify all relevant patents and patent applications. For example, there may be currently pending applications, unknown to us, that may later result in issued patents that are infringed by our products, services or other aspects of our business. There could also be existing patents of which we are not aware that our products may inadvertently infringe. Third parties may attempt to enforce such patents against us. Further, the application and interpretation of PRC patent laws and the procedures and standards for granting patents in China are still evolving, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. Any patent infringement claims, regardless of their merits, could be time-consuming and costly to us. If we were found to infringe third-party patents and were not able to adopt non-infringing technologies, our ability to operate our business may be severely limited, and our results of operations could be materially and adversely affected.

The validity, enforceability and scope of protection of intellectual property in internet-related industries in different jurisdictions are uncertain and still evolving. As we face increasing competition and as litigation becomes more common in resolving commercial disputes in China and overseas countries, we face a higher risk of intellectual property infringement claims. Pursuant to a judicial interpretation on infringement of the right of internet dissemination promulgated by the Supreme People’s Court of China in December 2012, which was revised in December 2020 and became effective on January 1, 2021, service providers are required to remove not only links or content specifically mentioned in the notices of infringement from rights holders, but also links or content they “should have known” to contain infringing content. The interpretation further provides that where an internet service provider has directly obtained economic benefits from any content made available by an internet user, it has a higher duty of care with respect to internet users’ infringement of third-party copyrights. This interpretation may subject internet service providers, including us, to significant administrative burdens and litigation risks. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on intellectual property rights.” Interested parties may lobby for more robust intellectual property protection in jurisdictions in which we conduct business or may conduct business, and intellectual property laws in China and other such jurisdictions where we have business operations, such as the Middle East and Southeast Asia, may become less favorable to our business. Any of such changes could materially affect our users’ experience and in turn have a material adverse impact on our business.

We are subject to various risks in connection with our international operations.

We have been exploring opportunities in overseas markets. For example, in 2021, we launched Hiya, an audio live-streaming platform targeting overseas markets. Users of Hiya are mainly from countries in the Middle East, Southeast Asia, South Asia and North Africa. Operating business internationally may expose us to additional risks and uncertainties. As we have very limited experience in operating our business in overseas markets, we may be unable to attract a sufficient number of users, fail to anticipate competitive conditions or face difficulties in operating effectively or adapting our business models in overseas markets. Our international operations and expansion efforts have resulted in and may continue to result in increased costs and are subject to a variety of risks, including difficulties in obtaining licenses, approvals or other applicable government authorizations, content controls imposed by local authorities, uncertain enforcement of our intellectual property rights, potential claims for intellectual property infringements and the complexity of compliance with foreign laws and regulations. Compliance with applicable laws, regulations and rules related to our business in multiple jurisdictions, including those related to live-streaming services, content, data privacy, virtual items, anti-corruption, anti-money laundering and protection of minors, results in costs and potential risks in doing business in these jurisdictions, including the Middle East, Southeast Asia, South Asia and North Africa. In some cases, compliance with the laws and regulations in one jurisdiction may result in a violation of the laws and regulations of another jurisdiction. We have users across multiple jurisdictions, each of which is subject to different legal systems and regulatory requirements. As a result, we may be required to obtain relevant licenses or otherwise comply with the laws and regulations of a particular jurisdiction solely because users located there access the services of our overseas products, even where our operating entities are neither incorporated in, nor maintain a physical presence or local operations in, that jurisdiction. As we expand our business overseas, we cannot assure you that we will be able to fully comply with the legal requirements of each jurisdiction and successfully adapt our business model to local market conditions.

Our overseas operations could also be materially and adversely affected by heightened tensions in international relations. In recent years, there have been changes in international trade policies and rising political tensions, particularly between the U.S. and China. See “—The current tensions in international trade and rising international political tensions may adversely affect our business, financial condition, and results of operations.”

We are also exposed to credit and collectability risk on our trade receivables in certain international markets. There can be no assurance that we can effectively limit our credit risk and avoid losses. In addition, political instability may also expose us to additional risks and uncertainties. If any of these economic or political risks materializes and we fail to anticipate and effectively manage them, we may suffer a material adverse effect on our business and results of operations.

The current tensions in international trade and rising international political tensions may adversely affect our business, financial condition, and results of operations.

There have been heightened tensions in international economic relations in recent years and these tensions may continue to escalate in the future. These tensions have resulted in changes in international trade policies and, if they further escalate, may result in additional barriers to trade. For example, the tensions between the United States and China in recent years have led to additional, or higher tariffs imposed by the United States on products imported from China and restrictions on the sale of certain products into the United States. China has responded by imposing, and proposing to impose additional, or higher tariffs on products imported from the United States, among other measures.

In addition, international political tensions have escalated and continue to be subject to uncertainties with respect to a wide range of issues. The U.S. government has also adopted measures aiming to prohibit or restrict U.S. investment in China-associated companies that operate in certain industries. Specifically, the U.S. government has taken efforts to limit the outbound U.S. investments to China. On August 9, 2023, the Biden administration of the United States released an executive order directing the Department of Treasury to create an outbound foreign direct investment review program that would require reporting on or (in more narrow circumstances) prohibit investments by U.S. persons involving “covered national security technologies and products.” On October 28, 2024, the Department of Treasury issued a final rule to implement the executive order, providing details on technical specifications and other aspects of the operative regulations, which came into effect on January 2, 2025. This is referred to as the Outbound Investment Rule. The Outbound Investment Rule imposes investment prohibitions and notification requirements on U.S. persons for a wide range of investments in entities associated with “countries of concern,” currently only China, that are engaged in activities relating to (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. These entities are collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, transactions involving Covered Foreign Persons that are defined as “covered transactions,” although the Outbound Investment Rule excludes some investments from the scope of covered transactions, including those in publicly traded securities. The Outbound Investment Rule introduces new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. If we were to be deemed a “Covered Foreign Person,” and if U.S. persons were to engage in a “covered transaction” (as defined under the Outbound Investment Rule) that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Outbound Investment Rule. In addition, even though U.S. persons’ acquisitions of publicly traded securities (such as our ADSs) will be exempted from the scope of covered transactions under the Outbound Investment Rule, the rule could still limit our ability to raise capital or contingent equity capital from U.S. investors given that the relevant laws, regulations, and policies continue to evolve and we cannot rule out the possibility of being deemed a Covered Foreign Person in the future due to different views taken by the U.S. Department of Treasury, potential amendments to the Outbound Investment Rule or the introduction of additional regulations. On February 21, 2025, the White House released President Trump’s “America First Investment Policy” memorandum, outlining several initiatives to incentivize investment from U.S. allies and partners while restricting investments involving “foreign adversaries,” including China. Among other things, the policy aims to expand the industry sectors covered by the U.S. outbound investment regulations and supplement outbound restrictions through the imposition of sanctions. As of the date of this annual report, the proposed changes under the America First Investment Policy are not implemented, although the proposed restrictions may further deepen the uncertainties for cross-border collaborations, investments, and funding opportunities for China-based issuers including us. In addition, on December 18, 2025, the Comprehensive Outbound Investment National Security Act of 2025, or the COINS Act, was signed into law. The COINS Act will keep the core of the Outbound Investment Rule while expanding its scope and coverage and clearly including underwriting services as an exception and amending certain key definitions such as “Covered Foreign Person.” The COINS Act will not take effect until the Department of Treasury issues new regulations (subject to notice and comment), which it must do by March 13, 2027, providing Department of Treasury with the opportunity to further amend or expand existing prohibitions and restrictions in accordance with the COINS Act. In the meantime, the existing Outbound Investment Rule will remain in effect. The content of the implementation regulations remains uncertain. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects, and our ADSs may significantly decline in value.

Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities, which would materially and adversely affect the global economic conditions and the stability of global financial markets. These developments may also lead to increased compliance costs, operational disruptions, and potential constraints on our access to capital markets. The possibility of the U.S. government delisting China-associated companies from U.S. stock exchanges, as recently reported in the media, creates uncertainty regarding our ability to maintain our Nasdaq listing. Any further escalation of international tensions may have a negative impact on the general, economic, political, and social conditions of the countries where we operate and, in turn, adversely impact our business, financial condition, results of operations, and the price of our ADSs.

If we fail to keep up with the technological development in the internet industry and users' changing demand, our business, financial condition and results of operations may be materially and adversely affected.

The internet industry is rapidly evolving and subject to continual technological changes. As the internet infrastructure continues to develop, the internet may become more easily accessible through alternative technological innovations in the future, which may make our existing products and services less attractive to our users. In addition, user demand for internet content may also shift over time. Currently, internet users appear to have significant demand for multimedia acceleration, online games and online streaming services, and we expect such demand to continue. However, we cannot assure you that the behavior of internet users will not change in the future. If we fail to upgrade our services in response to changes in user demand in an effective and timely manner, the number of our users and advertisers may decrease.

Furthermore, changes in technologies and user demand may require substantial capital expenditures in product development and infrastructure. To further expand our user base and offer our users a wider range of access points, we are expanding our business to mobile devices in part through potentially pre-installed acceleration products in mobile phones. In addition, we are continually developing and upgrading products and services, and seeking strategic cooperation with hardware manufacturers such as smartphone makers, all of which may require us to devote significant resources. However, if we are not able to perfect our new technologies or to achieve the intended results, if our innovations cannot respond to the needs of our users, or if our users are not attracted to our upgraded or new products and services, we may not be able to maintain or expand our user base, and our business, results of operations and prospects may be materially and adversely affected.

We may be subject to claims or lawsuits outside of China, which could increase our risk of direct or indirect liabilities for our existing or future service offerings.

We may be subject to claims or lawsuits outside of China, such as the United States, the Middle East and Southeast Asia, by virtue of our listing in the United States, the ownership of our ADSs by investors, doing business in overseas markets, the extraterritorial application of foreign law by foreign courts or for other reasons. We have attracted, and expect to continue to attract, attention from intellectual property owners outside of China. With the expansion of our overseas business, users in different jurisdictions such as the Middle East and Southeast Asia are able to access our products and services. If we are determined to be bound by the copyright laws and regulations in jurisdictions outside of China by virtue of allowing users in those jurisdictions to access our products and services, we would be subject to heightened risks of intellectual property infringement liabilities. If a claim of infringement brought against us in the United States or other jurisdictions is successful, we may be required to (i) pay substantial statutory or other damages and fines, (ii) remove relevant content from our website, (iii) discontinue products or services, (iv) disable access through our service to certain sites or content; (v) terminate users, and/or (vi) seek royalty or license agreements that may not be available on commercially reasonable terms, or at all.

In addition, as a publicly listed company, we may be exposed to increased risk of litigation. For example, we were involved in shareholder class action lawsuits in the United States. We may be involved in more class action lawsuits in the future. While these claims may be without merit, such kinds of lawsuits could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the lawsuits. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

We may not be able to prevent unauthorized use of our intellectual property or disclosure of our trade secrets and other proprietary information, which could reduce demand for our services and have material and adverse impacts on our business, financial condition and results of operations.

Our patents, trademarks, trade secrets, copyrights and other intellectual property rights are important assets for us. Events that are outside of our control may pose a threat to our intellectual property rights. For example, effective intellectual property protection may not be available in China and some other jurisdictions in which our services are distributed or made available through the internet. Also, the efforts we have made to protect our proprietary rights may not be sufficient or effective. Therefore, legal proceedings to enforce our intellectual property in these jurisdictions may progress slowly, during which time infringement may continue largely unimpeded. These factors may make it more challenging for us to enforce our intellectual property rights against infringement. The infringement of our intellectual property rights, particularly in these jurisdictions, may materially harm our business and competitiveness in these markets and elsewhere by reducing our sales, adversely affecting our results of operations and diluting our brand or reputation. Any significant impairment of our intellectual property rights could harm our business or our competitiveness. Also, protecting our intellectual property rights is costly and time-consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to conduct our business and harm our results of operations.

We seek to obtain patent protection for our innovations. However, it is possible that patent protection may not be available for some of these innovations. In addition, given the costs of obtaining patent protection, we may choose not to protect certain innovations that later turn out to be important. Furthermore, there is always the possibility that, despite our efforts, the scope of the protection gained will be insufficient or that an issued patent may be deemed invalid or unenforceable.

We also seek to maintain certain intellectual property as trade secrets. We require our employees, consultants, advisors and collaborators to enter into confidentiality agreements in order to protect our trade secrets and other proprietary information. These agreements might not effectively prevent disclosure of our trade secrets, know-how or other proprietary information and might not provide an adequate remedy in the event of unauthorized disclosure of such confidential information. In addition, others may independently discover our trade secrets and proprietary information, in which case we cannot assert such trade secret rights against such parties. Any unauthorized disclosure or independent discovery of our trade secrets would deprive us of the associated competitive advantages. Costly and time-consuming litigations could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

The revenue model for our live-streaming business may not remain effective and we cannot guarantee that our future monetization strategies will be successfully implemented or generate sustainable revenues and profit.

We provide live-streaming services in overseas markets mainly through Hiya and WeFun mobile app. Live-streaming services contributed a significant portion of our total revenues in recent years. In 2025, revenue from live-streaming services contributed approximately 25.0% of our total revenues. The live-streaming industry is highly competitive and there are several well-established and successful players in this market. We may not be able to compete effectively with our competitors and realize intended growth of our live-streaming business. We are not sure whether our services will be accepted by the market and generate projected revenues. The user demand may also change, decrease substantially or dissipate, and we may fail to anticipate and serve user demands effectively and timely. We factor in industry standards and expected user demand in determining how to optimize virtual item merchandise effectively. However, if we fail to properly manage the supply and timing of our virtual items and their appropriate prices, our users may be less likely to purchase these virtual items from us. In addition, if users' spending habits change and they choose to only access our content for free without additional purchases, we may not be able to continue to successfully implement the virtual items-based revenue model for our live-streaming business, in which case we may have to provide other value-added services or products to monetize our user base. We cannot guarantee that our attempts to monetize our user base and products and services will continue to be successful, profitable or widely accepted, and therefore the future revenue and income potential of our business may be difficult to evaluate.

We have focused on growing our audio content library to align with users' evolving interests. We actively monitor viewership trends and community feedback to identify popular audio content and encourage our broadcasters to create engaging topics. However, if we fail to continue to diversify and enhance our audio content offerings, or maintain the quality of our audio content, we may experience decreased viewership and user engagement, which may materially and adversely affect our results of operations and financial condition.

The success of our audio live-streaming services heavily relies on our broadcasters, who are instrumental in producing high-quality and engaging content. We have implemented a comprehensive incentive mechanism to motivate broadcasters to deliver content that appeals to our audience. Additionally, we have established cooperation agreements with popular broadcasters. Nonetheless, if broadcasters or talent agencies breach these agreements, choose not to renew them, or if we fail to attract new talented broadcasters, our platform's popularity may decline, which could materially and adversely affect our results of operations and financial condition.

We may be held liable for information or content displayed on, retrieved from or linked to our platform, or distributed to our users, if such content is deemed to violate laws or regulations in China and other jurisdictions, or for improper or fraudulent activities conducted on our platform, and authorities in China and the relevant jurisdictions may impose legal sanctions on us and our reputation may be damaged.

Our live-streaming services provided in overseas market enable users to interact and chat with broadcasters and other users and engage in various other online activities, for which we do not require our broadcasters to register their real names. Therefore, broadcasters and/or users may engage in illegal, obscene or incendiary conversations or activities, including publishing inappropriate or illegal content that may be deemed unlawful under laws and regulations of the relevant jurisdictions on our platform or in the chat-rooms created through our apps.

In addition, in May 2025, we closed the acquisition of Shanghai Kuanghui Network Technology Co., Ltd., or Shanghai Kuanghui, which operated Hupu, a leading sports media and data platform in China, for a total cash consideration of RMB500 million. Hupu is a community platform, and accordingly, we have been responsible for the review and management of the content posted by users on it after the acquisition. Any failure to fulfill such responsibility could subject us to penalties, including fines, suspension of business and revocation of the relevant licenses. For example, in 2024, Shanghai Kuanghui was fined by the Shanghai Cyberspace Administration for failing to fully perform its responsibility in managing illegal content posted by users.

If any content on our platforms is deemed illegal, obscene or incendiary, or if appropriate licenses and third-party consents have not been obtained, claims may also be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or other theories and claims based on the nature and content of the materials that are provided, uploaded, shared, published or otherwise accessed by users or us through our platform. Defending any such actions could be costly and involve significant amounts of time and attention of our management and other resources. In addition, government authorities of the PRC or other jurisdictions may impose sanctions on us, including, in serious cases, suspending or revoking the licenses necessary to operate our platform if they find that we have not adequately managed the content on our platform. Any such claims or sanctions against us could materially and adversely affect our business and our brand.

System failure, interruptions and downtime, including those caused by cyber-attacks or security breaches, can result in user dissatisfaction, adverse publicity or leakage of confidential information of our users and customers, and our business, financial condition, results of operations may be materially and adversely affected.

Our operations rely on our networks and servers, which can suffer system failures, interruptions and downtime. Despite the implementation of our security measures, our network systems are vulnerable to damage from computer viruses, fires, floods, earthquakes, power losses, telecommunication failures, computer hacking, security breach and similar events, which may result in interruptions to the services we provide, degrade of user experience, disclosure of our data or user data, such as personal information, names, accounts, user IDs and passwords, and payment or transaction related information, or cause users to lose confidence in our products and services. Our efforts to protect our data and user data may also be unsuccessful due to software bugs or other technical malfunctions, employee error or malfeasance, government surveillance, or other factors.

The satisfactory performance, stability, security and availability of our websites and our network infrastructure are critical to our reputation and our ability to attract and retain users and business partners. Our network and servers contain information regarding file index, advertising records, premium licensed digital media content and various other facets of the business to assist management and help ensure effective communication among various departments and offices of our company. Any failure to maintain the satisfactory performance, stability, security and availability of our network, website, servers or technology platform, whether such failure results from intentional cyber-attacks by hackers, from issues with our own technology and team or from other factors beyond our control, may cause significant harm to our reputation and impact our ability to attract and maintain users and business partners. We have implemented various measures to prevent such incidents from happening and put in place internal reporting procedures in dealing with such incidents. However, such preventive measures may not function in a way as we expect due to the evolution and sophistication of cyber-attacks, advances in technology, an increased level of sophistication and diversity of our products and services, an increased level of expertise of hackers, new discoveries in the field of cryptography or others, software bugs or other technical malfunctions, or other evolving threats.

Due to server interruptions, power shutdowns, internet connection issues or other reasons, our users in certain locations may not be able to gain access to our network or our websites for a period of time lasting from several minutes to several hours from time to time. Any server interruptions, break-downs or system failures, including failures attributable to events within or outside our control that could result in a sustained shutdown of all or a material portion of our network or website, could reduce the attractiveness of our service offerings. In addition, any substantial increase in the volume of traffic on our network or website will require us to increase our investment in bandwidth, expand and further upgrade our technology platform. We do not maintain insurance policies covering losses relating to our network systems due to very limited available insurance products in the insurance market in China. As a result, any system failure, interruptions or network downtime for an extended period may have a material adverse impact on our revenues and results of operations.

We rely on information technology systems to process, transmit and cache or store electronic information in our day-to-day operations, including customer, employee and company data. The secure processing, maintenance and transmission of such information are critical to our operations and the regulatory environment surrounding the security, storage, use, processing, disclosure and privacy of information is demanding, evidenced by frequent imposition of new and changing requirements. We also store certain information with third parties. Our information systems and those of our third-party vendors are vulnerable to computer viruses or other malicious codes, unauthorized access attempts, cyber- or phishing-attacks, an increasing threat of continually evolving cybersecurity risks and external hazards, as well as improper or inadvertent staff behavior, all of which could expose confidential data systems and information to security breaches. Any such breach could compromise our networks, and the information stored therein could be accessed, publicly disclosed, lost or stolen. Such attacks could result in our intellectual property and other confidential information being lost or stolen, disruption of our operations and other negative consequences, such as increased costs for security measures or remediation costs. Any actual or perceived access, disclosure or other loss of information or any significant breakdown, intrusion, interruption, cyber-attack or corruption of customer, employee or company data or our failure to comply with federal, state, local and foreign privacy laws or contractual obligations with customers, vendors, payment processors and other third parties, could result in legal claims or proceedings, liability under laws or contracts that protect the privacy of personal information, regulatory penalties, disruption of our operations, and damage to our reputation, all of which could materially adversely affect our business, revenue and competitive position. While we will continue to implement additional protective measures to reduce the risk of and detect cyber-incidents, cyber-attacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly. Our protective measures may not protect us against attacks and such attacks could have a significant impact on our business and reputation.

Our business is subject to complex and evolving PRC and international laws and regulations regarding data privacy and cybersecurity. Failure to comply with these laws and regulations would result in claims, penalties, damages to our reputation and brand or otherwise harm our business.

There has been a trend tightening the regulation of privacy and user data protection globally. We may become subject to new laws and regulations applicable to the solicitation, collection, processing or use of personal or consumer information that could affect how we store, process and share data with our customers, suppliers and third-party sellers. The PRC Civil Code, the PRC Cyber Security Law, the PRC Data Security Law, the PRC Personal Information Protection Law and the Administrative Measures for Network Data Security protect individual privacy and personal data security by requiring internet service providers to collect data in compliance with the laws and regulations and obtain the prior consents from internet users prior to the collection, use or disclosure of internet users' personal data. In November 2019, the Ministry of Industry and Information Technology issued the Notice on Carrying Out the Special Rectification of App Infringement on Users' Rights and Interests, according to which a number of mobile apps were removed from application stores as these apps infringed users' rights and interests and rectifications cannot be completed within a specified period of time. In particular, the PRC Cyber Security Law, which took effect on June 1, 2017, requires network operators to strictly treat users' personal information confidential and to establish and improve user information protection mechanism. In addition, the PRC Data Security Law, which took effect on September 1, 2021, establishes a classified and tiered system for data protection based on the level of importance of the data in terms of economic and social development, as well as the level of danger of the data for national security, public interests, or the legal interests of individuals and organizations in the event of data manipulation, destruction, leakage, illegal acquisition or illegal usage. The PRC Personal Information Protection Law, which took effect on November 1, 2021, requires that collection of personal information shall be limited to the minimum scope necessary for the processing purpose in order to avoid the excessive collection of personal information. See "Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on internet privacy" and "Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on information security and censorship." Moreover, numerous regulations, guidelines and measures have been or are expected to be adopted under the umbrella of, or in addition to, these laws. For example, on February 14, 2025, the Cyberspace Administration of China promulgated the Personal Information Protection Compliance Audit Management Measures with effect from May 1, 2025, which requires personal information processors processing data of over 10 million individuals to conduct personal information protection compliance audits at least once every two years. In addition, personal information processors processing the personal information of over 1 million individuals shall designate a personal information protection officer in charge of the compliance audit. The personal information processors providing important internet platform services, having large number of users and complicated business type, shall establish an independent body mainly composed of external members to oversee the situation of personal information protection compliance audit.

In addition, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security and the State Administration for Market Regulation jointly promulgated the *Administrative Provisions on Algorithm Recommendations of Internet Information Services* on December 31, 2021, effective from March 1, 2022, which requires algorithm recommendation service providers to establish and improve their management systems and technical measures for, among others, data security and personal information protection. In addition, the algorithm recommendation service provider capable of social mobilization or influencing public opinion shall complete the filing with the internet information service algorithm filing system. To comply with the laws and regulations, we have established information security systems to protect users' privacy, adopted a risk detection mechanism for data security defects and vulnerabilities, and set up an emergency response mechanism for data security incidents. We also periodically review our privacy policies and amend as needed based on the development and changes of the personal information we collect and process to ensure that we comply with relevant requirements such as obtaining users' prior consent before the collection and processing of their personal information. 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 with laws and regulations may result in proceedings or actions against us by government entities or others, which could damage our reputation. However, we cannot guarantee you that regulatory authorities will not find our privacy policies insufficient again in the future, and we may be ordered to modify our privacy policies and make rectifications to meet the requirements of relevant laws or regulations. If we fail to make modifications or rectifications to the satisfaction of regulatory authorities, we may be subject to administrative penalties or even removals of our mobile applications.

These laws and regulations are relatively new and substantial uncertainties exist with respect to their interpretation and implementation. Any change in laws and regulations relating to privacy, data protection and information security and any implementation of such laws and regulations could significantly increase our costs in providing our products and services, limit their use or adoption or require certain changes to our operations. We may need to adjust our business practice to comply with these cyber security and data security requirements from time to time. We have taken measures to comply with existing laws and regulations, such as submitting the filing application pursuant to the *Administrative Provisions on Algorithm Recommendations of Internet Information Services*. However, we cannot assure you that we will be compliant with these new laws and regulations in all respects in a timely manner. We may be ordered to rectify and terminate any actions that are deemed to be illegal by the regulatory authorities and become subject to fines and other regulatory sanctions, which may materially and adversely affect our business, financial condition, and results of operations. From time to time, we may receive notices, enquiries, or other communications from governmental or regulatory authorities in connection with user data protection, cybersecurity, and information security matters in our operations. In response to the notices from governmental authorities we received in 2025, we took actions to address the issues identified and completed the required rectifications; however, there can be no assurance that we will not be subject to additional regulatory scrutiny, notices, or enforcement actions in the future.

As we expand our business overseas, we are subject to laws and regulations and other policies in different jurisdictions related to the collection, use, retention, security, transfer or other processing of identifiable personal information. We may need to comply with increasingly complex and stringent regulations protecting business and personal data in the United States, Europe and other jurisdictions. These legal requirements are constantly evolving and impose different obligations in different jurisdictions. For example, the European Union adopted the General Data Protection Regulation, which became effective on May 25, 2018. It imposes additional obligations on companies regarding the handling of personal data and provides certain individual privacy rights to persons whose data is stored. Privacy laws continued to come into effect around the world in 2020, with one of the most significant being the California Consumer Privacy Act, which became effective on January 1, 2020. Compliance with existing, proposed and newly enacted laws, including implementation of the privacy and process enhancements called for under the General Data Protection Regulation, the California Consumer Privacy Act and regulations from other legislations can be costly as these laws may be interpreted and applied in ways that are inconsistent with our business practices. Compliance with emerging and evolving requirements in multiple jurisdictions may result in us changing our business practices, which could adversely affect our business and results of operations. We cannot assure you that we will be able to comply with the requirements of laws and regulations in different jurisdictions and other laws and regulations in a timely manner or in full. Any inability, or perceived inability, to adequately address privacy laws and regulations laws, regulations, policies, industry standards, contractual obligations, or other legal obligations could result in various administrative penalties, including fines, suspension of business operations in local jurisdictions and reputational damage.

If we are deemed an “investment company” under the Investment Company Act of 1940, it could adversely affect the price of the ADSs and could materially and adversely affect our business, results of operations, and financial condition.

We are primarily engaged, through the Variable Interest Entity and its subsidiaries, in the business of providing distributed cloud services in China by operating a powerful internet platform in China based on cloud technology to enable our users to quickly access, store, manage and consume digital media content on the internet as well as overseas live-streaming and not in the business of investing, reinvesting or trading in securities.

We intend to continue to conduct our operations so that our company will not be deemed to be an investment company under the Investment Company Act of 1940 (the “Investment Company Act”). Section 3(a)(1) of the Investment Company Act provides, in relevant part, that an issuer will generally be deemed to be an “investment company” for purposes of the Investment Company Act if, absent an applicable exemption: under Section 3(a)(1)(A), it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or, under Section 3(a)(1)(C), it is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Rule 3a-1 under the Investment Company Act generally provides that an entity will not be deemed to be an “investment company” if: (a) it does not hold itself out as being engaged primarily, and does not propose to engage primarily, in the business of investing, reinvesting or trading securities and (b) consolidating the entity’s wholly-owned subsidiaries (within the meaning of the Investment Company Act), no more than 45% of the value of its assets (exclusive of U.S. government securities and cash items) consists of, and no more than 45% of its net income after taxes (for the past four fiscal quarters combined) is derived from, securities other than U.S. government securities, securities issued by employees’ securities companies, securities issued by qualifying majority owned subsidiaries of such entity and securities issued by qualifying companies that are controlled primarily by such entity. In addition, Rule 3a-2 under the Investment Company Act provides that an issuer is deemed not to be engaged in the business of investing, reinvesting, owning, holding or trading in securities during a period of time not to exceed one year; provided that the issuer has a bona fide intent to be engaged primarily, as soon as is reasonably possible (in any event by the termination of such period of time), in a business other than that of investing, reinvesting, owning, holding or trading in securities.

From time to time and as of December 31, 2025, we hold minority investments that have increased significantly in value from the time we made such investments, which increase in value may result in our holding investment securities exceeding 45% of the value of our total assets, exclusive of U.S. government securities and cash items, until such time as we can complete a disposition of such appreciated assets, in which case the SEC or a court might then determine that we are an investment company under the provisions of Section 3(a)(1)(C) if we are unable to rely on Rule 3a-2.

We believe that, even if we were determined to be an investment company under Section 3(a)(1)(C), we are entitled to rely on the exclusion from investment company status afforded by Section 3(b)(1) of the Investment Company Act. Section 3(b)(1) provides, in relevant part, that, notwithstanding Section 3(a)(1)(C) of the Investment Company Act, an “issuer primarily engaged, directly or through ... wholly-owned ... subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities” is not an investment company. We are engaged primarily, and have always since our founding been engaged, through the Variable Interest Entity and its subsidiaries, in the business of providing distributed cloud services. We do not propose to engage primarily in the business of investing, reinvesting or trading in securities. In addition, (i) our filings with the SEC, press releases, other public statements, website, and advertising and marketing materials have solely represented our as being engaged in providing distributed cloud services, (ii) our executive officers and directors are substantially involved in our cloud services business and none of them devotes significant time to the management of our investment securities holdings, and (iii) our income is primarily derived from our cloud services business and not from dividend and interest income from our investment securities holdings.

Notwithstanding our view that we are not an investment company, it is possible, in view of the fact that the availability of the exclusion from investment company status afforded by Section 3(b)(1) of the Investment Company Act is based in part on subjective judgments as to a given issuer’s particular facts and circumstances, that the SEC, a court, or the SEC Staff would determine or take a position that we are indeed an investment company under the Investment Company Act. If we were to become subject to the Investment Company Act, any violation of the Investment Company Act could subject us to material adverse consequences, including potentially significant regulatory penalties and the possibility that certain of our contracts would be deemed unenforceable. Additionally, as an issuer organized outside the United States, we would not be eligible to register under the Investment Company Act absent an SEC exemptive order. Accordingly, in order to fall outside the definition of an investment company, we would either have to obtain exemptive relief from the SEC or dispose of certain assets, which may require disposition of assets that we would otherwise wish to retain or disposition of assets at inopportune times. Additionally, we may have to forego potential future acquisitions of assets that we would otherwise want to acquire and that would be important to our business strategy or may be required to materially restrict or limit the scope of our operations or plans. Failure to avoid being deemed an investment company under the Investment Company Act could also make us unable to comply with our reporting obligations as a public company in the United States and lead to our being delisted from Nasdaq Stock Market LLC, which would have a material adverse effect on the liquidity and value of our ADSs. Finally, we may be subject to SEC enforcement action or purported class action lawsuits for alleged violations of U.S. securities laws. Defending ourselves against any such enforcement action or lawsuits would require significant attention from our management and divert resources from our existing businesses and could materially and adversely affect our business, results of operations, and financial condition.

Our results of operations could be materially and adversely affected if our cooperation with Itui regarding online advertising is unsuccessful. We may also be subject to penalties from government authorities due to certain actions or inactions of Itui in connection with online advertising, which is beyond our control.

In May 2020, we entered into an advertising revenue sharing agreement with a subsidiary of Itui International Inc., our largest shareholder, and we renewed such agreement on a yearly basis. Under such agreement, Itui provides us with online traffic monetization services, including operation and placement of advertisements, research and technology support with respect to advertising systems, business algorithm platform as well as content recommendation and other optimization services. By outsourcing our advertising business to Itui, we intend to take advantage of Itui's advanced precision targeting algorithm to achieve better placement of advertisement. However, we cannot assure you that we can further improve the results of operations of online advertising through such cooperation in the future. In our cooperation with Itui, we require Itui to comply with all laws and regulations regarding advertising. However, we have no control over Itui and we cannot assure you that Itui will be able to operate the advertising business and its advertising platform legally and successfully. We may still be liable for certain circumstances in connection with Itui that are beyond our control, and our business may also be negatively affected. In addition, if we are unable to maintain our cooperation with Itui for whatever reasons and we are unable to find a suitable replacement in a timely manner, or at all, our advertising revenue may experience significant decline. As a result, our business and financial condition may be negatively affected.

We rely on third-party platforms to distribute our mobile applications. If we are unable to maintain a good relationship with such platform providers, if their terms and conditions or pricing were changed to our detriment, if we violate, or if a platform provider believes that we have violated, the terms and conditions of its platform, or if any of these platforms loses market share or falls out of favor or is unavailable for a prolonged period of time, our mobile strategy may suffer.

We are subject to the standard policies and terms of service of third-party platforms, which govern the distribution of our mobile application on such platforms. Each platform provider has broad discretion to change and interpret its terms of service and other policies with respect to us and other users, and those changes and interpretation may be unfavorable to us. A platform provider may also change its fee structure, add fees associated with access to and use of its platform, alter how we are able to advertise or distribute on the platform, or change how personal information of its users is made available to application developers on the platform. Such changes may decrease the visibility or availability of our applications, limit our distribution capabilities, prevent access to our applications, reduce the amount of downloads and revenue we may recognize from the applications, increase our costs to operate on these platforms or result in the exclusion or limitation of our application on such platforms. Any such changes could adversely affect our business, financial condition or results of operations.

If we violate, or a platform provider believes we have violated its terms of service (or if there is any change or deterioration in our relationship with these platform providers), or if it establishes more favorable relationships with one or more of our competitors or it determines that we are a competitor, that platform provider could limit or discontinue our access to the platform. Any limit of, or discontinuation to, our access to any platform could adversely affect our business, financial condition or results of operations. Our mobile applications had previously been removed from Apple's iOS App Store as a result of alleged violations of the developer license agreement between Apple and us. Although we successfully re-launched our mobile applications on App Store, we cannot assure you such removal will not happen again in the future. In addition, we have experienced in the past where Google Play Store failed to accept the launch of a new app by us where the specific reasons for such failures were not fully disclosed to us. Although we have managed to launch such apps on Google Play Store, the delay in our new app launch may negatively affect our business expansions, and we cannot assure you such delay will not happen again in the future. Furthermore, other app stores also have the right to update their store policies. If we are deemed to violate their policies, our mobile applications may be removed from App Store again or other app stores at the same time, which may significantly harm our mobile strategy, materially and adversely affect our business operations, results of operations and financial condition.

Any lack of requisite licenses or permits applicable to our businesses or to our third-party services providers and any changes in government policies or regulations in China may have a material and adverse impact on our businesses, financial condition and results of operations.

Our business is subject to government supervision and regulations by various PRC government authorities, including the State Council, the Ministry of Industry and Information Technology, the National Radio and Television Administration, the National Press and Publication Administration and the Ministry of Culture and Tourism. Together these government authorities promulgate and enforce regulations that cover many aspects with respect to the operation of telecommunications and internet information services, including entry into the telecommunications industry, the scope of permissible business activities, licenses and permits for various business activities and foreign investment. For instance, the Ministry of Industry and Information Technology issued the Notice on the Filing of Mobile Internet Applications on July 21, 2023, which requires operators of internet application programs in China to complete the record filing for their internet application programs by the end of March 2024. As required under applicable regulations, we submit applications for the relevant filing procedures prior to making our apps available on app stores and periodically submit filings for new or updated versions of our apps. However, we cannot assure that filing procedures for each new or updated app will be completed on a timely basis.

As advised by our PRC legal counsel, a license for online transmission of audio-visual programs is required for Shenzhen Xunlei to provide video content display services through Xunlei Media Player. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on online transmission of audio-visual programs.” In June 2018, Shenzhen Xunlei, through its subsidiary, Shenzhen Wangwenhua, acquired 80% of the equity interest of Henan Tourism Information Co., Ltd., a registered owner of the license for online transmission of audio-visual programs, from an independent third party. Such license will expire on February 28, 2027. However, Shenzhen Xunlei, the entity that provides our video content display services, is not a registered owner of the license for online transmission of audio-visual programs. As a result, it is possible that the PRC government authorities could determine that these businesses are operating without proper licenses. We may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future.

In addition, we completed the acquisition of Shanghai Kuanghui, which operates Hupu, in May 2025. Shanghai Kuanghui holds a Value-added Telecommunication Services License and an Internet Cultural Business License. However, we do not possess the internet news information services license, the license for online transmission of audio-visual programs, or the internet publishing permit, which might be necessary for operating Hupu. Additionally, as advised by our PRC legal counsel, the licensed scope of these existing licenses may not cover all the services Hupu provides. If we are required to obtain such permissions or approvals, we cannot assure you that we will be able to do so in a timely manner, or at all. Any failure to obtain required permissions or approvals may subject us to penalties, including fines, suspension of business, and revocation of relevant licenses.

In addition to the above, if the PRC government promulgates new laws and regulations that require additional licenses or imposes additional restrictions on the operation of any part of our business, it has the power to, among other things, levy fines, confiscate our income, revoke our business licenses, require us to discontinue our business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material and adverse effect on our results of operations.

In addition, PRC government authorities may find that we are operating license-required businesses without a proper license, and thus may issue warnings, order us to rectify our operations and impose fines on us. In the case of serious violations as determined by government authorities at their discretion, they may ban such operations, seize our equipment in connection with such operations and impose a penalty of one to two times of the amount of the total investment in such operations.

Our costs and expenses, such as research and development expenses, may increase and our results of operations may be adversely affected.

The operation of our extensive cloud-based acceleration as well as our exploration and implementation of our new business strategies require significant upfront capital expenditures as well as continual, substantial investment in content, technology and infrastructure. Since inception, we have invested substantially in research and development to maintain our technology leadership, and in equipment to increase our network capacity. We expect our research and development expenses to increase in the near term as we continue to expand our research and development team to develop new products and update existing products, particularly as we continue devoting resources in developing our overseas business and updating our mobile products. Most of our capital expenditures, such as expenditures on servers and other equipment, are based upon our estimation of potential future demand and we are generally required to pay the entire purchase price and license fees upfront. As a result, our cash flow may be negatively affected in the periods in which such payments are made. We may not be able to quickly generate sufficient revenue from such expenditures, which may negatively affect our results of operations within certain periods thereafter; and if we overestimate future demand for our services, we may not be able to achieve expected rates of return on our capital expenditures, or at all.

In addition, bandwidth and other costs are subject to change and are determined by market supply and demand. For example, the revenue sharing costs for broadcasting may change from time to time due to intense market competition, leading to an increase in our costs. In addition, if bandwidth and other providers cease their business with us or raise the prices of their products and services, we will incur additional costs to find alternative service providers or to accept the increased costs in order to provide our services. If we cannot maintain a cost-effective operation, or if our costs to deliver our services do not decline commensurate with any future declines in the prices we charge our users, our results of operations may be adversely affected and we may fail to achieve profitability.

If we are unable to collect accounts receivable in a timely manner or at all, our financial condition, results of operations and prospects may be materially and adversely affected.

We have outsourced our advertising operations to Itui since 2020 and generate a considerable portion of our revenues from the advertising revenue sharing agreement entered into with Itui, which resulted in a significant amount of accounts receivable as of December 31, 2025. The financial soundness of Itui, as well as the advertising agencies and advertisers it collaborates with, may thus impact our collection of such accounts receivable. We require Itui to conduct credit assessments on the advertising agencies and advertisers it works with to evaluate the collectability of relevant amounts prior to entering into business arrangements. However, we cannot assure you that Itui will always be able to accurately assess the creditworthiness of each of these advertising agencies and advertisers. Any failure of Itui, the advertising agencies or advertisers to make timely payments to us may adversely affect our liquidity and cash flows. In addition, the online advertising market in China is dominated by a small number of large advertising agencies. If these major advertising agencies that Itui has business relationships with demand higher rebates for their agency services, or if we are unable to collect accounts receivable from Itui in a timely manner pursuant to our revenue sharing agreement, our results of operations will be materially and adversely affected.

We may not be able to successfully address the challenges and risks we face in the online games market, such as failure to operate popular, high-quality games or to obtain all the licenses required to operate online games, which may subject us to penalties from government authorities, including the discontinuance of our online game business.

We have cooperated with third parties to operate certain web games since 2019. See “Item 4. Information on the Company—B. Business Overview—Our Platform—Online game services.” Operating online games in China requires several permits and approvals. For example, the *Administrative Provisions on Online Publishing Services* provides that ICP service operators must obtain the Internet Publishing Services License prior to provision of any online game publishing services. The *Notice Regarding the Consistent Implementation of the “Stipulations on ‘Three Provisions’ of the State Council and the Relevant Interpretations of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Internet Games and the Examination and Approval of Imported Internet Games* issued jointly by the General Administration of Press and Publication, Radio, Film, and Television, or GAPPRFT, and other administrations confirmed that the entities operating internet games must obtain the Internet Publication Services License. In addition, on December 22, 2023, the National Press and Publication Administration released the draft *Online Game Administrative Measures*, which requires both online game publishers and operating entities to obtain Internet Publishing Services License. See “Item 4. Information on the Company—B. Business Overview—Regulation —PRC regulation on online games” for more details. Therefore, as advised by our PRC legal counsel, a Value-added Telecommunication Services License is required for operating online games and an Internet Publishing Services License is required for operating internet publishing services. Each of Shenzhen Xunlei and its subsidiaries that operate online games has obtained the Value-added Telecommunication Services License for operating our online game business. Shenzhen Xunlei, which holds 70% of the equity interest in Xunlei Games, had previously obtained an Internet Publishing Services License for the publication of internet games, which expired on September 17, 2022. We have submitted the renewal application, however, as of the date of this annual report, the renewal has not yet been approved. In addition, none of Shenzhen Xunlei, Shanghai Kuanghui or any of their subsidiaries that operates online games has obtained the Internet Publishing Services License. Given the uncertainties involved in the interpretation and implementation of laws and regulations and the enforcement practices of government authorities, we cannot assure you that government authorities would not require Shenzhen Xunlei and its subsidiary that operates online games to obtain the Internet Publishing Services Licenses as well. As a result, PRC government authorities may find that these entities are operating online game services without proper license and thus may penalize us accordingly. If that were to happen, we would be subject to orders to shut down the website or delete all online publications, confiscation of illegal income and major equipment or fines. As of the date of this annual report, we have not received any administrative penalties, including fines, restrictions or suspension of our business, or regulatory inquiries for our operation without an effective Internet Publishing Services License. In addition, an approval number (ISBN number) from the National Press and Publication Administration shall be obtained for an online game before it is launched online. In our cooperation with online game providers, we require ISBN numbers be obtained for the online games within the scope of our cooperation. However, as we are not the developers or publishers of those online games, we cannot assure you that the ISBN numbers of those online games are obtained in strict compliance with legal requirements and procedures without any defects, or any required amendment filings are made in compliance with legal requirements. If the ISBN numbers are obtained not in compliance with laws and regulations, or amendment filings are not made timely, government authorities may impose fines on us, confiscate our income generated from operating such online games and require us to delete all online publications or discontinue our online game business.

In addition, PRC laws and regulations require that online game content shall not advocate cult, superstition, obscenity, pornography, gambling or violence, or abet commission of crime. As we are not the developers of the online games we operate, we cannot assure you that the content of the online games we operate is fully in compliance with such requirement. Failure to comply with PRC laws and regulations may subject us to liability, administrative actions or penalties imposed by PRC authorities. The imposition of any of these penalties may result in a material and adverse effect on our ability to operate our online game business and our results of operations. As of the date of this annual report, we were not involved in any lawsuits relating to the online games we operate. However, as we do not have control over the content of the online games we operate, we cannot assure you that we will not be subject to any intellectual property infringement claims or misappropriation claims. Defending those claims, with or without merits, could be costly and time-consuming, and diverge our management’s attention. If we or our third-party online game providers lose the cases, we may be required to pay a large amount of damages or immediately discontinue the operation of relevant online games. If we are unable to find alternative solutions on commercially reasonable terms on a timely basis, our online game business, reputation and results of operations may be materially and adversely affected.

In October 2019, General Administration of Press and Publication issued *the Notice by the General Administration of Press and Publication of Preventing Minors from Indulging in Online Games*, which imposes an array of restrictive measures to prevent underage users from indulging in online games. For example, this notice requires game operators to implement a real-name registration system for players of online games and take effective measures to restrict underage players from using paid services. Furthermore, on August 30, 2021, the National Press and Publication Administration issued *the Notice on Further Strict Management to Prevent Minors from Indulging in Online Games*, which requires all online game operators to provide services to minors only on any Friday, Saturday, Sunday and statutory holidays for one hour from 8:00 p.m. to 9:00 p.m., and not to provide online games in any form to users who have not registered or logged in with their real names. We have implemented a real-name registration system for our online games. Game operators or developers of the online games on our platform are able to access our real-name registration system and implement their anti-indulgence measures based on the identity information in our system. In addition to the real-name registration system in place, we have adjusted the systems in the games we operate to comply with this notice. In February 2021, Shenzhen Press and Publication Bureau issued *the Notice on Interface Docking of Anti-indulgence and Real Name Registration System to Prevent Minors from Indulging in Online Games*, which requires all online game enterprises in Guangdong Province to file an application before April 30, 2021, and all such games to connect with the National Anti-Indulgence and Real-Name Registration System established by Publication Bureau of the Publicity Department of the Communist Party of China Central Committee before June 1, 2021. We completed the requisite filing and connected our online games to the National Anti-Indulgence and Real Name Registration System in June 2021. In addition, on December 22, 2023, the National Press and Publication Administration released the draft *Online Game Administrative Measures*, which requires both online game publishers and operating entities to obtain Internet Publishing Services License and curb excessive spending through setting spending limits and prohibitions on rewards to entice frequent gameplay. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on online games” for more details. The National Press and Publication Administration solicited public comments on this draft by January 22, 2024, but there is no timetable as to when it will be enacted. If it is enacted as is, it is uncertain whether we can or how long it will take us to obtain license or approval or meet relevant requirements, and any such approval or filing could be rescinded or rejected. However, if any third-party online game operators, developers or we fail to comply with the above requirements, we may have joint or several liabilities and thus be subject to administrative penalties. Penalties may include fines, taking corrective actions during specified periods, shutting down of our online games operations and license revocation. If any of the above were to happen, our online game business and results of operations would be negatively affected.

We operate in a competitive market and may not be able to compete effectively.

We face significant competition in different areas of our business. Some of our existing or potential competitors have a longer operating history and significantly greater financial resources than we do, and in turn may be able to attract and retain more users and advertisers. Our competitors may compete with us in a variety of ways, including by conducting brand promotions and other marketing activities and making acquisitions. In the cloud acceleration sector, although we currently enjoy a niche market in China for cloud acceleration products and services, we cannot guarantee that we will be able to maintain our market position in the future. We may face competition from leading Chinese internet companies if they start to allocate resources and focus on the development in this business sector or from startups who may develop similar or alternative products. With more entrants into the cloud acceleration business, aggressive price cutting by competitors may result in a loss of our existing subscribers. We may have to take actions to retain our user base and attract more subscribers at significant cost, including upgrading and developing existing and new products and services in order to meet users’ changing demand, but we cannot assure you that such efforts will succeed, especially given the tightening control over internet content by the Chinese government. See “—If we fail to keep up with the technological development in the internet industry and users’ changing demand, our business, financial condition and results of operations may be materially and adversely affected” and “—Regulation and censorship of information disseminated over the internet in China have adversely affected our business and may continue to adversely affect our business, and we may be liable for the digital media content on our platform.” If we are unable to effectively compete in any aspect of our business, our business, financial condition and results of operations may be materially and adversely affected.

Undetected programming errors or flaws or failure to maintain effective customer service could harm our reputation or decrease market acceptance of our services, particularly our resource discovery network, which would materially and adversely affect our results of operations.

Our programs may contain programming errors that may only become apparent after their release, especially in terms of upgrades to, for example, Xunlei Accelerator or subscription services. We receive user feedback in connection with programming errors affecting user experience from time to time, and such errors may also come to our attention during our monitoring process. However, we cannot assure you that we will be able to detect and resolve all these programming errors effectively or in a timely manner. Undetected programming errors or defects may adversely affect user experience and cause our users to stop using our services and our advertisers to reduce their use of our services, any of which could materially and adversely affect our business and results of operations.

Advertisements displayed on our platform may subject us to penalties and other administrative actions

Under PRC advertising laws and regulations, advertisement channels such as us are obligated to monitor the advertising content they display to ensure that such content is true, accurate and in full compliance with applicable laws and regulations. PRC advertising laws and regulations set forth certain content requirements for advertisements in the PRC including, among other things, prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest. In April 2015, the Standing Committee of the National People's Congress enacted the PRC Advertisement Law, which took effect on September 1, 2015 and was last amended on April 29, 2021, to further strengthen the supervision and management of advertisement services. Pursuant to the PRC Advertisement Law, any advertisement that contains false or misleading information to deceive or mislead consumers shall be deemed false advertising. Furthermore, the PRC Advertisement Law explicitly stipulates detailed requirements for the content of several different kinds of advertisements, including those for medical treatment, pharmaceuticals, medical instruments, health food, alcoholic drinks, education or training, products or services having an expected return on investment, real estate, pesticides, feed and feed additives and agriculture. On February 25, 2023, the State Administration for Market Regulation issued the Measures for the Administration of Internet Advertising, effective May 1, 2023, which provides requirements on various forms of online advertising. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on advertising business” for details. In providing advertising services, we are required to review the supporting documents provided to us by advertising agencies or advertisers for the advertisements and verify that the content of the advertisements complies with PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, we 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 eliminate the effect of illegal advertisement and cessation of publishing the advertisement. In circumstances involving serious violations, the State Administration for Market Regulation or its local branches may revoke the licenses or permits of the offenders for their advertising business operations.

We have taken several measures to fulfill these obligations specified by the PRC laws and regulations set forth above. We have outsourced our advertising business to Itui since 2020 and required Itui to set up an effective review mechanism for each advertisement it placed on our websites and platform so as to ensure the content is in full compliance with legal requirements. However, we cannot assure you that all the content contained in such advertisements are true and accurate as required by the advertising laws and regulations, especially given the uncertainty in the application of these laws and regulations. If we are found to be in violation of PRC advertising laws and regulations in the future, we may be subject to penalties and our reputation may be harmed, which may have a material and adverse effect on our business, financial condition and results of operations.

We face risks relating to third parties' billing and payment systems.

The billing and payment systems of third parties such as online third-party payment processors help us maintain accurate records of payments of sales proceeds by certain subscribers and other paying users and collect such payments. Our business and results of operations could be adversely affected if these third parties fail to accurately account for or calculate the revenues generated from the sales of our products and services. Moreover, if there are security breaches or failure or errors in the payment process of these third parties, user experience may be affected and our business results may be negatively impacted.

The channels for the payment of our services and products typically comprise third-party online system, landline and mobile phone payment. A significant portion of the payments have been made through our online payment system since 2014. Although we have been able to control our payment handling charges by encouraging our subscribers to use the third-party online payment system which charges relatively lower levels of handling fees compared with other payment channels, we cannot assure you that these third-party payment service providers will not increase fee levels charged to us or we are able to continuously maintain our cooperative relationship with them in commercially acceptable terms. Also, the subscribers may change their habits to make payments through mobile phones or other third-party online payment channels with higher costs. If that were to happen in the future, or if we fail to minimize the associated payment handling charges, our results of operations may be adversely affected due to any suspension of these payment channels and we may not be able to find any suitable alternatives in a timely manner, or at all.

We also do not have control over the security measures of our third-party payment service providers, 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 we use. In addition, there may be labeling errors or billing software errors that would damage customer confidence in these payment systems. If any of the above were to occur, we may lose paying users and users may be discouraged from purchasing our products, which may have an adverse effect on our business and results of operations.

We have granted, and may continue to grant, share awards under our share incentive plans, which may result in increased share-based compensation expenses.

We have granted share-based compensation awards, including share options and restricted shares, to various employees, key personnel and other non-employees to incentivize performance and align their interests with ours. In June 2020, we terminated our 2010 share incentive plan, 2013 share incentive plan and 2014 share incentive plan and adopted a 2020 share incentive plan, as restated and amended, or the 2020 Plan. Upon the termination of our then-existing share incentive plans, the awards that are granted and outstanding under those share incentive plans and the evidencing original award agreements shall remain effective and binding under the 2020 Plan, subject to any amendment and modification to the original award agreements that we shall determine. Under the 2020 Plan, we were authorized to issue a maximum number of 31,000,000 common shares of our company upon exercise of the options or other types of awards. Our board of directors amended and restated the 2020 Plan in March 2023 and April 2024 for the purpose of increasing the number of reserved shares under the plan. The maximum number of shares available for grant of awards under the 2020 Plan is currently 61,525,345. As of March 31, 2026, 9,163,550 restricted share units had been granted and outstanding under the 2020 Plan. As of March 31, 2026, our unrecognized share-based compensation expenses relating to the awards outstanding under the 2020 Plan amounted to US\$7.8 million. See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan” for details.

We have issued the equivalent number of common shares upon the vesting and exercise of options, restricted shares and restricted share units under our share incentive plans. The amount of these expenses is based on the fair value of the share-based compensation awards we granted. The expenses associated with share-based compensation have affected our net income and may reduce our net income in the future, and any additional securities issued under share-based compensation schemes will dilute the ownership interests of our shareholders, including holders of our ADSs. We believe the granting of incentive awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant stock options, restricted shares and other share awards to employees in the future. As a result, our expenses associated with share-based compensation may continue to increase, which may have an adverse effect on our results of operations.

The continuing and collaborative efforts of our senior management and key employees are crucial to our success, and our business may be harmed if we were to lose their services.

Our success depends on the continuous efforts and services of our senior management team. If one or more of our executives or other key personnel are unable or unwilling to continue to provide services to us for whatever reasons, we may not be able to find suitable replacements easily or at all. Competition for management and key personnel in the industries we operate is intense and the pool of qualified candidates is limited. We may not be able to retain the services of our executives or key personnel or attract and retain experienced executives or key personnel in the future. If any of our executive officers or key employees joins a competitor or forms a competing company, we may lose advertisers, know-how and key professionals and staff members. Each of our executive officers has entered into an employment agreement with us, which contains a non-compete provision. However, if any dispute arises between us and our executives or key employees, these agreements may not be enforceable in China, where these executives and key employees reside.

In addition, while we often grant additional incentive shares to management personnel and other key employees after their hire dates, the initial grants are usually much larger than subsequent grants. Employees may be more likely to leave us after their initial incentive share grant fully vests, especially if the value of such incentive shares has significantly appreciated in value relative to the exercise price. If any member of our senior management team or other key personnel leaves our company, our ability to successfully operate our business and execute our business strategy could be impaired.

Any misconduct of our employees may negatively affect our reputation and corporate image, which in turn may adversely affect our business and prospects.

We believe that maintaining and enhancing our reputation and corporate image is of significant importance to the success of our business. If any of our employees engages in any misconduct, whether or not related to the employee's work at our company, our reputation and corporate image may be negatively affected. Historically, there was negative publicity about our company and our management, which adversely affected our brand, public image and reputation. A member of our senior management team who is also our director was subject to certain legal sanctions in China in the past due to copyright infringement activities when working at another company unrelated to us. Even though the infringement activities took place a number of years before the executive joined our company and had nothing to do with us, the past misconduct of the executive and the sanctions he was subject to may negatively affect our reputation and corporate image, which in turn may adversely affect our business and prospects. As part of our internal compliance procedures, we routinely conduct internal audits and inspections, including exit interviews and audits, on current and former employees. Any misconduct by our current or former employees uncovered from such compliance procedures, whether the misconduct relates to the employees' work with us or not, would potentially have material adverse impacts on our reputation, results of operations, financial performance or future prospects. For example, in 2025, we, together with Shenzhen Onething, initiated the lawsuit against Mr. Lei Chen and his core team, accusing him of harming the interests of us and Shenzhen Onething. The case is currently pending in first-instance proceedings. In addition, we may also face disputes with former or current disgruntled employees. Any allegations against us, with or without merits, may negatively affect our reputation and corporate image.

Strategic alliances, investments or acquisitions may have a material and adverse effect on our business, reputation, results of operations and financial condition.

We may establish strategic alliances with various third parties to further our business purposes from time to time. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, nonperformance by the counterparty, and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to control or monitor their actions. To the extent the third parties suffer negative publicity or harm to their reputation from events relating to their businesses, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

We have in the past invested in or acquired assets, technologies or businesses that are complementary to our existing business. If we are presented with appropriate opportunities, we may continue to do so in the future. For example, in May 2025, we completed the closing of the acquisition of Shanghai Kuanghui, which operated Hupu, a leading sports media and data platform in China, for a total cash consideration of RMB500 million. However, uncertainties exist with respect to the integration of Hupu into our existing business lines as well as the synergies arising from the acquisition. Investments or acquisitions and the subsequent integration of new assets and businesses into our own would 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 costs of identifying and consummating investments and acquisitions may be significant. We may also incur significant expenses in obtaining necessary approvals from government authorities in China and elsewhere in the world. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities and exposure to potential unknown liabilities or legal risks of the acquired business. The cost and duration of integrating newly acquired businesses could also materially exceed our expectations. Even if we complete the desired acquisitions or investment, such acquisitions and investment may expose us to new operational, regulatory, market and geographic risks and challenges, including:

- our inability to maintain the key business relationships and the reputation of the businesses we acquire or invest in;
- our inability to retain key personnel of the acquired or invested company;

- uncertainty of entry into markets in which we have limited or no prior experience and in which competitors have stronger market positions;
- failure to comply with laws and regulations as well as industry or technical standards of the markets into which we expand;
- our dependence on unfamiliar affiliates and partners of the companies we acquire or invest in;
- unsatisfactory performance of the businesses we acquire or invest in;
- our responsibility for the liabilities associated with the businesses we acquire, including those that we may not anticipate;
- goodwill impairment risks associated with the businesses that we acquire;
- our inability to integrate acquired technology into our business and operations;
- our inability to develop and maintain a successful business model and to monetize and generate revenues from the businesses we acquire; and
- our inability to maintain internal standards, controls, procedures and policies.

Any of these events could disrupt our ability to manage our business. These risks could also result in our failure to derive the intended benefits of the acquisitions or investments, and we may be unable to recover our investment in such initiatives or may have to recognize impairment charges as a result.

Furthermore, the financing and payment arrangements we use in any acquisition could have a negative impact on you as an investor, because if we issue shares in connection with an acquisition, your holdings could be diluted. Moreover, if we take on significant debt to finance such acquisitions, we would incur additional interest expenses, which would divert resources from our working capital and potentially have a material adverse impact on our results of operations.

Regulatory uncertainties exist with respect to our historical LinkToken operations, which may have an adverse effect on our brand and reputation.

Our past involvement with LinkToken, a digital ticket based on blockchain technology developed in 2017 and disposed of in 2019, presents regulatory uncertainties that may impact our business. LinkToken was used in the OneThing Cloud reward program, allowing users to earn tokens by sharing bandwidth and storage, which could be redeemed for products and services. In April 2019, we transferred all LinkToken operations to an independent third party, who terminated the reward program in April 2020. Despite we no longer operate LinkToken and no financial regulators have imposed any administrative penalties against us relating to our previous operations of LinkTokens on the basis that we previously engaged in token fundraising activities, we continue to receive user complaints, particularly concerning the program's termination, which may adversely affect our brand and reputation.

Our business, financial condition and results of operations, as well as our ability to obtain financing, may be adversely affected by a downturn in the global or Chinese economy. A severe or prolonged downturn in the Chinese or global economy could materially and adversely affect our business and financial condition.

The industries in which we operate may be affected by economic downturns. For example, a prolonged slowdown in the world economy, including in the Chinese economy, may lead to a reduced amount of advertising and a lower level of purchasing power by our users, which could materially and adversely affect our business, financial condition and results of operations. In addition, certain of our products and services may be viewed as discretionary by our users, who may choose to discontinue or reduce spending on such products and services during an economic downturn. In such an event, our ability to retain existing users and increase new users will be adversely affected, which would in turn negatively impact our business and results of operations. Moreover, a slowdown or disruption in the global or Chinese economy may have a material and adverse impact on financings available to us.

COVID-19 had a severe and negative impact on the Chinese and the global economy from 2020 through early 2023, and the global macroeconomic environment still faces numerous challenges. The growth rate of the Chinese economy has been slowing since 2010 and the Chinese population began to decline in 2022. The Russia-Ukraine conflict and the Hamas-Israel conflict and attacks on shipping in the Red Sea have heightened geopolitical tensions across the world. The impact of the Russia-Ukraine conflict on Ukraine food exports has contributed to increases in food prices and thus to inflation more generally. More recently, the military conflicts in the Middle East may have negative impact on the world economy and capital markets and its full impact is yet to be seen.

There have also been concerns about the relationship between China and other countries, which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to a wide range of issues including trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition.

Our operations depend on the performance of the internet infrastructure in China.

The successful operation of our business depends on the performance of the internet infrastructure and telecommunications networks in China. In China, almost all access to the internet is maintained through state-owned telecommunications operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology. Moreover, we have entered into contracts with various subsidiaries of a limited number of telecommunications service providers in each province for network-related services. On the one hand, if the internet industry in China does not grow as quickly as expected, our business and operations will be negatively affected. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's internet infrastructure or the telecommunications networks provided by telecommunications service providers. In addition, our network and website regularly serve a large number of users and advertisers. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our website. However, we have no control over the costs of the services provided by telecommunications service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected. If internet access fees or other charges to internet users increase, our user traffic may decline and our business may be harmed. On the other hand, if the internet industry grows faster than expected and we cannot react to the market demand in a timely manner in terms of our research and development effort, the user experience and the attractiveness of our services may be harmed, which will negatively impact our business and results of operations.

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

We are subject to reporting obligations under the U.S. securities laws. The SEC, as required under Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company 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 our internal control over financial reporting. We are subject to the requirement to provide attestation by our independent registered public accounting firm on effectiveness of internal control over financial reporting.

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2025, as required by Rule 13a-15(b) under the Exchange Act, and has concluded that our disclosure controls and procedures and our internal control over financial reporting were effective as of December 31, 2025. Our independent registered public accounting firm also audited and concluded that our internal control over financial reporting is effective as of December 31, 2025. However, if we fail to maintain effective internal control over financial reporting in the future, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from Nasdaq, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements for prior periods.

We have limited business insurance coverage and any uninsured business disruption may have an adverse effect on our results of operations and financial condition.

We have limited business liability or disruption insurance to cover our operations. Any uninsured occurrence of business disruption may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

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

Our operations may be vulnerable to interruption and damage from natural and other types of catastrophes, including earthquakes, fire, floods, hail, windstorms, severe winter weather (including snow, freezing water, ice storms and blizzards), environmental accidents, power loss, communications failures, explosions, man-made events such as terrorist attacks and similar events. Due to their nature, we cannot predict the incidence, timing and severity of catastrophes. If any such catastrophe or extraordinary event occurs in the future, our ability to operate our business could be seriously impaired. Such events could make it difficult or impossible for us to deliver our services and products to our users and could decrease demand for our products. As we do not carry property insurance and significant amounts of time could be required to resume our operations, our financial position and results of operations could be materially and adversely affected in the event of any major catastrophic event.

In addition, our business could be materially and adversely affected by the outbreak of pandemics such as influenza A (H1N1), avian influenza, H7N9, severe acute respiratory syndrome (SARS), COVID-19 or other epidemics. Any occurrence of these pandemic diseases or other adverse public health developments in China or elsewhere could severely disrupt our staffing or the staffing of our business partners, including our advertisers, and otherwise reduce the activity levels of our work force and the work force of our business partners, causing a material and adverse effect on our business operations. Furthermore, China may experience lower domestic consumption, higher unemployment, severe disruptions to exporting of goods to other countries and greater economic uncertainty, which may impact our business in a materially negative way. In addition, our customers and users will need time to recover from the economic effects of the pandemics even after business conditions begin to return to normal. Consequently, any occurrence of pandemics may materially and adversely affect our business, financial condition and results of operations.

Risks Related to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC governmental restrictions on foreign investment in internet-related business and foreign investors' mergers and acquisition activities in China, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

PRC laws and regulations place certain restrictions on foreign ownership of companies that engage in internet businesses, including the provision of online games and online advertising services. For example, foreign investors' equity interests in value-added telecommunication service providers, other than e-commerce service providers, may not exceed 50%. In addition, foreign investors are prohibited from investing in or operating entities engaged in, among others, internet cultural operating service and online transmission of audio-visual programs service. We are a Cayman Islands exempted company and Giganology Shenzhen and Xunlei Computer, both being our PRC subsidiaries, are considered foreign-invested enterprises. Accordingly, neither of these two PRC subsidiaries is eligible to provide value-added telecommunication services and the aforementioned internet related services in China. As a result, we conduct our operations primarily in China principally through contractual arrangements among Giganology Shenzhen and Shenzhen Xunlei and its shareholders. Shenzhen Xunlei or its subsidiaries hold the licenses and permits necessary to conduct our cloud-based acceleration, online advertising, online games and related businesses in China, and Shenzhen Xunlei has established various operating subsidiaries that conduct a majority of our operations in China. In addition, we completed the acquisition of Shanghai Kuanghui, which operates Hupu, through Shenzhen Suqu. Our contractual arrangements with the VIEs and their shareholders enable us to direct the activities that most significantly affect the economic performance of the VIEs, and their operating subsidiaries and hence we consolidate their financial results in accordance with U.S. GAAP. For a detailed discussion of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure."

We cannot assure you, however, that we will be able to enforce these contracts. Although we have been advised by Kewei Law Firm, our PRC legal counsel, that each contract under these contractual arrangements with the variable interest entities and their shareholders is valid, binding and enforceable under current PRC laws and regulations, we cannot assure you that the PRC government would agree that these contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. PRC laws and regulations governing the validity of these contractual arrangements are uncertain and the government authorities have broad discretion in interpreting these laws and regulations. If the PRC government determines that we do not comply with applicable laws and regulations, it could revoke our business and operating licenses, require us to discontinue or restrict our operations, impose fines, restrict our right to collect revenues, block our website, require us to restructure our operations, impose additional conditions or requirements with which we may not be able to comply, or take other regulatory or enforcement actions against us that could be harmful to our business. The imposition of any of these penalties would result in a material and adverse effect on our ability to conduct our business. In addition, if the PRC government deems that our contractual arrangements with the variable interest entities do not comply with PRC regulatory restrictions on foreign investment in relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. We may also not be able to repay the notes and other indebtedness, and our shares may decline in value or become worthless, if we are unable to assert our contractual rights over the assets of our PRC subsidiaries and the variable interest entities, which accounted for 72.7% of our revenues in 2025. Our holding company in the Cayman Islands, the variable interest entities, and investors of our company face uncertainty about potential future actions by the PRC 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.

We rely on contractual arrangements with the variable interest entities in China and their shareholders for our operations, which may not be as effective as ownership in providing operational control over the variable interest entities and their subsidiaries.

Since PRC laws restrict foreign equity ownership in companies engaged in internet business in China, we rely on contractual arrangements with variable interest entities and their shareholders to operate our business in China. If we had equity ownership of variable interest entities, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of such variable interest entities, which in turn could effect changes at the management level, subject to any applicable fiduciary obligations. However, under the current contractual arrangements, we rely on variable interest entities and their shareholders' performance of their contractual obligations to exercise such rights. In addition, our operating contract with Shenzhen Xunlei has an initial term of ten years and an extended term of ten years from 2016. The operating contract will be automatically extended for an additional 10-year period subject to Giganology Shenzhen's unilateral termination right. Our operating contract with Shenzhen Suqu, which commenced in 2022 with an initial 10-year term, will also be automatically renewed for successive 10-year periods unless unilaterally terminated by Shenzhen Computer. In general, none of the variable interest entities and their shareholders may terminate the contracts prior to the expiration dates. However, the shareholders of variable interest entities may not act in the best interests of our company or may not perform their obligations under these contracts, including the obligation to renew these contracts when their initial contract terms expire. Such risks exist throughout the period in which we intend to operate our business through the contractual arrangements with variable interest entities. We may replace the shareholders of variable interest entities at any time pursuant to our contractual arrangements with variable interest entities and their shareholders. However, if any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and courts and therefore will be subject to uncertainties in the PRC legal system. See "—Any failure by variable interest entities or their shareholders to perform their obligations under our contractual arrangements with them may have a material adverse effect on our business" and "Item 4. Information on the Company—C. Organizational Structure." Therefore, these contractual arrangements may not be as effective as ownership in providing us with control over variable interest entities.

Any failure by the variable interest entities or their shareholders to perform their obligations under our contractual arrangements with them may have a material adverse effect on our business.

The variable interest entities or their shareholders may fail to take certain actions required for our business or follow our instructions despite their contractual obligations to do so. If they fail to perform their obligations under their respective agreements with us, we may have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, which may not be effective. For example, under the equity pledge agreement among Giganology Shenzhen and the shareholders of Shenzhen Xunlei, as amended, the shareholders of Shenzhen Xunlei have pledged all of their equity interests in Shenzhen Xunlei to Giganology Shenzhen to guarantee Shenzhen Xunlei and its shareholders' performance of their respective obligations under the related contractual arrangements. In addition, the shareholders of Shenzhen Xunlei have completed the registration of equity pledge under the equity pledge agreement with the competent governmental authority. Pursuant to the contractual arrangements, we have the right to replace any shareholders of Shenzhen Xunlei at any time. For example, if any of the shareholders of Shenzhen Xunlei refuses or fails to perform his or her obligations under the contractual arrangements due to his or her significant equity interest in Shenzhen Xunlei and his or her relatively smaller percentage of equity interest in our company, we can enforce the contractual arrangements and transfer his or her equity interests to another appointee of Giganology Shenzhen. However, we cannot assure you that such transfer can be implemented successfully or without significant costs. As a result, we might not be able to have effective control over the variable interest entity in the future.

Moreover, the exercise of call options under the equity interest disposal agreement, the intellectual properties purchase option agreement and certain other contractual arrangements will be subject to the review and approval of competent governmental authorities and incur additional expenses.

All of these contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements, which may make it difficult to exert effective control over the variable interest entities and their subsidiaries, and our ability to conduct our business may be adversely affected.

Contractual arrangements with the variable interest entities may result in adverse tax consequences to us.

Under applicable PRC tax laws and regulations, arrangements and transactions among related parties may be subject to audit or scrutiny by the PRC tax authorities within ten years after the taxable year when the arrangements or transactions are conducted. See "Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on tax—PRC enterprise income tax." We could face material and adverse tax consequences if the PRC tax authorities were to determine that any contractual arrangements among our WFOEs, the VIEs and their respective shareholders, as well as the intellectual property framework agreement between Xunlei Computer and Shenzhen Xunlei and the exclusive business cooperation agreement between Xunlei Computer and Shenzhen Suqu, were not entered into on an arm's-length basis and therefore constituted unfavorable transfer pricing arrangements. Unfavorable transfer pricing arrangements could, among other things, result in an upward adjustment on taxation, and the PRC tax authorities may impose interest on late payments on the variable interest entities, for the adjusted but unpaid taxes. Our results of operations may be materially and adversely affected if the variable interest entities' tax liabilities increase significantly or if it is required to pay interest on late payments.

The shareholders of the variable interest entities may have potential conflicts of interest with us, which may materially and adversely affect our business.

Sean Shenglong Zou, Hao Cheng, Fang Wang, Jianming Shi and Guangzhou Shulian Information Investment Co., Ltd. are shareholders of Shenzhen Xunlei and Kening Wu and Xiaosong Li are the indirect shareholders of Shenzhen Suqu. We provide no incentives to the shareholders of the VIEs for the purpose of encouraging them to act in our best interests in their capacity as the shareholders of the VIEs. We may replace the shareholders of the VIEs at any time pursuant to the currently effective equity option agreements between us and these shareholders.

We cannot assure you that when conflicts arise, the shareholders of the VIEs will act in the best interests of our company or that conflicts will be resolved in our favor. If we cannot resolve any conflicts of interest or disputes between us and the shareholders of the VIEs, we would have to rely on legal proceedings, which may be expensive, time-consuming and disruptive to our operations. There is also substantial uncertainty as to the outcome of any such legal proceedings.

We may rely principally on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of Giganology Shenzhen and Xunlei Computer to pay dividends to us could have a material adverse effect on our ability to conduct our business.

We are a holding company and we may rely principally on dividends and other distributions on equity paid by our wholly-owned PRC subsidiaries, including Giganology Shenzhen and Xunlei Computer, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If Giganology Shenzhen incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require us to adjust our taxable income under the contractual arrangements which our WFOEs currently have in place with the variable interest entities, as well as the intellectual property framework agreement between Xunlei Computer and Shenzhen Xunlei, and the exclusive business cooperation agreement between Xunlei Computer and Shenzhen Suqu, in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us. As of December 31, 2025, we had cash and cash equivalents of approximately RMB613.6 million (US\$87.3 million) and US\$3.3 million located within the PRC, of which RMB269.9 million (US\$38.4 million) and US\$0.6 million are held by the variable interest entities and their subsidiaries. The transfer of all the cash and cash equivalents is subject to PRC government's restrictions on currency conversion.

Under PRC laws and regulations, Giganology Shenzhen and Xunlei Computer, as wholly foreign-owned enterprises in the PRC, may pay dividends only out of their accumulated after-tax profits as determined in accordance with PRC accounting standards and regulations. In addition, wholly foreign-owned enterprises, such as Giganology Shenzhen and Xunlei Computer, are required to set aside at least 10% of their accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of their respective registered capital. At their discretion, wholly foreign-owned enterprises may allocate a portion of their after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. Any limitation on the ability of Giganology Shenzhen and Xunlei Computer to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See also “—Risks Related to Doing Business in China—Our global income may be subject to PRC taxes under the PRC Enterprise Income Tax Law, which may have a material adverse effect on our results of operations.”

PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and government control of currency conversion may restrict or prevent us from making loans to our PRC subsidiaries and the variable interest entities and their subsidiaries or making additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business.

We may (i) make additional capital contributions to our PRC subsidiaries, (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, (iii) make loans to our PRC subsidiaries or the variable interest entities and their subsidiaries, or (iv) acquire offshore entities with business operations in China in an offshore transaction. However, most of these uses are subject to PRC regulations and approvals. For example:

- loans by us to our PRC subsidiaries, which are foreign-invested enterprises, to finance their respective activities cannot exceed statutory limits and must be registered with SAFE or its local branches; and
- loans by us to the variable interest entities, which are domestic PRC entities, may not exceed the statutory limit, and any medium or long-term loan we extend to the variable interest entities must be recorded and registered by the National Development and Reform Commission, or the NDRC, and SAFE or its local branches.

On March 30, 2015, SAFE issued the Circular on Reform of the Administrative Rules of the Payment and Settlement of Foreign Exchange Capital of Foreign Invested Enterprises, or the SAFE Circular 19, which became effective on June 1, 2015. SAFE Circular 19 adopts a concept of “discretionary conversion,” which is defined as the conversion of a foreign-invested enterprise’s foreign currency registered capital in accordance with the enterprise’s actual business needs. No review of the purpose of the funds is required at the time of conversion under SAFE Circular 19. However, use of any Renminbi funds converted from its registered capital shall be based on actual transactions. In addition, equity investments using converted registered capital are no longer prohibited under SAFE Circular 19.

On June 9, 2016, SAFE issued *the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts*, or SAFE Circular 16, which became effective on the same day. Pursuant to SAFE Circular 16, enterprises registered in China may also convert their foreign debts from foreign currency to Renminbi in their own discretion. SAFE Circular 16 provides an integrated standard for the conversion of foreign exchange under capital account items (including, but not limited to, foreign currency capital and foreign debts) on a self-discretionary basis, which applies to all enterprises registered in China. SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, while such converted Renminbi shall not be provided as loans to its non-affiliated entities, or used for construction and purchase of non-self-used real estate (excluding real estate enterprises) or unless otherwise expressly provided in law, directly or indirectly used in securities investment or other financial management excluding the bank capital preservation products.

Although SAFE Circular 19 and SAFE Circular 16 allow for the use of Renminbi converted from the foreign currency denominated capital for equity investments in the PRC, the restrictions on Renminbi capital of foreign-invested enterprises will continue to apply as to foreign-invested enterprises’ use of the converted Renminbi for purposes beyond the business scope, for the loans to non-associated companies or issuing inter-company Renminbi loans. Violations of these two circulars could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from our equity offering and notes offering, to our PRC subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in China.

On October 23, 2019, SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment, which allows non-investment foreign-invested enterprises to use their capital funds to make equity investments in China provided that such investments do not violate the “negative list” and that the target investment projects are genuine and in compliance with PRC laws. In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from our equity offering and notes offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may lose the ability to use and enjoy assets held by the variable interest entities and their subsidiaries that are important to the operation of our business if any of such entities goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

As part of our contractual arrangements with the variable interest entities, the variable interest entities and their subsidiaries hold certain assets that are important to the operation of our business, including patents for the proprietary technology and related domain names and trademarks. If any of the variable interest entities or their subsidiaries goes bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. Under the contractual arrangements, the variable interest entities and their subsidiaries may not, in any manner, sell, transfer, mortgage or dispose of their assets or legal or beneficial interests in the business without our prior consent. If any of the variable interest entities undergoes a voluntary or involuntary liquidation proceeding, the unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Uncertainties exist with respect to the interpretation and implementation of the enacted PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

On March 15, 2019, the National People's Congress enacted the PRC Foreign Investment Law, which became effective on January 1, 2020. The PRC Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, uncertainties exist in relation to its interpretation and implementation. For instance, under the PRC Foreign Investment Law, "foreign investment" refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. Though it does not explicitly classify contractual arrangements as a form of foreign investment, there is no assurance that foreign investment via contractual arrangement would not be interpreted as a type of indirect foreign investment activities under the definition in the future. In addition, the definition contains a catch-all provision which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. In any of these cases, it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations. Furthermore, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance and business operations.

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.

A majority of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by the economic conditions in China as a whole. The Chinese government affects China's economic growth through allocating resources, regulating payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies, such as those qualified to operate in free trade zones designated in certain major cities in China.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government regulation over capital investments or changes in tax regulations. Any prolonged slowdown in the Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

Regulation and censorship of information disseminated over the internet in China have adversely affected our business and may continue to adversely affect our business, and we may be liable for the digital media content on our platform.

Under PRC laws and regulations, internet content providers, or ICPs, like us, are prohibited from posting or displaying over the internet or wireless networks content that, among other things, violates PRC laws and regulations. If an ICP finds that prohibited content is transmitted on its website or stored in its system, it must terminate the transmission of such information or delete such information immediately, keep records and report to competent authorities. Failure to comply with these requirements could lead to the revocation of the Value-added Telecommunication Services License, which is required for our ICP services, and other required licenses and the closure of the offending websites. Cloud network operators or website operators may also be held liable for prohibited content displayed on, retrieved from or linked to such network or website. We monitor digital media content on our platform and periodically review and inspect whether any content violates PRC laws and regulations. However, we cannot assure you that we will always be able to identify and remove in a timely manner all digital media content on our platform that violates PRC laws and regulations. If we fail to timely remove relevant content, we may be subject to legal liabilities. In addition, our efforts to constantly monitor content in order to comply with these requirements could negatively impact user experience and lead to a decline in the number of users.

The Chinese government has intensified its efforts to remove inappropriate content disseminated over the internet and wireless networks, and our efforts to monitor content on our platform and website led to a decline in the number of subscribers in the past few years. In August 2017, the Cyberspace Administration of China promulgated the *Provisions on the Administration of Internet Comments Posting Services*, most recently amended on December 15, 2022, and the *Provisions on the Administration of Internet Forum and Community Services*, both require service providers to establish information review and inspection mechanism. In December 2018, the Cyberspace Administration of China launched a campaign against illegal activities and inappropriate content on mobile apps and undertook restrictive measures against thousands of mobile apps, including suspension of mobile app operations for an indefinite period of time or permanently shutting down the mobile app operations. In December 2019, the Cyberspace Administration of China promulgated the *Regulations on the Ecological Governance of Network Information Content*, which provides that network information content service platforms should fulfill the main responsibility of content management and establish an ecological governance mechanism for network information, and improve their systems for user registration, account management, information publishing review, emergency response, etc. In October 2021, the Cyberspace Administration of China issued the *Notice on Further Strengthening the Regulation on Online Information of Entertainment Celebrities*, which requires internet platforms to, among others, monitor information posted by celebrities online so as to timely identify hot topics that could involve illegal or undesirable actions and to promptly report to the competent authorities in such event. We regularly conduct internal compliance investigation to ensure that the content transmitted by our products is in compliance with the standards set out by the authorities. We had experienced declines in the number of users and subscribers in the past in connection with our efforts to comply with these PRC rules and regulations and we cannot assure you that it will not happen again in the future.

In addition, in May 2025, we completed the closing of the acquisition of Shanghai Kuanghui Network Technology Co., Ltd., or Shanghai Kuanghui, which operated Hupu, a leading sports media and data platform in China, for a total cash consideration of RMB500 million. Hupu is a community platform, and accordingly, we have been responsible for the review and management of the content posted by users on it after the acquisition. Any failure to fulfill such responsibility could subject us to penalties, including fines, suspension of business and revocation of the relevant licenses.

We are subject to changing law and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are subject to rules and regulations by various governing bodies, including, the SEC, which is in charge of protecting investors and overseeing companies whose securities are publicly traded, and various regulatory authorities in China and the Cayman Islands, as well as evolving regulatory measures under applicable laws and regulations. The governance, operation and management of our corporate entities in the PRC are governed by the PRC Company Law, which was promulgated by the Standing Committee of the National People's Congress in 1993 and last amended on December 29, 2023. The amended PRC Company Law has taken effect from July 1, 2024 and introduces new requirements on capital contributions, corporate governance, liabilities of directors, supervisors and senior executives, protection of minority shareholders, share transfer and liquidation process, among others. Our efforts to comply with changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

The PRC government's oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs.

We conduct our business primarily through our PRC subsidiaries and the variable interest entities and their subsidiaries in China. Our operations in China are governed by PRC laws and regulations. The PRC government has oversight and discretion over the conduct of our business, and it may influence our operations, which could result in a material adverse change in our operation and the value of our common shares and ADSs. For example, we submitted the security assessment report regarding Hiya Voice on the National Internet Security Service Platform in June 2022 pursuant to the *Provisions for the Security Assessment of Internet Information Services Having Public Opinion Properties or Social Mobilization Capacity* and received the approval after the onsite inspection conducted by the competent authority. However, in September 2022, we were informed by the app store operator that Hiya Voice had been removed from the app store. The removal was due to the implementation of more stringent security assessment requirements under these provisions, as determined by the Cyberspace Administration of China. Since May 2023, we have been downsizing our domestic audio live-streaming operations due to lower gross margin of such business and the rapidly evolving and challenging industry environment, including the terminations of the operations of Hiya Voice and Xunlei Live in June 2023 and October 2024, respectively. We have ceased providing both audio and video live-streaming services in China, while we continue to provide audio live-streaming services in overseas markets. The complexities and constantly evolving laws and the uncertainties of their application in practice by PRC government have resulted in non-compliance risk and the additional costs for our compliance activities, and we cannot assure you whether we will be subject to any potential liability.

Also, the PRC government has promulgated rules and regulations to exert more oversight and control over offerings that are conducted overseas and foreign investment in China-based issuers. See “—The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings (if any) under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval.” for more details.

Since it is uncertain whether we will be able to obtain such approvals or complete the filing or other procedures as required by these regulations in a timely manner, or at all, and such approvals may be rescinded even if obtained. Any such circumstance could result in administrative penalties, such as warnings, rectification, confiscation of illegal gains, suspension of business, revocation of license or fines on us, significantly limit or completely hinder our ability to continue to offer securities to investors or cause the value of such securities to significantly decline or be worthless. In addition, implementation of industry-wide regulations directly targeting our operations could cause the value of our securities to significantly decline. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

Uncertainties with respect to the PRC legal system could adversely affect us.

We conduct our business primarily through our PRC subsidiaries and the variable interest entities and their subsidiaries in China. Since the PRC legal system continues to evolve rapidly and the PRC governmental authorities may continue to promulgate new laws and regulations regulating our business, we cannot assure you that our business operations would not be deemed to violate any existing or future PRC laws or regulations, which in turn may limit or restrict us, and could materially and adversely affect our business and operations.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. As the PRC legal system is a civil law system based on written statutes, prior court decisions under the civil law system may be cited for reference but have limited precedential value. The PRC judicial and administrative authorities have discretion in interpreting and implementing statutory and contractual terms, and therefore it may be difficult to predict the outcome of a judicial or administrative proceeding. These uncertainties may adversely affect our contractual, property and procedural rights, which could adversely affect our business, financial condition, results of operations and prospects.

The PRC government has oversight over the conduct of our business and it has promulgated rules and regulations to exert more oversight over offerings that are conducted overseas and/or foreign investment in China-based issuers. See “—The PRC government’s oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs” and “—The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings (if any) under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval.” Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management’s attention.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulations of internet-related business and companies.

The PRC government extensively regulates the internet industry, including foreign ownership of, and the licensing and permit requirements pertaining to, companies in the internet industry. These internet-related laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant 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. Issues, risks and uncertainties relating to PRC regulation of the internet business include, but are not limited to, the following:

- There are uncertainties relating to the regulation of the internet business in China, including evolving licensing practices and the requirement for real-name registrations. This means that permits, licenses or operations of our company 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 obtain or renew certain permits or licenses. If we fail to obtain or maintain any of these required licenses or approvals, we may be subject to various penalties, including fines and discontinuation of or restriction on our operations. Any such disruption in our business operations may have a material and adverse effect on our results of operations.
- New laws and regulations may be promulgated that will regulate internet activities, including live-streaming, online games and online advertising businesses. If these new laws and regulations are promulgated, additional licenses may be required for our operations. If our operations 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.

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the internet industry have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of, internet businesses in China, including our business. For example, in September 2009, the GAPPRFT, together with other governmental authorities, jointly published a notice, or Circular 13, which expressly prohibits foreign investors from participating in online game operating business via wholly owned, equity joint venture or cooperative joint venture investments in China, and from controlling and participating in such businesses directly or indirectly through contractual or technical support arrangements. Other government agencies with substantial regulatory authority over online game operations and foreign investment entities in China did not join GAPPRFT in issuing Circular 13. While Circular 13 is applicable to us and our online game business on an overall basis, to date, no interpretation of Circular 13 has been issued, and, to our knowledge, has not taken any enforcement action under Circular 13 against any company that relies on contractual arrangements with affiliated entities to operate online games in China. However, the practice of such filings varies at the provincial levels of Radio and Television Administration, which are in charge of such registration. For example, Guangdong Radio and Television Administration, which is in charge of our filing, only accepts register of live audio and video broadcasts of major political, military, economic, social, cultural, and sports activities or events, thus we are no longer required to conduct such filing, based on our inquiries with the competent authorities. There is uncertainty as to whether we will be required to complete the registration in the future and we cannot assure you that we will successfully complete the registration in a timely manner, or at all. We cannot assure you that we have fulfilled all regulatory requirements or obtained all the permits or licenses required for conducting our business in China or will be able to fulfill any regulatory requirements or maintain our existing licenses or obtain any new licenses required under any new laws or regulations. There are also risks that we may be found to violate the existing or future laws and regulations given the uncertainty and complexity of China’s regulation of internet business.

We may be sued by our game players and held liable for losses of virtual assets by such players, which may negatively affect our reputation and business, financial condition and results of operations.

While playing online games or participating in other online activities, players acquire and accumulate some virtual assets, such as special equipment and other accessories. Such virtual assets may be important to online game players and have monetary value and, in some cases, are sold for actual money. In practice, virtual assets can be lost for various reasons, often through unauthorized use of the game account of one user by other users and occasionally through data loss caused by a delay of network service, a network crash or hacking activities. Although the PRC Civil Code provides the general principle for protection of personal rights, property rights and other lawful interests of civil subjects, currently, there is no PRC law or regulation specifically governing virtual asset property rights. As a result, there is uncertainty as to the legal owner of virtual assets, whether and how the ownership of virtual assets is protected by law, and whether an operator of online games like us would be liable to game players or other interested parties (whether in contract, tort or otherwise) for loss of such virtual assets. Based on recent PRC court judgments, the courts have typically held online game operators liable for losses of virtual assets by game players, ordered online game operators to return the lost virtual items to game players or pay damages and losses, as well as required the game operators to provide well-developed security systems to protect such virtual assets owned by game players. In the case of a loss of virtual assets, we may be sued by our game players or users and held liable for damages, which may negatively affect our reputation and business, financial condition and results of operations.

We may be adversely affected by PRC regulations to limit the methods that internet companies may apply when using algorithms, and the types of algorithms they may use.

In recent years, the PRC government has taken steps to more closely regulate how internet companies use algorithms. For instance, the Cyberspace Administration of China, together with eight other government authorities, jointly issued *the Guidelines on Strengthening the Comprehensive Regulation of Algorithms for Internet Information Services* on September 17, 2021, which provide that daily monitoring of data use, application scenarios and effects of algorithms shall be carried out by the regulators, and security assessments of algorithms shall be conducted by the regulators. The guidelines also provide that an algorithm filing system shall be established, and classified security management of algorithms shall be promoted.

In addition, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security and the State Administration for Market Regulation jointly promulgated *the Administrative Provisions on Algorithm Recommendations of Internet Information Services* on December 31, 2021, effective on March 1, 2022, which provide that algorithms recommendation service providers are not allowed to use algorithms to register false user accounts, block information or offer excessive recommendations, and that users should be given the option to easily turn off algorithm recommendation services. To comply with the *Administrative Provisions on Algorithm Recommendations of Internet Information Services*, we may need to further adjust our business and operations as we may be deemed to be an algorithm recommendation service provider capable of social mobilization or influencing public opinion, and thus are obligated to complete the filing with the internet information service algorithm filing system. In addition, algorithm recommendation service providers are required to publicly disclose the basic principles, purposes, intentions and operating mechanisms of algorithm-related products. In response to this requirement, we have publicly disclosed the operation mechanism on our Xunlei App and provided an option for our users to turn off algorithm-driven recommendation services. However, the impact on our business operations is still substantially uncertain since this rule is relatively new and uncertainties still exist in relation to its interpretation.

Fluctuations in exchange rates may have a material adverse effect on our results of operations and the value of your investment.

Fluctuation in the value of the Renminbi may have a material adverse effect on the value of your investment. The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar at times significantly and unpredictably. The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by changes in political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

Our financial statements are expressed in U.S. dollars, and most of our assets, costs and expenses are denominated in Renminbi. A majority of our revenues were denominated in Renminbi. Any significant appreciation or depreciation of the Renminbi may materially and adversely affect our revenues, earnings and financial positions, and the value of, and any dividends payable on, our ADSs in U.S. dollars. For example, to the extent that we need to convert U.S. dollars into Renminbi to pay our operating expenses, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the amount of Renminbi we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our common shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the amount of U.S. dollar available to us. In addition, a significant appreciation or depreciation in the value of the Renminbi relative to U.S. dollars would significantly reduce the U.S. dollar equivalent of our earnings regardless of any underlying change in our business or results of operations, which in turn could adversely affect the price of our ADSs.

There are limited hedging options available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Government control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive a majority of our revenues in Renminbi. Under our current corporate structure, our Cayman Islands holding company primarily relies on dividend payments from our wholly-owned PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with appropriate government authorities is required where the Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations of our PRC subsidiaries in China may be used to pay dividends by our PRC subsidiaries to our company and pay employees of our PRC subsidiaries who are located outside China in a currency other than the Renminbi. With prior approval from or registration with SAFE, cash generated from the operations of our PRC subsidiaries and affiliated entity may be used to pay off debt in a currency other than the Renminbi owed by our PRC subsidiaries and variable interest entities and their subsidiaries to entities outside China, and make other capital expenditures outside China in a currency other than the Renminbi. If any of the variable interest entities or their subsidiaries liquidates, the proceeds from the liquidation of its assets may be used outside of the PRC or be given to investors who are not PRC nationals. However, we may not be able to do so due to foreign exchange control imposed by the PRC government, which may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demand, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

Certain regulations in the PRC may make it more difficult for us to pursue growth through acquisitions.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, and certain regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For example, the M&A Rules require that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under *the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings*, issued by the State Council on August 3, 2008 and amended by the State Council on January 22, 2024, are triggered. Moreover, the PRC Anti-Monopoly Law, which was promulgated on August 30, 2007 and amended on August 1, 2022, and its implementing rules issued on March 10, 2023 together require that transactions which are deemed concentrations and involve parties with specified turnover thresholds (i.e., during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeds RMB12 billion and at least two of these operators each had a turnover of more than RMB800 million within China, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion, and at least two of these operators each had a turnover of more than RMB800 million within China) must be cleared by the Ministry of Commerce before they can be completed. In addition, according to *the Implementing Rules Concerning Security Review on the Mergers and Acquisitions by Foreign Investors of Domestic Enterprises* issued by the Ministry of Commerce in August 2011, mergers and acquisitions by foreign investors involved in an industry related to national security are subject to strict review by the Ministry of Commerce. These rules also prohibit any transactions attempting to bypass such security review, including by controlling entities through contractual arrangements. We believe that our business is not in an industry related to national security. However, we cannot preclude the possibility that the Ministry of Commerce or other government agencies may publish interpretations contrary to our understanding or broaden the scope of such security review in the future. Although we have no current definitive plans to make any acquisitions, we may elect to grow our business in the future in part by directly acquiring complementary businesses in China. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions.

Any failure or perceived failure by us to comply with the anti-monopoly and anti-unfair competition laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

The PRC government has adopted a series of anti-monopoly and anti-unfair competition laws and regulations and has enhanced its enforcement of such laws and regulations. The PRC Anti-Monopoly Law and its implementing rules (i) require that where concentration of undertakings reaches the filing threshold stipulated by the State Council, a filing must be made with the anti-monopoly authority before the parties implement the concentration, (ii) prohibit a business operator with a dominant market position from abusing such position, such as by selling commodities at unfairly high prices or buying commodities at unfairly low prices, selling products at prices below cost without any justifiable cause, or refusing to trade with a trading party without any justifiable cause, and (iii) prohibit business operators from entering into monopoly agreements, which refer to agreements that eliminate or restrict competition with competing business operators or transaction counterparties, such as by boycotting transactions, fixing or changing the price of commodities, limiting the output of commodities or fixing the price of commodities for resale to third parties, unless the agreements satisfy certain exemptions under the PRC Anti-Monopoly Law. Furthermore, in February 2021, the Anti-Monopoly Commission of the State Council promulgated the *Anti-Monopoly Guidelines for the Internet Platform Economy Sector*, which prohibit certain monopolistic acts of internet platforms so as to protect market competition and safeguard the interests of users and undertakings participating in the internet platform economy, including, without limitation, prohibiting platforms with a dominant position from abusing their market dominance. In addition, these guidelines also reinforce antitrust merger review for internet platform related transactions to safeguard market competition. On June 24, 2022, the Standing Committee of the National People's Congress enacted the new PRC Anti-Monopoly Law with effect from August 1, 2022, which increases the fines for illegal concentration of business operators to no more than ten percent of its last year's sales revenue if the concentration of business operator has or may have an effect of excluding or limiting competition, or a fine of up to RMB5 million if the concentration of business operator does not have an effect of excluding or limiting competition. It also stipulates that where a concentration of undertakings does not meet the threshold for declaration set by the State Council, but there is evidence that the concentration of undertakings has or may have the effect of excluding or limiting competition, the law enforcement agencies may order the operators to file the concentration of undertakings.

According to the PRC Anti-unfair Competition Law, unfair competition, which refers to the production and operating activities where an operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the PRC Anti-Unfair Competition Law, shall be prohibited. Pursuant to the PRC Anti-unfair Competition Law, operators shall abide by the principle of voluntariness, equality, impartiality and integrity and adhere to laws and business ethics during market transactions. Operators in violation of the PRC Anti-unfair Competition Law may be subject to civil, administrative or criminal liabilities. On June 27, 2025, the Standing Committee of the National People's Congress adopted an amendment to the Anti-unfair Competition Law with effect from October 15, 2025. On December 9, 2025, the State Administration for Market Regulation adopted an amendment to the Provisions on the Prohibition of Monopoly Agreements with effect from February 1, 2026. In addition, on January 28, 2026, the State Administration for Market Regulation released the Antitrust Compliance Guidelines for Internet Platform Operators which took effect upon release.

The PRC anti-monopoly enforcement agencies have strengthened enforcement under the PRC Anti-Monopoly Law in recent years. For example, in April 2021, the State Administration for Market Regulation, the Cyberspace Administration of China and the State Administration of Taxation held an administrative guidance meeting for internet platform enterprises. Many platforms, including 34 enterprises which attended such administrative guidance meeting as representatives of internet platform enterprises, are required to conduct a comprehensive self-inspection and make necessary rectification accordingly. Although we are not in the list of these 34 enterprises, we have been actively conducting necessary self-inspection and rectifications in accordance with such guidance. We cannot guarantee you that we will be able to be in full compliance with applicable rules and regulations at all times.

As a result of the regulators' focus on anti-monopoly and anti-unfair competition compliance and enhanced regulation of platform enterprises, our business practice and expansion strategy may be subject to heightened regulatory scrutiny. Any anti-monopoly or anti-unfair competition related lawsuit, regulatory investigations or administrative proceedings initiated against us could also result in constraints on our future investments and acquisitions. As a result, we may be subject to significant difficulties in pursuing our investment and acquisition strategy.

PRC regulations relating to the establishment of offshore special purpose vehicles by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

SAFE has promulgated several regulations that require PRC residents and PRC corporate entities to register with local branches of SAFE in connection with their direct or indirect offshore investment activities. These regulations apply to our shareholders who are PRC residents and may apply to any offshore acquisitions that we make in the future. SAFE promulgated *the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles*, or SAFE Circular No. 37, on July 4, 2014, which requires PRC residents to register with local branches of SAFE 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 interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular No. 37 as a "special purpose vehicle." The term "control" under SAFE Circular No. 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular No. 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period; or any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material events. If the shareholders of an offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries of the offshore holding company may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions. In addition, on February 13, 2015, SAFE issued *the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment*, which took effect on June 1, 2015. This circular delegates to the qualified banks the authority to register all PRC residents' investment in "special purpose vehicle" pursuant to SAFE Circular No. 37, except that those PRC residents who have failed to comply with SAFE Circular No. 37 may continue to fall within the jurisdiction of the local SAFE branches and must continue to make their supplementary registration applications with such local SAFE branches.

We have requested PRC residents holding direct or indirect interest in our company to our knowledge to make the necessary applications, filings and amendments as required under SAFE regulations. Mr. Sean Shenglong Zou, Mr. Hao Cheng and Ms. Fang Wang have completed the initial registration with the local SAFE branch as required by the SAFE regulations. However, we cannot assure you that these shareholders have completed and will complete all subsequent amendment registrations as required by the SAFE regulations as we do not have control over these shareholders. We may also not be informed of the identities of all the PRC residents holding direct or indirect interest in our company, and we cannot provide any assurances that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements required by SAFE regulations since we do not have control over these the PRC resident shareholders. The failure or inability of our PRC resident shareholders or our future PRC resident shareholders to make any required registrations or comply with other requirements under SAFE regulations may subject such PRC residents or our PRC subsidiaries to fines and legal sanctions and may also limit our ability to raise additional financing and contribute additional capital into or provide loans to (including using the proceeds from our initial public offering) our PRC subsidiaries, limit our PRC subsidiaries' ability to pay dividends or otherwise distribute profits to us, or otherwise adversely affect us.

Furthermore, because of the uncertainty over how the SAFE regulations will be interpreted and implemented, we cannot predict how these regulations will affect our business operations or future strategies. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may adversely affect our financial condition and results of operations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In December 2006, the People's Bank of China promulgated *the Administrative Measures of Foreign Exchange Matters for Individuals*, which set forth the respective requirements for foreign exchange transactions by individuals (both PRC or non-PRC citizens) under either the current account or the capital account. On February 15, 2012, SAFE promulgated *the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies*. Under these notices and other rules and regulations, PRC residents who participate in stock incentive plan in an overseas publicly-listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of such overseas publicly listed company or another qualified institution selected by such PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. We and our PRC employees who have been granted stock options are subject to these regulations. Failure by us or our PRC stock option holders to comply with the SAFE regulations may subject us or these PRC residents to fines and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to distribute dividends to us, or otherwise materially adversely affect our business.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

The State Administration of Taxation has issued several rules and notices to tighten its scrutiny over acquisition transactions in recent years, including the *Notice on Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-PRC Resident Enterprises* issued in February 2015, or SAT Circular 7. Pursuant to these rules and notices, if a non-PRC resident enterprise indirectly transfers PRC taxable properties, which refer to properties of an establishment or a place in the PRC, real estate properties in the PRC or equity investments in a PRC tax resident enterprise, by disposing of equity interest in an overseas non-public holding company without a reasonable commercial purpose and resulting in the avoidance of PRC enterprise income tax, such indirect transfer should be deemed a direct transfer of PRC taxable properties, and gains derived from such indirect transfer may be subject to the PRC withholding tax at a rate of up to 10%. SAT Circular 7 sets out several factors to be taken into consideration by tax authorities in determining whether an indirect transfer has a reasonable commercial purpose. An indirect transfer satisfying all the following criteria will be deemed to lack reasonable commercial purpose and be taxable under PRC law: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the PRC taxable properties; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in the PRC, or 90% or more of its income is derived directly or indirectly from the PRC; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the PRC taxable properties are limited and are insufficient to prove their economic substance; and (iv) the foreign tax payable on the gain derived from the indirect transfer of the PRC taxable properties is lower than the potential PRC enterprise income tax on the direct transfer of such assets. Nevertheless, the indirect transfer falling into the safe harbor available under SAT Circular 7 may not be subject to PRC tax and the scope of the safe harbor includes qualified group restructuring, public market trading and tax treaty exemptions. On October 17, 2017, the State Administration of Taxation issued the *Public Notice on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source*, or SAT Public Notice 37, which took effect on December 1, 2017. SAT Public Notice 37 also introduced certain key changes to the current withholding regime, such as (i) non-resident enterprise's withholding obligation for dividend was changed to arise on the date the payment is actually made as opposed to dividend declaration date; and (ii) nonresident enterprise's obligation to self-report tax within seven days upon withholding agent's failure to withhold was removed.

Under SAT Circular 7 and SAT Public Notice 37, the entities or individuals obligated to pay the transfer price to the transferor are the withholding agents and must withhold the PRC enterprise income tax from the transfer price. If the withholding agent fails to do so, the transferor should report to and pay the PRC enterprise income tax to the PRC tax authorities. In the event that neither the withholding agent nor the transferor fulfills their obligations under SAT Circular 7 and SAT Public Notice 37, apart from imposing penalties such as late payment interest on the transferor, the tax authority may also hold the withholding agent liable and impose a penalty of 50% to 300% of the unpaid tax on the withholding agent. The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the required materials in connection with the indirect transfer to the PRC tax authorities in accordance with SAT Circular 7.

However, due to a lack of clear statutory interpretation of these rules and notices, we face uncertainties on the reporting and consequences on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our Cayman Islands holding company and other non-resident enterprises in our company may be subject to filing obligations or may be taxed if our Cayman Islands holding company and other non-resident enterprises in our company are transferors in such transactions, and may be subject to withholding obligations if our Cayman Islands holding company and other non-resident enterprises in our company are transferees in such transactions. For the transfer of shares in our Cayman Islands holding company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the transferors from whom we purchase taxable assets to comply, or to establish that our Cayman Islands holding company and other non-resident enterprises in our company should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC resident investors were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident investors may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules, which may have a material adverse effect on our financial condition and results of operations or such non-PRC resident investors' investments in us. We have conducted acquisition transactions in the past and may conduct additional acquisition transactions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

Discontinuation or reduction of any of the preferential tax treatments or other government incentives available to us in the PRC, or imposition of any additional PRC taxes could adversely affect our financial condition and results of operations.

Under the PRC Enterprise Income Tax Law, the statutory enterprise income tax rate is 25%. Under certain circumstances, preferential tax rates may be applied if an enterprise meets the corresponding standards and qualifications and completes certain procedures. See “Item 5. Operating and Financial Overview and Prospects—A. Operating Results—Taxation” for details of tax benefits applicable to us. Preferential tax treatment and other government incentives granted to the variable interest entities and their subsidiaries are subject to review and may be adjusted or revoked at any time. The discontinuation or reduction of any preferential tax treatment currently available to us and our wholly-owned PRC subsidiaries will cause our effective tax rate to increase, which could have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to maintain our current effective tax rate in the future.

Our global income may be subject to PRC taxes under the PRC Enterprise Income Tax Law, which may have a material adverse effect on our results of operations.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term “de facto management bodies” as “establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise.” On April 22, 2009, the State Administration of Taxation issued a circular, or SAT Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on tax—PRC enterprise income tax.” Although SAT Circular 82 applies only to offshore enterprises controlled by PRC enterprises or PRC enterprise groups and not to those controlled by PRC individuals or foreigners, the determining criteria set forth in the SAT Circular 82 may reflect the general position of the State Administration of Taxation on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises.

According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following conditions set forth in the SAT Circular 82 are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

Xunlei Limited is a company incorporated outside the PRC and is not controlled by a PRC enterprise or PRC enterprise group. As a holding company, certain of Xunlei Limited’s key assets, including a significant amount of cash, are located, and records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. Therefore, we do not believe Xunlei Limited should be treated as a “resident enterprise” for PRC tax purposes if the criteria for “de facto management body” as set forth in the SAT Circular 82 are deemed applicable to us. However, as the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body” as applicable to Xunlei Limited, we may be considered a resident enterprise and may therefore be subject to the enterprise income tax at 25% on our global income. If we are considered a resident enterprise and earn income other than dividends from our PRC subsidiaries, a 25% enterprise income tax on our global income could increase our tax burden and adversely affect our cash flow and profitability. In addition to the uncertainty regarding how the new “resident enterprise” classification may apply, it is also possible that the rules may change in the future, possibly with retroactive effects.

Dividends paid by us to our foreign investors and gains on the sale of our ADSs or common shares by our foreign investors may be subject to taxes under PRC tax laws.

Under the PRC Enterprise Income Tax Law and its implementation regulations issued by the State Council, a 10% PRC withholding tax is applicable to dividends paid to investors that are “non-resident enterprises,” which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. Any gain realized on the transfer of ADSs or common shares by such investors is subject to PRC tax, at a rate of 10% unless otherwise reduced or exempted by relevant tax treaties, if such gain is regarded as income derived from sources within the PRC. If we are deemed a “PRC resident enterprise,” dividends paid on our common shares or ADSs, and any gain realized from the transfer of our common shares or ADSs, may be treated as income derived from sources within the PRC and may as a result be subject to PRC taxation (which in the case of dividends would be withheld at source). It is unclear whether our non-PRC individual investors would be subject to any PRC tax in the event we are deemed a “PRC resident enterprise.” If any PRC tax were to apply to such dividends or gains of non-PRC individual investors, it would generally apply at a rate of 20% (unless a reduced rate is available under an applicable tax treaty). It is also unclear whether, if we are considered a PRC “resident enterprise,” holders of our ADSs or common shares would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas (and we do not expect to withhold at treaty rates if any withholding is required). If dividends payable to our non-PRC investors, or gains from the transfer of our common shares or ADSs by such investors are subject to PRC tax, the value of your investment in our common shares or ADSs may be adversely affected.

Increases in labor costs and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and our profitability.

China’s overall economy and the average wage in China have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to our users by increasing prices for our products or services, our profitability and results of operations may be materially and adversely affected.

Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labor contracts. In the event that we decide to terminate the employment with some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. According to the PRC Social Insurance Law, employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers must, together with their employees or separately, pay the social insurance premiums for such employees.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in China. Such violation may subject us to labor disputes or government investigations. If we are deemed to have violated labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we and investors in our ADSs would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in the ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Pursuant to the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual report on Form 20-F for the fiscal year ended December 31, 2024 and do not expect to be so identified after we file this annual report on Form 20-F for the fiscal year ended December 31, 2025.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. If our shares and ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings (if any) under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval.

The M&A Rules require an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC persons or entities to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our future offshore offerings (if any) may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our future offshore offerings (if any), or a rescission of such approval obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On April 13, 2020, the Cyberspace Administration of China, the NDRC and other PRC governmental authorities jointly promulgated *the Measures for Cybersecurity Reviews*, which was amended on December 28, 2021 with effect from February 15, 2022. *The Measures for Cybersecurity Reviews* require that operators of “critical information infrastructure” purchasing internet products or services or network platform operators carrying out data processing activities, which affect or may affect national security, shall apply with the Cybersecurity Review Office for a cybersecurity review. In addition, a network platform operator holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering and listing on a foreign stock exchange.

On July 6, 2021, the PRC government authorities issued *Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law*. These opinions emphasize the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. On February 17, 2023, the CSRC issued *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies*, which became effective on March 31, 2023, and five supporting guidelines. These measures establish a filing-based regime to regulate overseas offerings and listings by domestic companies. Specifically, an overseas follow-on offering or listing, or other equivalent offering activity, including issuance of convertible notes, exchangeable notes or preferred shares, by a domestic company, whether directly or indirectly, must be filed with the CSRC and comply with the requirements under these measures. The indirect overseas listing of domestic companies refers to companies that conduct business mainly in China but issue shares or other similar rights and seek listing in overseas jurisdictions through their overseas holding companies. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on Overseas Listings.” These measures have no retroactive effect and thus are not applicable to our listing and offering prior to their promulgation. However, as these measures are relatively new and there are substantial uncertainties with respect to the filing requirements and overall implementation at this stage. We cannot assure you that, if the conditions are met and any filing or other procedure is required, we would be able to complete such filing or procedure for our future offering or listing, if any, and fully comply with these measures on a timely basis, or at all. Any failure to complete or not being able to complete the requisite filing for our future offering or listing, if any, or any failure or perceived failure by us to comply with the requirements under these measures may result in rectification, warnings or fines against us and could materially hinder our ability to conduct securities offerings.

On February 24, 2023, the CSRC together with other PRC governmental authorities issued the Provisions on Strengthening the Management of Confidentiality and Archives regarding Overseas Securities Offerings and Listings by Domestic Companies, effective March 31, 2023, which require domestic companies involved in overseas offerings and listings to obtain approvals from the competent authority and file with the state secrets protection administration of the same level before providing or publicly disclosing any document or material that involves state secrets or secrets of state organizations. These provisions also require domestic companies to complete required procedures before providing accounting archives to entities, including securities companies, securities service institutions, overseas regulators, and individuals. Additionally, domestic companies, securities companies and securities service institutions must obtain approvals before providing documents and information in response to inspections and investigations by overseas regulators. These inspections and investigations shall be conducted via the cross-border supervision mechanism whereby the PRC regulators will provide necessary assistance. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on Overseas Listings.” As these provisions are relatively new and there are substantial uncertainties with respect to the enforcement of the requirements and the specific procedures and approvals required thereunder, we cannot assure you that, if applicable to us, we would be able to obtain the necessary approvals on a timely basis or at all, which may hinder our ability to comply with the requirements under these provisions and carry out future offerings or listings of securities overseas.

On September 6, 2024, the NDRC and the Ministry of Commerce jointly issued *the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version)*, or the 2024 Negative List, which became effective on November 1, 2024. Pursuant to the 2024 Negative List, if a PRC company engaging in a prohibited business stipulated in the 2024 Negative List seeks an overseas offering and listing, it shall obtain the approval from the competent governmental authorities. In addition, the foreign investors of the issuer shall not be involved in the company's operation and management, and their shareholding percentages shall be subject, mutatis mutandis, to the regulations on domestic securities investments by foreign investors. As the 2024 Negative List is relatively new, there remain substantial uncertainties as to the interpretation and implementation of these new requirements, and it is unclear as to whether and to what extent listed companies like us will be subject to these new requirements. If we are required to comply with these requirements and fail to do so on a timely basis, if at all, our business operations, financial condition and business prospect may be adversely and materially affected.

On September 24, 2024, the State Council published the Administrative Measures for Network Data Security with effect from January 1, 2025, which provides that where network data processors carry out network data processing activities that have affected or may affect national security, they shall undergo a national security review in accordance with the relevant laws and regulations.

In addition, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us. If it is determined in the future that approval from and filing with the CSRC or other regulatory authorities or other procedures, including the cybersecurity review under *the Measures for Cybersecurity Reviews*, are required for our future offshore offerings (if any), it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures and any such approval or filing could be rescinded or rejected. Any failure to obtain or delay in obtaining such approval or completing such filing procedures for our future offshore offerings (if any), or a rescission of any such approval or filing if obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or filing or other government authorization for our future offshore offerings (if any). These regulatory authorities may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from our future offshore offerings (if any) into China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our listed securities. The CSRC or other PRC regulatory authorities also may take actions requiring us, or making it advisable for us, to halt our future offshore offerings (if any) before settlement and delivery of the shares offered. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our future offshore offerings (if any), we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition and reputation as well as the trading price of our listed securities.

Risks Related to Our ADSs

The market price for our ADSs may be volatile.

The trading prices of our ADSs are likely 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 similarly situated China-based issuers. The securities of some of these companies, including internet companies, have experienced significant volatility since their initial public offerings, including, in some cases, substantial declines in the trading prices of their securities. Such performances may affect the attitudes of investors toward China-based issuers, 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 of certain China-based issuers may also negatively affect the attitudes of investors towards China-based issuers in general, including us, regardless of whether we have engaged in such practices. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, which may have a material adverse effect on the market price of our ADSs.

The market price for our ADSs is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- regulatory developments affecting us, our advertisers or our industry;
- announcements of studies and reports relating to our services or those of our competitors;
- changes in the economic performance or market valuations of other internet companies in China;
- actual or anticipated fluctuations in our quarterly results of operations and changes of our expected results;
- changes in financial estimates by securities research analysts;
- conditions in the internet or online advertising industry in China;
- announcements by us or our competitors of new services, acquisitions, strategic relationships, joint ventures or capital commitments;
- additions to or departures of our senior management;
- fluctuations of exchange rates between the Renminbi and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our outstanding shares or ADSs; and
- sales or perceived potential sales of additional shares or ADSs.

If securities or industry analysts cease to 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.

As we do not have any plans to pay dividends as of this annual report, you may have to rely on price appreciation of our ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. Subject to our ongoing financial performance, cash position, budget and business plan, market conditions or other factors, we may consider paying special dividends. However, as we do not yet have any plans to pay dividends, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has discretion as to whether to distribute dividends, subject to applicable laws. In addition, our shareholders may by ordinary resolution declare dividends, but no dividend may exceed the amount recommended by our board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account; provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

Substantial future sales or perceived potential sales of our ADSs in the public market could cause the price of our ADSs to decline.

Sales of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. As of March 31, 2026, we had 318,268,921 common shares (excluding (i) 45,843,590 common shares that are reserved for bulk issuance upon the exercise or vesting of awards granted under our share incentive plan, or repurchased by our company but not yet canceled, and (ii) 10,889,429 common shares, consisting of 2,177,885 ADSs (representing 10,889,425 common shares) and 4 common shares held by Leading Advice Holding Limited, a share incentive awards holding platform). All our outstanding common shares represented by ADSs were freely transferable by persons other than our “affiliates” without restriction or additional registration under the Securities Act of 1933, as amended, or the Securities Act. The remaining common shares will be available for sale subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act.

We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term shareholder value, and share repurchases could increase the volatility of the trading price of the ADSs and could diminish our cash reserves.

On June 4, 2024, our board of directors authorized a share repurchase program, under which we may repurchase up to US\$20 million of our shares until June 2025. Although our board of directors has authorized this program, we are not obligated to purchase any specific dollar amount or to acquire any specific number of shares. The timing and amount of repurchases, if any, will depend upon several factors, including market, business conditions, the trading price of the ADSs or our common shares and the nature of other investment opportunities. Our share repurchase program could affect the price of the ADSs and increase volatility and may be suspended or terminated at any time, which may result in a decrease in the trading price of the ADSs. For example, the existence of a share repurchase program could cause the price of the ADSs to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for the ADSs. Additionally, our share repurchase program could diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities. There can be no assurance that any share repurchases will enhance shareholder value because the market price of the ADSs or our common shares may decline below the levels at which we determine to repurchase the ADSs or our common shares. Although our share repurchase program is intended to enhance long-term shareholder value, there is no assurance that it will do so and short-term share price fluctuations could reduce the program’s effectiveness.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings, and you may not receive cash dividends if it is impractical to make them available to you.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our common shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of common shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property to you.

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

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it 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.

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 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 the ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights which are carried by the underlying common shares represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. If we instruct the depositary to ask for your instructions, then upon receipt of your voting instructions, the depositary will try, as far as practicable, to vote the underlying common shares which are represented by your ADSs in accordance with your instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with instructions you give under specific circumstances when it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying common shares represented by your ADSs unless you convert your ADSs into the underlying common shares and become the registered holder of such common shares prior to the record date for a general meeting. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the underlying common shares represented by your ADSs and become the registered holder of such common 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 memorandum and articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or 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 common shares underlying 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, at the sole discretion of the depositary and as soon as practicable, notify you of the upcoming vote and will arrange to deliver our voting materials to you. We have agreed to give the depositary at least 30 days' prior notice of shareholder meetings. Nevertheless, 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 common shares represented by your ADSs.

We and the depositary are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, and we may terminate the deposit agreement, without the prior consent of the ADS holders.

We and the depositary may amend or terminate the deposit agreement without your consent. Such amendment or termination may be done in favor of our company. Holders of the ADSs, subject to the terms of the deposit agreement, shall be given at least 30 days' notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADS holders. If you continue to hold the ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. The depositary may, and shall at our written direction, terminate the deposit agreement and the ADSs by mailing notice of such termination to the registered holders of ADSs at least 30 days prior to the date fixed in such notice for such termination. After instructing its custodian to deliver all ordinary shares to us along with a general stock power that refers to the names set forth on the ADS register maintained by the depositary and providing us with a copy of the ADS register maintained by the depositary, the depositary and its agents will perform no further acts under the deposit agreement or the ADSs and shall cease to have any obligations under the deposit agreement and/or the ADSs.

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

The depositary of the ADSs may agree to distribute, subject to the terms of the deposit agreement, the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities underlying the ADSs, after deducting its fees and expenses. You would receive these distributions in proportion to the number of common shares the ADSs represent. However, the depositary 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 depositary may also determine that it is not feasible to distribute certain property. Additionally, the value of certain distributions may be less than the cost of distribution. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary 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, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary 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 the ADSs and ordinary shares.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiffs in any such action.

The deposit agreement provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our ordinary shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the U.S. Supreme Court. However, we believe that a pre-dispute contractual waiver of jury trial is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a pre-dispute contractual waiver of jury trial, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement. The jury trial waiver provision may result in increased costs to ADS holders to bring a claim, limited access to information and other imbalances of resources between our company and our ADS holders, and such provision could discourage claims or limit our ADS holders' ability to bring a claim in a judicial forum that they find favorable.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and the depositary. If a lawsuit is brought against either or both of us and the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including results that could be less favorable to the plaintiffs in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited because we are incorporated under Cayman Islands law, we conduct our operations primarily in China and substantially all of our directors and officers reside outside the United States.

We are incorporated in the Cayman Islands and conduct our operations primarily in China through our PRC subsidiaries and variable interest entities and their subsidiaries. Substantially all of our directors and officers reside 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 Cayman Islands or in the United States in the event that you believe that your rights have been infringed under the U.S. securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

There is uncertainty as to whether Cayman Islands courts or PRC courts would recognize or enforce judgments of courts of the United States obtained against us, or entertain original actions brought in the Cayman Islands or the PRC against us, based on certain civil liability provisions of U.S. securities laws. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), 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 any reexamination of the merits of the underlying dispute 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 such judgment (i) is final and conclusive, (ii) is not in respect of taxes, a fine or a penalty; (iii) is not inconsistent with a Cayman Island judgment in respect of the same matter, and (iv) 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 U.S. courts under civil liability provisions of the U.S. federal securities law 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.

Under the PRC Civil Procedures Law, PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the jurisdiction where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties with the United States or the Cayman Islands that provide for the enforcement of foreign judgments, and PRC courts strictly adopt the principle of reciprocity in judicial practice. In addition, according to the PRC Civil Procedures Law, PRC courts will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, national security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands.

Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and by the Companies Act (As Revised) and common law of the Cayman Islands. The rights of shareholders to take legal actions against us and our directors, actions by minority shareholders and the fiduciary duties 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 English common law, which provides persuasive, but not binding, authority in a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States and provides significantly less protection to investors. In addition, with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

It is also difficult or impossible for you to bring an action against us or against our directors and officers in China. Under the PRC Civil Procedures Law, foreign shareholders may bring an action based on PRC law against a company in China for disputes if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. It will be, however, difficult for U.S. shareholders to bring actions against us in the PRC in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding the ADSs or common shares, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

As a result, our public shareholders may have more difficulties in protecting their interests through actions against us, our management, our directors or our controlling shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States.

Since we are a Cayman Islands exempted company, the rights of our shareholders may be more limited than those of shareholders of a company organized in the United States.

Under the laws of some jurisdictions in the United States, majority and controlling shareholders generally have certain fiduciary responsibilities to the minority shareholders. Shareholder action must be taken in good faith, and actions by controlling shareholders which are obviously unreasonable may be declared null and void. Protection of the interests of minority shareholders under Cayman Islands law may not be as effective in all circumstances as under some U.S. jurisdictions. In addition, the circumstances in which a shareholder of a Cayman Islands company may sue the company derivatively, and the procedures and defenses that may be available to the company, may result in the rights of shareholders of a Cayman Islands company being more limited than those of shareholders of a company organized in the United States.

Furthermore, our directors have the power to take certain actions without shareholder approval which would require shareholder approval under the laws of most U.S. jurisdictions. The directors of a Cayman Islands company, without shareholder approval, may implement a sale of any assets, property, part of the business, or securities of the company. Our ability to create and issue new classes or series of shares without shareholders' approval could have the effect of delaying, deterring or preventing a change in control without any further action by our shareholders, including a tender offer to purchase our common shares at a premium over then current market prices.

Our memorandum and articles of association contains anti-takeover provisions that could adversely affect the rights of holders of our common shares and ADSs.

Our currently effective memorandum and articles of association contains certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants authority to our board of directors to establish from time to time one or more series of preferred shares without action by our shareholders. The provisions could have the effect of depriving our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

Our corporate actions are substantially controlled by our directors, executive officers and other principal shareholders, who can exert significant influence over important corporate matters, which may reduce the price of our ADSs and deprive you of an opportunity to receive a premium for your shares.

As of March 31, 2026, our directors, executive officers and existing principal shareholders beneficially owned approximately 55.1% of our outstanding common shares. These shareholders, if acting together, could exert substantial influence over matters such as electing directors and approving material mergers and acquisitions. This concentration of ownership may also discourage, delay or prevent a change in control of our company, which could have the dual effect of depriving our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and reducing the price of our ADSs. These actions may be taken even if they are opposed by our other shareholders. In addition, these persons could divert business opportunities away from us to themselves or others.

We believe we were a passive foreign investment company for United States federal income tax purposes for our taxable year ended December 31, 2025, which could subject United States investors in the ADSs or common shares to significant adverse United States federal income tax consequences.

Based upon the nature and composition of our assets (in particular, the retention of substantial amounts of cash and investments), and the market price of our ADSs, we believe that we were a "passive foreign investment company" (a "PFIC") for United States federal income tax purposes for our taxable year ended December 31, 2025, and we will very likely be classified as 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. In addition, it is possible that one or more of our subsidiaries may be or become classified as a PFIC for United States federal income tax purposes. A non-U.S. corporation will be classified as a PFIC for any taxable year if either (1) 75% or more of its gross income consists of certain types of passive income or (2) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. Although the law in this regard is unclear, we intend to treat the variable interest entities (including their subsidiaries) as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operations of such entity, but also because we are entitled to substantially all of its economic benefits, and, as a result, we consolidate its results of operations in our consolidated financial statements.

If we or any of our subsidiaries is classified as a PFIC for any taxable year during which a U.S. Holder (as defined in Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations) holds our ADSs or common shares, such U.S. Holder will generally be subject to burdensome reporting requirements and may incur significantly increased United States federal income tax on gain recognized on the sale or other disposition of the ADSs or common shares and on the receipt of distributions on the ADSs or 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 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 common shares, unless we cease to be a PFIC and such U.S. Holder makes a “deemed sale” election with respect to the ADSs or common shares. For more information, see the section titled “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations” and “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”

Item 4. Information on the Company

A. History and Development of the Company

We commenced operations in January 2003 through the establishment of Shenzhen Xunlei, which operates our Xunlei internet platform together with its various subsidiaries in the PRC.

In February 2005, we established Xunlei Limited as our holding company in the Cayman Islands. Xunlei Limited directly owns Giganology Shenzhen, our wholly owned subsidiary in China established in June 2005. Giganology Shenzhen primarily engages in the research and development of new technologies.

Giganology Shenzhen has entered into a series of contractual arrangements with Shenzhen Xunlei and its shareholders. These contractual arrangements enable us to direct the activities that most significantly affect Shenzhen Xunlei’s economic performance and as a result, we have consolidated the financial results of Shenzhen Xunlei and its subsidiaries in our consolidated financial statements in accordance with U.S. GAAP. The existing principal subsidiaries of Shenzhen Xunlei include the following:

- Shenzhen Xunlei Wangwenhua Co., Ltd. (formerly known as “Shenzhen Fengdong Networking Technologies Co., Ltd.”), or Wangwenhua, which was established in December 2005 and primarily engages in software development, technical consulting and other related technical services.
- Xunlei Games Development (Shenzhen) Co., Ltd., or Xunlei Games, which was established in February 2010 and primarily engages in the development of online games and computer software and advertising services.
- Henan Tourism Information Co., Ltd., which we acquired 80% of the total equity interest from an independent third party in June 2018 and primarily engages in computer software development, information consultation, entertainment services, advertising, and certain information services under Type II value-added telecommunication businesses.

In February 2011, we established a direct wholly-owned subsidiary, Xunlei Network Technologies Limited, or Xunlei Network BVI, in the British Virgin Islands. In March 2011, we established Xunlei Network Technologies Limited, or Xunlei Network HK, in Hong Kong, which is the direct wholly-owned subsidiary of Xunlei Network BVI. Xunlei Network HK primarily engages in the development of computer software. In November 2011, we established Xunlei Computer in China, which is the direct wholly-owned subsidiary of Xunlei Network HK. Xunlei Computer primarily engages in the development of computer software and information technology services.

In June 2014, we completed the initial public offering of our ADSs, which are listed on the Nasdaq Global Select Market under the symbol “XNET.”

In September 2014, we, through Shenzhen Xunlei, acquired from subsidiaries of Kingsoft Corporation Limited Kuaipan Personal and Kansunzi, both software services in support of cloud-sourced storage and sharing, and their related business and assets, for an aggregate cash consideration of US\$33 million. In August 2016, we discontinued our Kuaipan Personal services due to a change of business focus.

In July 2015, we completed the sale of our entire stake in Xunlei Kankan to Beijing Nesound International Media Corp., Ltd., an independent third party, for a consideration of RMB130.0 million. As of December 31, 2019, Beijing Nesound International Media Corp., Ltd. had fully paid the whole consideration of RMB130.0 million to us.

In April 2021, we acquired all equity interest of Funi. Pte. Ltd. from an independent third party. Funi. Pte. Ltd. was established in Singapore and primarily engages in audio live-streaming business in the Middle East, North Africa and Southeast Asia and business development for international markets.

In October 2021, we established Shenzhen Suqu, a variable interest entity. Xunlei Computer has entered into a series of contractual arrangements with Shenzhen Suqu and multiple layers of legal entities above Shenzhen Suqu, namely, Zhiyi Wensi and Zhilue Xinsi, as well as their partners and shareholders, as applicable. These contractual arrangements enable us to direct the activities that most significantly affect Shenzhen Suqu's operations and receive substantially all of its economic benefits, and accordingly, we have consolidated Shenzhen Suqu and its subsidiaries in our consolidated financial statements in accordance with U.S. GAAP. The existing principal subsidiaries of Shenzhen Suqu include the following:

- Shanghai Kuanghui Network Technology Co., Ltd., which was established in 2013 and acquired by us in May 2025, operates Hupu and primarily engages in technical services, technical consulting, advertising, media and sport agent and other related services.
- Hupu (Shanghai) Information Technology Co., Ltd., which was established in February 2021, primarily engages in technical services, technical consulting, advertising, sports and performing events planning, ticketing services, internet-related sales and other related services.

In February 2022, we established Fuconnect. Pte. Ltd. in Singapore, primarily offering an audio live-streaming product, which primarily targets regions such as East Asia and Southeast Asia.

Shenzhen Onething was established in September 2013 and primarily engages in cloud computing technology development and related services with valid Value-added Telecommunication Services Licenses. Shenzhen Onething was previously a subsidiary of Shenzhen Xunlei which held 70% equity interest in Shenzhen Onething, and certain plan participants or share incentive awards holding platforms hold the rest of equity interest for the employee share incentive plan. In March 2026, Shenzhen Xunlei entered into definitive agreements to transfer an aggregate 50% equity interest in Shenzhen Onething for an aggregate cash consideration of RMB125 million. Upon completion of the transaction in March 2026, Shenzhen Xunlei retained 20% equity interest in Shenzhen Onething, and we no longer consolidate the financial results of Shenzhen Onething.

Our principal executive offices are located at 3709 Baishi Road, Nanshan District, Shenzhen, 518000, the People's Republic of China. Our telephone number at this address is +86-0755 61111571. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC on www.sec.gov. You can also find information on at our investor relations website <http://ir.xunlei.com>. The information contained therein is not a part of this annual report.

See "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Capital Expenditures" for a discussion of our capital expenditures.

B. Business Overview

Overview

We are a leading technology company providing distributed cloud services in China. We operate a powerful internet platform in China based on cloud technology to enable our users to quickly access, store, manage and consume digital media content on the internet. We have expanded our products and services from PC-based devices to mobile devices in part through pre-installed acceleration products in mobile phones to further enlarge our user base and offer our users a wider range of access points. We provide a wide range of products and services across cloud acceleration and digital entertainment to deliver an efficient, smart and safe internet environment to our users.

Entertainment Ecology

We provide users with quick and easy access to online digital media content through (i) our core product, Xunlei Accelerator, a free product which enables users to accelerate digital transmission over the internet, and (ii) subscription services, which are delivered through our product, Green Channel, and offer users premium services for speed, reliability and storage.

Xunlei Accelerator is our most popular product, and had approximately 50.5 million monthly unique visitors in December 2025, according to our internal records. In addition to Xunlei Accelerator, we also provide live - streaming services and other internet value-added services, which primarily include online advertising and online game services.

As a part of our cloud-based mobile strategies, in 2012, we launched Mobile Xunlei, a mobile app that allows users to search, download, consume and store digital media content on their mobile devices in a user-friendly way. Mobile Xunlei has successfully gained popularity, as evidenced by being one of the most downloaded applications in its category. Based on our own records, the monthly average daily active user of Mobile Xunlei reached about 4.4 million in 2025.

Our mobile initiatives also benefit from our relationship with Xiaomi. In 2014, we entered into a pre-installed services agreement with Xiaomi, pursuant to which we agree to provide our Mobile Xunlei acceleration plug-in, and Xiaomi agrees to install such plug-in on its phones free of charge. Such pre-installment arrangement provides mobile phone users with access to our acceleration services, which we believe enhances our ability to generate more user traffic. Our mobile acceleration software has been officially adopted by Xiaomi's operating systems and installed on Xiaomi phones sold in China, including both new phone shipments and system upgrades from existing Xiaomi phones.

Apart from our core digital media transmission product and services, we launched our video live-streaming business in 2016 and audio live-streaming business in 2018. In 2021, we further diversified our live-streaming products portfolio by rolling out Hiya in April 2021, an audio live-streaming product for overseas markets primarily in the Middle East, North Africa and Southeast Asia, and Hiya Voice in September 2021, another audio live-streaming product mainly focusing on the China market. Users may chat and interact with broadcasters, and they can purchase virtual gifts from the platform to reward the broadcasters they like. In 2023 and 2024, we streamlined our audio live-streaming business by terminating the operations of Hiya Voice and Xunlei Live in China to adapt to the evolving market conditions. As a result, we have ceased providing both audio and video live-streaming services in China, while we continue to provide audio live-streaming services in overseas markets.

Shared Computing Ecology

A core part of our strategy is innovating in crowd-sourcing idle bandwidth and storage from users of our cloud computing hardware to provide computing resources to third-party partners.

We launched the decentralized OneThing Cloud in 2017, and a user reward program in 2020 that offers cash incentives for sharing idle network and storage resources. In 2018, we rolled out the StellarCloud shared cloud computing platform, delivering cost-effective edge computing, function computing and shared CDN solutions to enterprise users via its extensive node network.

We had upgraded our edge computing hardware, launching a new edge computing product in June 2022 and two new generations of OneThing Cloud hardware in January and December 2023. All products leverage our proprietary edge computing technology to intelligently schedule user resources and optimize edge cloud computing power distribution, with users and customers rewarded based on their resource contributions. As the Company decided to transfer the majority equity interest in Shenzhen Onething in March 2026, we will hold the rights to the shared cloud computing services as a minority shareholder.

Monetization

We generate revenues by monetizing our large user base, primarily through the following services:

- *Subscription services.* We provide premium subscription services to subscribers to enable faster download acceleration and more reliable access as well as larger cloud storage to digital media content.
- *Live-streaming and other services.* We historically offer various live-streaming products, including video live-streaming and audio live-streaming domestically and internationally. We ceased the operations of our audio live-streaming business and video live-streaming business in China in June 2023 and October 2024, respectively. As a result, we have ceased providing both audio and video live-streaming services in China, while we continue to provide audio live-streaming services in overseas markets. We also offer other services including other value-added services, such as Xunlei online advertising, Hupu advertising services, online games, technical services, and rental service.
- *Cloud computing services and products.* We offer cloud computing services by crowdsourcing idle bandwidth capacity and potential storage from users and continuously deliver computing resources to third parties, such as internet content providers, through our CDN services.

Our total revenues decreased from US\$364.9 million in 2023 to US\$324.4 million in 2024, and increased to US\$462.4 million in 2025. We had a net income attributable to Xunlei Limited of US\$14.2 million in 2023, US\$1.2 million in 2024, and US\$1,048.3 million in 2025.

Our platform

On our platform, users can accelerate internet content transmission and store digital content in the cloud drive, develop and operate blockchain-based services and applications, as well as enjoy popular forms of internet-based entertainment, such as watching online digital content and live performances, playing online games, and interacting with broadcasters through audio live-streaming platforms.

Cloud-based acceleration

We provide data transmission acceleration services based on cloud computing technology to internet users. Our cloud computing technology utilizes a network of computers hosted on the internet to store, manage and process data, thus providing our users with acceleration in internet data transmission and improving their download success rates. We provide our acceleration services to internet users with the following products and services.

Accelerator

We launched our core product, Xunlei Accelerator, in 2004 to address deficiencies of digital media content transmission over internet in China. Xunlei Accelerator allows users to accelerate digital transmission over the internet for free. Xunlei Accelerator also bridges users with diverse needs to other services we offer, such as Xunlei Media Player, which supports both online and offline video watching, and our various online games, by recommending and providing links to these services on its user interface.

Xunlei Accelerator is designed to provide an effective digital media content transmission solution to our users. In addition to our featured transmission acceleration function, we have integrated certain features into the interface of Xunlei Accelerator to enhance the overall user experience while helping users transmit their desired content efficiently. For example, Xunlei Accelerator provides a platform to integrate other third-party plug-in applications. Users can add application tabs to create shortcuts to various services that are provided by us, third-party application developers and application vendors who have business relationships with us. Xunlei Accelerator also has a task management console to allow users to track and manage their transmissions in progress, to manage and prioritize cloud-based data transmission tasks, or manage and synchronize transmitted content across multiple internet-enabled devices.

In 2020, we further tapped into our existing acceleration capacity and expanded the digital media content transmission solution provided by our Xunlei Accelerator to cover business users, in particular, online game companies. Depending on specific demands of online game companies, we are able to formulate individualized acceleration solutions tailored to such online game companies and help them better connect with target users of their online games.

In 2020, we also upgraded our Xunlei Accelerator by providing our users with personal cloud storage resources through launching Xunlei Cloud Drive. Instead of stretching increasingly inadequate local storage resources, Xunlei Cloud Drive allows users to save documents, files and other internet content they downloaded on the cloud server. Users can also upload documents and files on Xunlei Cloud Drive with security control, which provides real-time back-ups. Our Xunlei Cloud Drive offers each user a free storage space of 10 GB. Users can retrieve the internet content they stored on Xunlei Cloud Drive whenever they want through different terminals including tablets, smartphones and desktops. Xunlei Cloud Drive also allows users to share the data saved on the cloud server among each other. Users are able to access our Xunlei Cloud Drive service for free through our Xunlei Accelerator. Subscribers of our premium cloud acceleration service will be able to enjoy a cloud storage space of 3 TB to 10 TB.

In September 2022, we expanded our offerings by introducing the Xunlei Cloud Drive application for TV, enhancing user experience across various scenarios such as television, online TV, projectors and more. Our aim is to empower cloud drive users to seamlessly consume videos, pictures and files on larger screens. This innovative application enables users to effortlessly switch between different levels of definition, play synchronization, sound effects toggles, HDR support and other premium features. Additionally, the TV application facilitates content consumption on diverse hardware devices including PCs, NAS systems and network devices.

Mobile acceleration plug-in

We offer a mobile acceleration plug-in, which provides mobile device users with benefits of download speed acceleration and download success rate improvements similar to those offered by the PC-based Xunlei Accelerator. Our mobile acceleration plug-in has been adopted by Xiaomi, a Chinese smartphone maker, on all of its Hyper operating systems. Xiaomi installs our mobile acceleration plug-in on all of its new phones sold in China free of charge and adds such plug-in to the existing ones via system upgrade. Xiaomi phone users thus have access to our acceleration services.

Subscription services

We charge monthly, quarterly or annual fees for our premium subscription services. The benefits and services within the subscription package, which typically include incrementally larger bandwidth, faster acceleration speed and larger cloud storage, are upgraded according to the VIP levels. Our subscription services are delivered through our major premium acceleration product, Green Channel. It allows our subscribers to transmit digital media files from the internet, which significantly improves speed and reliability of such transmission. This is particularly helpful when subscribers need to transmit files that are only available from slow or unreliable data transmission sources, or to transmit a group of files while having only limited internet connectivity time. In addition to our major premium acceleration product, our product, Fast Bird, also accelerates our subscribers' internet access by increasing the bandwidth of the network system provided by telecommunications service providers.

We adopted different strategies and various promotion programs for each VIP level. For example, when we discovered that some of our users were not aware of our subscription services, we provided users with greater exposure to our subscription services in different parts of our platform and promoted products with significant potential interests to specific users. We use our powerful digital data analysis capabilities to explore different areas of users' needs previously unmet by existing functions and research and develop relevant functions based on such analysis. We offer users promotional measures, such as providing some free trials of premium acceleration services, to show the differences in the data transmission speeds to demonstrate how our premium services tremendously enhance data delivery speed and overall subscriber experience. In order to promote customer loyalty, we may elevate the VIP levels of our subscribers if they actively engage in our services. Once upgraded to certain higher VIP levels, our subscribers may be offered additional independent accounts, internally termed as sub-accounts, which allow users to access our premium acceleration services, at no additional charges. Starting from September 2016, we have ceased to provide new sub-accounts to users with upgraded VIP levels. Users with existing independent accounts are still able to use such accounts.

We had a subscriber base of approximately 6.0 million, 6.4 million and 7.7 million as of December 31, 2023, 2024 and 2025, respectively. In this annual report, the number of subscribers as of a given day excludes any sub-accounts.

Mobile Xunlei

Mobile Xunlei is a mobile application that allows users to search, download and consume digital media content on their mobile devices. The monthly average daily active user of this product was about 4.4 million in 2025. We monetize our mobile traffic through advertising sales. Moreover, this mobile application also supplements our existing subscriptions business. Some of our mobile application users also became users of our PC-based Xunlei Accelerator.

Cloud computing

We launched our cloud computing project in 2014 with Zhuanqianbao, a proprietary hardware that crowdsources idle uplink capacity from users, for which we provide cash compensation. In 2017, we launched OneThing Cloud, a decentralized cloud computing and storage device, to further crowd-source users' idle computing resources and convert them into cloud computing resources via proprietary technologies, with users eligible for our cash reward program for resource contributions.

In 2018, we rolled out StellarCloud, a distributed cloud computing platform integrating shared economy and blockchain technologies, offering cost-effective edge computing, function computing and shared CDN solutions to enterprise users by virtue of proprietary technologies and extensive node distribution. In 2019, we expanded our node network by partnering with local IDC and ISP providers to build distributed cloud computing node rooms across China, collecting more idle bandwidth and storage resources through deployed OneThing Cloud devices.

The crowdsourced uplink capacity is commercialized for customers including streaming websites and app stores, and we also utilize such resources for our own business operations to reduce third-party bandwidth procurement costs. Leveraging our massive distributed nodes, we have developed and launched edge computing hardware products with self-developed edge computing technology, which optimizes edge cloud computing power distribution by intelligently scheduling user resources, with resource contributors receiving corresponding rewards.

Live-streaming services

We launched our live-streaming services in 2016. Through our Xunlei Live website and mobile app, users are able to access our live video streaming services. While viewing live online performances delivered by broadcasters, users may interact with broadcasters, purchase virtual items from us to reward broadcasters they like. In May 2018, we expanded our live-streaming business by launching another audio live-streaming service through our mobile app. Users and broadcasters may interact with each other in the chat-rooms with different topics through audio live-streaming and purchase virtual items from our platform to reward each other.

We further diversified our live-streaming offerings in 2021. We launched Hiya, an audio live-streaming platform targeting overseas markets in April 2021. Similar to our audio live-streaming platform we launched in May 2018, overseas users of Hiya can join different chat-rooms with their favorite topics, then they are able to interact with broadcasters by purchasing virtual items from the platform and rewarding virtual items to broadcasters. In 2025, Hiya generated a revenue of US\$31.2 million, accounting for 6.7% of our total revenues in 2025, as compared to US\$31.4 million, accounting for 9.7% of our total revenues in 2024. As of the date of this annual report, users of Hiya are primarily from countries in the Middle East, Southeast Asia, South Asia and North Africa.

In July 2023, we launched WeFun, an audio live-streaming product primarily targeting regions such as East Asia and Southeast Asia. Users of WeFun can join various chat rooms based on their favorite topics, allowing them to interact with broadcasters by purchasing and rewarding virtual items. In 2025, WeFun generated revenue of US\$46.7 million, accounting for 10.1% of our total revenues, as compared to US\$18.9 million in 2024, accounting for 5.8% of our total revenues in 2024.

Xunlei Media Player

Xunlei Media Player, which we launched in 2008, is a supplementary tool that helps deliver a more comprehensive viewing experience of digital media content to the users of Xunlei Accelerator. Xunlei Media Player is our proprietary product that supports both online and offline play of digital media content as well as simultaneous play of digital media content while it is being transmitted by Xunlei Accelerator.

Online game services

To better serve our users, we partner with third-party online game developers or service providers to offer our users an array of online games through our online game website and mobile app. Such game play platform helps raise the average spending of our subscribers. Online game players can play the games free of charge, but are offered the opportunity to purchase in-game virtual items for a fee to enhance their game-playing experience. We typically enter into cooperation agreements with third-party online game developers or service providers and share revenues generated from online game operations pursuant to revenue sharing arrangements in the agreements.

After we disposed of our web game business and discontinued PC-based massively multiplayer online games business in 2018, we only operated mobile game business under our online game business. We started to cooperate with third parties to operate web game business in 2019 under a business model different from that of our previous web game business. In 2019, we collaborated with a third-party online game provider to provide our users with an array of web games on our Xunlei game center website. In 2020, we partnered with additional third-party online game providers to operate web games. We also started to operate PC-based massively multiplayer online games in 2021 again. After logging into their Xunlei accounts, our users are able to play these web games provided by the third-party online game providers. Our users are also able to purchase virtual items in those web games using a payment channel provided by us. Mobile games developed by third-party online game developers are available on our mobile app as usual. Users can download mobile games they are interested in through our mobile app and login the games by using their Xunlei accounts.

In addition to the above value-added services, we may also from time to time offer other ancillary services to cater to users' needs and to supplement the major services we provide.

Online advertising services

We provide advertising services primarily through various forms of advertisements placed on our mobile platform and PC websites. With a view to improving the competitiveness of our advertising services, we entered into an advertising revenue sharing agreement with Itui, our largest shareholder, and outsourced our advertising business to Itui in 2020. Itui has developed a precision customer target algorithm, and by cooperating with them, we hope to improve advertisement placement and improve revenues as a result. Pursuant to the agreement, Itui is responsible for operating our advertising services and shares a portion of revenue generated from placing advertisements on our PC websites and mobile platform. In 2023 and 2024, as a result of our continued effort on product optimization and the economic recovery, our advertising revenue increased by 13.4% and 22.9%, respectively. In 2025, our advertising revenue increased significantly by 238.6% as compared to 2024, primarily due to the revenue contribution of the advertising services of Hupu, which was acquired by us in May 2025.

Hupu Advertising Services

Hupu is a leading creator of the sports ecosystem in China, capitalizing on its resource advantages and marketing capabilities. It is also the largest sports internet platform, dedicated to serving the vast community of sports enthusiasts through internet-based approaches.

Hupu's core business revolves around a comprehensive sports internet platform. In light of the current market situation, it has gradually developed the following three types of basic services, which possess strong competitive advantages and exert significant influence within the industry:

- *Sports News*: Hupu offers the most up-to-date information regarding major domestic and international sports events. Specifically, it provides schedules, videos, live broadcasts, news, player updates, and transfer information of NBA basketball games. Additionally, it encompasses a wide range of sports events, including football, e-sports, F1, tennis, badminton, and also includes reports on significant sports events such as the Olympics and the World Cup.
- *Community Interaction*: Hupu boasts a highly concentrated male user base. Users are able to post, rate, and engage in discussions on various topics, share their opinions, and participate in conversations regarding diverse interests and lifestyle-related subjects, thereby establishing a vibrant culture of discussion and interaction.
- *Hupu Ratings*: As a phenomenon-level product nurtured by the platform, "Hupu Ratings" is a UGC evaluation system founded on real user feedback. It has evolved from "player ratings" for each NBA/football game to encompass ratings for e-sports players, equipment reviews, and even various aspects of life. Leveraging the substantial number of active users in the Hupu community, Hupu Ratings reflect the authentic word-of-mouth of the core audience. Players, commentators, and the media frequently cite Hupu Ratings, and its rating results have often trended on the internet. This product possesses a robust capacity to generate internet buzz and has social sharing attributes, effectively assisting brands in transcending topic boundaries. Currently, it stands as the most interactive benchmark product in sports marketing.

Hupu primarily provides advertising placement services and online and offline business promotion through mobile terminals (Hupu APP and other social media). Its monetization strategy mainly consists of brand advertising, performance advertising, game co-operation and lottery recommendation. From June 1, 2025, when Hupu's financial results were first consolidated into our financial statements, through December 31, 2025, Hupu generated revenue of US\$20.1 million, representing 4.4% of our total revenues.

Xunlei Browser

We launched Xunlei Browser in May 2024 which excels in providing users with an exceptional experience across three key scenarios: video streaming, web browsing, and novel reading. We have incorporated our advanced video processing technology into this browser, enabling users to experience seamless playback in less than a second even while using the browser. Additionally, it supports various video formats and offers one-click cloud playback for content from links. Users can enjoy ultra-high definition original images, stable and smooth playback, as well as online subtitles when watching videos on web pages.

Historical cloud computing services

We historically provided cloud computing services through Shenzhen Onething.

We launched the cloud computing project in 2014. To further develop the cloud computing business and at the same time explore emerging blockchain technology, we launched our decentralized cloud computing product, OneThing Cloud, in 2017. OneThing Cloud is a cloud-based storage and sharing device, which crowdsources idle uplink capacity from our users who have bought and connected their OneThing Cloud devices to their network router. Similar to Zhuanqianbao, users of OneThing Cloud can voluntarily share their idle computing resources to us. In 2018, we further advanced our cloud computing business and launched StellarCloud. StellarCloud is a distributed cloud computing platform that integrates the idea of shared economy and blockchain technology with cloud computing technology. In 2019, we further expanded our CDN network by jointly establishing dozens of distributed cloud computing node rooms across China with local IDC and ISP service providers. We installed our OneThing Cloud devices in these locations while local IDC and ISP service providers provide us with internet access and data center management services.

In March 2026, Shenzhen Xunlei entered into definitive agreements to transfer an aggregate 50% equity interest in Shenzhen Onething for an aggregate cash consideration of RMB125 million. Upon completion of the transaction in March 2026, Shenzhen Xunlei retained 20% equity interest in Shenzhen Onething, and we no longer consolidate the financial results of Shenzhen Onething.

Technology

We provide accelerated data transmission services, available on PC and mobile devices, based on our distributed file locating system, designed to utilize our proprietary file indexing technology.

Indexing technology

Key elements of our file indexing technology include:

File indexing. We have created, and continue to maintain, a proprietary file index database that stores a massive index of unique file signatures representing all digital media content file that Xunlei Accelerator has found across the internet. Each file signature uniquely identifies the index of a given file. We store a list of each unique file's available data transmission locations from across the internet, which may include both peer and server computers, along with the estimated speed and reliability of each location.

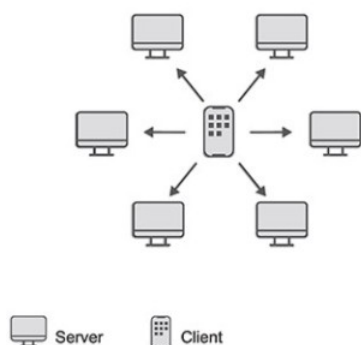
Data mining. We also employ data mining algorithms, studying user habits in order to maximize the speed of our data delivery by ranking the keyword indexes that users search for and placing digital media content more likely to be searched by users in the more easily accessible locations in our network for optimal delivery speed.

Distributed internet crawling techniques. Our Xunlei Accelerator network acts as a system of distributed spiders to crawl the internet to search for digital media content files. Whenever the user initiates data transmission by using our Xunlei Accelerator, the URL of the data transmission location is uploaded to our server. We then use that URL to traverse and locate any other digital media content files that may also be available from the URL's internet page repositories. We then update our file index according to each traversal result.

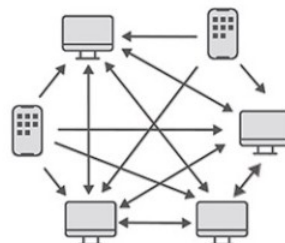
Distributed file locating system

Our distributed file locating system is based on distributed computing architecture, which consists of all Xunlei Accelerator clients that are running and connected to the internet at a given time, along with the server addresses stored in our file index database. When users launch Xunlei Accelerator on a network-connected device, they are automatically connected to our distributed file locating system and contribute their bandwidth and computing power to our distributed file locating system, which enables users to locate and connect efficiently.

Centralized (Server-based) Architecture



Distributed Computing Network Architecture



Key technologies include:

Multi-protocol file transfer technology. Our multi-protocol file transfer technology allows our product client to transmit, in parallel, from multiple sources that may use different file transfer protocols. Our multi-protocol file transfer technology significantly increases the number of data transmission sources available to further enhance data transmission performance.

Distributed file locating system. Our distributed file locating system helps users discover the best data transmission locations from across the internet, where a particular file may be transmitted or streamed for optimal performance. When a user requests data transmission using our Xunlei Accelerator, distributed file locating system will algorithmically prioritize and select from among the file's available data transmission locations an optimized subset of URLs based on their respective transmit speed and reliability, which is estimated through real-time collaborative interactions between our file index server and our massive network of active Xunlei Accelerator clients across the internet.

Network transport and traversal optimization. Our proprietary software algorithms perform dynamic internet bandwidth and throughput assessments across the Xunlei network and optimization of traffic routing to identify the most efficient path for data transport. These algorithms are designed to maximize delivery speed, reliability and efficiency, and support significant growth in network usage.

Cloud-based implementation for subscription services

We provide subscription services powered by our indexing technology and distributed file locating system. Our platform is compatible with different operating systems and hardware devices. As part of the infrastructure for the subscription services, except for proprietary load balancing and resource optimization algorithms, we maintain a virtual private network consisting of over one million third-party servers and over 656 servers that we own located throughout China.

We maintain proprietary load balancing and resource optimization algorithms, both of which help enhance our mass data mining on user habits to compile and maintain information on users' data transmission acceleration needs and requirements. As a cloud service provider, we use data mining for user habit prediction and co-location purposes. In user habit prediction, we analyze, sample and index user behavior data to help predict user acceleration needs and requirements. For co-location purposes, our program finds the most efficient and stable connection in our network for each transmission task. We also cooperate with telecom operators, maintaining logics and algorithms for our co-location centers in each telecom operator's network to enable real-time dynamic allocation of our servers and bandwidth to support user acceleration requirements. Our system automatically optimizes user connections based on key factors such as provincial network, firewall penetration and interconnection among various telecom operators.

Additionally, we entered into framework service agreements with multiple major cloud providers: Alibaba Cloud (December 2018), AWS Tencent Cloud (March 2020), Huawei Cloud (October 2020), and VolcEngine (Huoshan Cloud) (February 2023). All providers have been delivering cloud computing products and services to support our operations.

As of December 31, 2025, we were using 3,270 cloud servers from Alibaba Cloud via its 3,137 central nodes and 133 edge nodes; 1,423 cloud servers from Tencent Cloud via its 1,423 central nodes; 1,088 cloud servers from Huawei Cloud via its 1,088 central nodes; and 503 cloud servers from VolcEngine via its 481 central nodes and 22 edge nodes.

Marketing

We have built up our reputation and maintained our popularity primarily through word of mouth. We believe satisfied users and customers are more likely to recommend our services to others. Thus, we continue to focus on improving our services and enhancing our user experience. In the meantime, we also invest in a variety of marketing activities to further promote our brand awareness among existing and potential users as well as other customers. For example, we host or attend various public relations events, such as seminars, conferences and trade shows, in the advertising, online video and online game industries to attract users and advertisers. To retain and drive the growth of our subscribers, we market our premium paid services and place subscription advertisements at prominent locations throughout our integrated service offerings.

We further expand our user reach through ecological promotion on mainstream platforms including mainstream live-streaming platforms, tapping into broader potential user groups with tailored content and efficient traffic conversion. In addition, we carry out product promotion via strategic joint operation with various partners, integrating complementary resource advantages to achieve precise brand exposure and continuous expansion of our user market across different scenarios.

Intellectual property

Protection of our intellectual property

Our patents, copyrights, trademarks, trade secrets and other intellectual property rights are critical to our business. We rely on a combination of patent, copyright, trademark, trade secret and other intellectual property-related laws in the PRC and contractual restrictions to establish and protect our intellectual property rights. In addition, we require all of our employees to enter into agreements requiring them to keep confidential all information they obtain during the course of their employment relating to our technology, methods, business practices, customers and trade secrets. As of December 31, 2025, we had 445 patents granted in China and four patents granted in the United States, while another 137 patent applications are being examined by the State Intellectual Property Office of the PRC. We also seek to vigorously protect our Xunlei brand and the brands of our other services. As of December 31, 2025, we had 1,315 trademarks registered in different applicable trademark categories in the PRC and three trademark registered with World Intellectual Property Organization. We had applied for registration of 63 trademarks in China.

Digital media data monitoring and copyright protection

We take measures to protect third-party copyrights. The internet industry in China suffers from copyright infringement issues and online digital media content providers are frequently involved in litigation based on allegations of infringement or other violations of copyrights. Assisted by an intellectual property team dedicated to copyright protection, we have implemented internal procedures pursuant to the legal requirements under PRC laws and regulations to promptly disable the download URL of content for which we receive notice of infringement from the legitimate rights holder, and we work closely with the regulatory authorities in China to ensure compliance with all rules and regulations.

We have implemented several initiatives to further commit to copyright protection. We also make available on our websites and mobile applications reporting channels so that we can timely remove content that infringes intellectual property rights of other parties. Despite the preventive measures we put in place, we may still be subject to copyright infringement suits. As of the date of this annual report, we are involved in four pending copyright lawsuits in China. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—The intellectual property protection mechanism we have implemented may not always be effective or sufficient. Certain services we provide to our users have exposed us to and may continue to expose us to copyright infringement claims and other related claims. Any damage awards, injunctive relief and/or court orders could materially and adversely affect our existing business model, divert our management’s attention and adversely impact our business and reputation” and “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.”

User data safety

User data safety is a significant advantage we offer to our users. We try to improve user experience by usually maintaining two to four copies of one specific user file for data recovery in extreme circumstances such as system shutdown, private transmission backbone network problems and/or other contingencies beyond our control. The read and write characteristics of our distributed file locating system are identical to those of hard disks, and our unique user file decomposition and encryption algorithm enables us to maintain high standards for user data safety.

Competition

Due to our multiple service offerings, we face competition in several aspects of the internet services market in China. We believe that the key competitive factors in the overall internet services market in China include brand recognition, user traffic, technology platform and monetization abilities. We also face competition for the advertisement budgets of our advertisers from other internet companies and other forms of media.

Regulation

We set forth below a summary of the most significant rules and regulations that affect our business activities in China.

PRC Company Law

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law, which was promulgated by the Standing Committee of the National People's Congress on December 29, 1993 and last amended on December 29, 2023, with effect from July 1, 2024, or the New PRC Company Law. The New PRC Company Law introduces new requirements on capital contributions, corporate governance, liabilities of directors, supervisors and senior executives, protection of minority shareholders, share transfer and liquidation process, among others.

The New PRC Company Law requires shareholders of limited liability companies to fully pay the subscribed capital within five years of the company's establishment. Failure to comply with such requirements may lead to a loss of equity in the unpaid capital contribution. In certain situations, a company or its creditors can demand immediate fulfillment of the capital contribution obligation from shareholders who have not fully paid, even if the deadline for capital contribution has not yet passed. In addition, the State Council promulgated *The Provisions by the State Council on Implementing the Registration Management System of Registered Capital in the Company Law of the People's Republic of China* on July 1, 2024, which allows a three-year transition period for existing companies to adjust its subscribed capital to comply with the New PRC Company Law. The capital contribution of certain of the principal subsidiaries of the variable interest entities have not been fully paid. We will pay the outstanding subscribed capital or take relevant measures to comply with the New PRC Company Law and relevant regulations.

The New PRC Company Law also allows replace the supervisory board with an audit committee which is composed of directors, for both limited liability companies and joint-stock companies, in exercising the powers of the supervisory board. Alternatively, a small-scale company or a company with a few shareholders can appoint a single supervisor to exercise the powers of a supervisory board. A limited liability company can opt not to have any supervisor at all, so long as all shareholders unanimously agree. The New PRC Company Law provides more flexibility for companies to distribute powers among the shareholders' meeting, board of directors and managers. Certain powers previously held by the shareholders' meetings, such as deciding on the company's business direction and investment plans, and reviewing and approving the company's annual financial budget and final accounts, can now be decided by the board of directors or by managers, according to the division of powers in the company's articles of association.

The New PRC Company Law strengthens the obligations of directors, supervisors and senior executives. For instance, the board of directors must verify and call on shareholders' capital contributions. Directors responsible for this task are liable for compensation if they fail to perform these obligations and cause loss to the company. If a shareholder withdraws its capital contribution, the directors, supervisors and senior executives who are responsible are jointly and severally liable with the shareholders for the losses caused to the company, in addition to the shareholder's obligation to repay the capital contribution. The directors, supervisors and senior executives are liable for compensation if the financial assistance provided by the company is in violation of the New PRC Company Law and causes losses to the company. For losses caused to others by a director or senior executive during the performance of their duties, the company is liable for compensation. However, if there is intent or gross negligence on the part of the director or senior executive, the person is also liable for compensation.

Furthermore, the New PRC Company Law provides the redemption rights of minority shareholders. If the controlling shareholder of a limited liability company misuses its shareholder rights and causes serious harm to the company or other shareholders, the affected shareholders may request the company to repurchase their equity interest at a reasonable price. A foreign-invested company is also subject to the PRC Company Law unless otherwise provided in the foreign investment laws.

PRC regulation on catalogue relating to foreign investment

The establishment and operations of wholly foreign-owned enterprises are mainly governed by the PRC Foreign Investment Law, which was enacted by the National People's Congress on March 15, 2019 and became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Detailed Rules for *the Implementation of the Foreign Investment Law of the PRC*, which became effective on January 1, 2020.

Investment activities in the PRC by foreign investors and foreign-invested enterprises are regulated by *the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version)*, or the 2024 Negative List, promulgated by the NDRC and the Ministry of Commerce in September, 2024 and effective on November 1, 2024, and *the Catalogue of Industries for Encouraging Foreign Investment (2025 Version)*, or Encouraging Catalogue (2025 Version), promulgated by the NDRC in December 2025 and effective on February 1, 2026. Pursuant to the Encouraging Catalogue (2025 Version) and the 2024 Negative List, foreign-invested projects are categorized as encouraged, restricted and prohibited. Foreign-invested projects that are not listed in the Negative list are permitted foreign invested projects.

Establishment of wholly foreign-owned enterprises is generally allowed in industries not included in the 2024 Negative List. For the restricted industries within the 2024 Negative List, some of the industries are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects are subject to government approvals and certain special requirements. Foreign investors are not allowed to invest in industries in the prohibited category. The provision of value-added telecommunications services falls in the restricted category and the percentage of foreign ownership cannot exceed 50% (excluding e-commerce, domestic multi-party communications, store-and-forward, and call center services). The provision of internet cultural operating service (including online game operation services), internet publication service and online transmission of audio-visual programs service fall in the prohibited category and the foreign investors are prohibited to engage in such services. We conduct our operations primarily in China principally through contractual arrangements among Giganology Shenzhen and Xunlei Computer, our wholly-owned PRC subsidiaries, and Shenzhen Xunlei and Shenzhen Suqu, the variable interests entities, and their respective shareholders. Shenzhen Xunlei or its subsidiaries holds the licenses and permits necessary to conduct our cloud-based acceleration, online advertising, online games and related businesses in China, and Shenzhen Xunlei holds various operating subsidiaries that conduct a majority of our operations in China. Shenzhen Suqu's subsidiary, Shanghai Kuanghui, holds a Value-added Telecommunication Services License and an Internet Cultural Business License, to operate Hupu. Both of Giganology Shenzhen and Xunlei Computer engage in the development of computer software, technical consulting and other related technical services and businesses, none of which falls into any of restricted or prohibited categories under the 2024 Negative List. Hence, these activities operated by Giganology Shenzhen and Xunlei Computer are deemed to be permitted and open to foreign investment.

In December 2019, the Ministry of Commerce and the State Administration for Market Regulation issued *Measures for the Reporting of Foreign Investment Information*, effective on January 1, 2020, pursuant to which where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-funded enterprises shall report investment information to commerce departments.

PRC regulation on telecommunications and internet information services

The telecommunications industry, including the internet sector, is highly regulated in the PRC. Regulations issued or implemented by the State Council, Ministry of Industry and Information Technology and other government authorities cover many aspects of operation of telecommunications and internet information services, including entry into the telecommunications industry, the scope of permissible business activities, licenses and permits for various business activities and foreign investment.

The principal regulations governing the telecommunications and internet information services we provide in the PRC include:

- *Telecommunications Regulations* (2016, revised). The Telecommunications Regulations categorize all telecommunications businesses in the PRC as either basic or value-added. Value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructures. The "Catalogue of Telecommunications Business," an attachment to the Telecommunications Regulations, as updated by *the Notice on Adjusting the Catalogue of Telecommunications Business*, which became effective from April 1, 2003 and was amended on March 1, 2016, categorizes various types of telecommunications and telecommunications-related activities into basic or value-added telecommunications services, according to which, internet content provider services, or ICP services, are classified under the second category of value-added telecommunications businesses and the CDN services, the internet access services and the internet data center services are classified under the first category of value-added telecommunications business. Under the Telecommunications Regulations, commercial operators of value-added telecommunications services must obtain the Value-added Telecommunication Services License covering the business classified under the relevant category from Ministry of Industry and Information Technology or its provincial level counterparts.

- *Administrative Measures on Internet Information Services* (2024, revised). According to these administrative measures, a commercial ICP service operator must obtain a Value-added Telecommunication Services License from the government authorities before engaging in any commercial ICP service within the PRC. When the ICP service involves areas of news, publication, education, medical treatment, health, pharmaceuticals, medical equipment and other industry and if required by law or regulations, prior approval from the respective regulating authorities must be obtained prior to applying for the Value-added Telecommunication Services License covering the ICP services from the Ministry of Industry and Information Technology or its local branch at the provincial level. Moreover, an ICP service operator must display its ICP license number in a conspicuous location on its website and must monitor its website to remove categories of harmful content that are broadly defined.
- *Administrative Measures for Telecommunications Business Operating License* (2017, revised). These administrative measures set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. For example, an ICP service operator conducting business within a single province must apply for the Value-added Telecommunication Services License from applicable provincial level counterparts of the Ministry of Industry and Information Technology, while an ICP service operator providing ICP services across provinces must apply for a Trans-regional Value-added Telecommunication Services License directly from the Ministry of Industry and Information Technology. The appendix to the Value-added Telecommunication Services License must specify the permitted activities to be conducted by the ICP service operator. An approved ICP service operator must conduct its business in accordance with the specifications recorded on its Value-added Telecommunication Services License. The Value-added Telecommunication Services License is subject to annual report requirement. An ICP service operator shall report certain information to the issuing authorities through the administrative platform in the first quarter every year. Such information includes the business performance of the telecommunications business in the previous year, service quality, the actual implementation of the network and information security guarantee systems and measures, among others. ICP service operator shall be responsible for the truthfulness of the information in the annual report.
- *Detailed Rules on the Administration of Internet Websites* (2005), which set forth that the website operator is required to apply for the ICP filing from the Ministry of Industry and Information Technology or its local branches at the provincial level on its own or through the access service provider.
- *Provisions on Administration of Foreign-invested Telecommunications Enterprises* (2022, revised). These provisions set forth detailed requirements with respect to capitalization, investor qualifications and application procedures in connection with the establishment of a foreign-invested telecommunications enterprise. Under these provisions, a foreign entity is prohibited from owning more than 50% of the total equity interest in any value-added telecommunications service business in the PRC.
- *Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business* (2006). Under this circular, a domestic PRC company that holds a Value-added Telecommunication Services License is prohibited from leasing, transferring or selling this license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors that conduct value-added telecommunications business illegally in the PRC. Further, the domain names and registered trademarks used by an operating company providing value-added telecommunications service shall be legally owned by such company and/or its shareholders. In addition, such company's operation premises and equipment should comply with the approved covering region on its Value-added Telecommunication Services License, and such company should establish and improve its internal internet and information security policies and standards and emergency management procedures.
- *Circular of the Ministry of Industry and Information Technology on Clearing up and Regulating the Internet Access Service Market* (2017), which further strengthens the supervision and management of the applications of cloud computing, big data and other applications. For an enterprise that conducts the CDN business without a Value-added Telecommunication Services License specifically covering such business, it must submit a written commitment to the original license issuing authority before March 31, 2017, undertaking that an eligible Value-added Telecommunication Services License will be obtained by the end of 2017. If such enterprise fails to make the commitment on time, it must carry out business activities strictly in compliance with their existing licenses. Furthermore, if the enterprise fails to obtain this license as committed, it should terminate the business starting from January 1, 2018.

- *Provisions on the Governance of Cyberviolence Information* (2024), which require network information service providers to take primary responsibility for managing online content by establishing mechanisms for cyberviolence governance. It requires network information service providers to implement systems for user registration, account management, personal information protection, content review, monitoring, and early warnings to identify and address cyberviolence information, and take measures such as deleting, shielding, and disconnecting links, keep relevant records, and report the case to relevant authorities for cyberviolence illegal information.
- *The Circular on Launching the Pilot Program of Expanding the Opening-up of Value-Added Telecommunications Services*(2024), which states that in certain pilot areas, the foreign shareholding restrictions on (i) the internet data center (IDC), (ii) the content delivery network (CDN), (iii) the internet service providers, (iv) the online data processing and transaction processing, (v) the information dissemination platform and delivery services (but excluding internet news information services, online publishing services, online audio-visual services, and internet cultural services), and (vi) the information protection and processing services will be removed. These pilot areas include Beijing Comprehensive Demonstration Zone for Expanding Opening-up in the Service Sector, the Lin-Gang Special Area of Shanghai Pilot Free Trade Zone and the Pioneering Area in Socialist Modernization, the Hainan Free Trade Port, and the Shenzhen Pilot Demonstration Area of Socialism with Chinese Characteristics. This circular also clarifies the foreign invested telecommunication enterprise that intends to provide the aforesaid value-added telecommunications services in the pilot areas shall apply to the MIIT for obtaining the official approval of the pilot program of telecommunications services, comply with the applicable laws and regulations when providing telecommunications services, and accept and cooperate with the supervision and administration of the telecommunication administrations and the relevant competent authorities.

To comply with these PRC laws and regulations, we operate our websites through Shenzhen Xunlei, a variable interest entity incorporated in the PRC. We, through Shenzhen Xunlei, currently hold a Value-added Telecommunication Services License covering its ICP services expiring on April 30, 2030 and another Value-added Telecommunication Services License for its provision of could computing services including internet data center services and internet access services expiring on June 26, 2026, and own the essential trademarks and domain names in relation to our value-added telecommunications business.

In addition, we completed the acquisition of Shanghai Kuanghui, which operates Hupu, in May 2025. Hupu is a leading sports media and data platform in China. Shanghai Kuanghui currently holds a Value-added Telecommunication Services License covering its ICP services expiring on August 13, 2026 and internet cultural business license for its provision of community platform services.

Under laws and regulations governing ICP services, ICP services operators are required to monitor their websites. They may not produce, duplicate, post or disseminate any content that falls within the prohibited categories and must remove any such content from their websites, including any content that:

- opposes the fundamental principles determined in the PRC's Constitution;
- compromises state security, divulges state secrets, subverts state power or damages national unity;
- harms the dignity or interests of the State;
- incites ethnic hatred or racial discrimination or damages inter-ethnic unity;
- sabotages the PRC's religious policy or propagates heretical teachings or feudal superstitions;
- disseminates rumors, disturbs social order or disrupts social stability;
- propagates obscenity, pornography, gambling, violence, murder or fear or incites the commission of crimes;
- insults or slanders a third party or infringes upon the lawful rights and interests of a third party; or
- includes other content prohibited by laws or administrative regulations.

The PRC government may shut down the websites of the holders of Value-added Telecommunication Services License that violate any of such content restrictions and requirement, revoke their Value-added Telecommunication Services Licenses or impose other penalties pursuant to applicable law. To comply with these PRC laws and regulations, we have adopted internal procedures to monitor content displayed on our website.

PRC regulation on online transmission of audio-visual programs

On April 13, 2005, the State Council promulgated the *Certain Decisions on the Entry of the Non-State-owned Capital into the Cultural Industry*. On July 6, 2005, the Ministry of Culture, the GAPPRT, the NDRC and the Ministry of Commerce jointly adopted the *Several Opinions on Canvassing Foreign Investment into the Cultural Sector*. According to these regulations, non-State-owned capital and foreign investors are not allowed to conduct the business of transmitting audio-visual programs via information network. On April 25, 2016, the State Administration of Press, Publication, Radio, Film and Television, or SAPPRFT, issued the *Administrative Provisions on Audio-Visual Program Services through Private Network and Targeted Communication*, with the most recent amendment promulgated by the National Radio and Television Administration and becoming effective on March 23, 2021. Pursuant to these provisions, “audio-visual program services through private network and targeted communication” refer to television, mobile phones and other kinds of fixed and mobile electronic equipment as terminal recipients, and through setting up virtual private network through local networks and internet or with Internet and other information networks as targeted transmission channels, oriented to the public to provide audio-visual program service activities, such as radio and television programs conducted by such forms as internet protocol television (IPTV), private network mobile TV, internet TV, and other forms of content provision, integrated broadcast control, transmission and distribution activities. Any provider who engages in aforesaid service must obtain a license from the National Radio and Television Administration. Foreign-invested enterprises are not allowed to engage in the above business.

On December 20, 2007, GAPPRT and Ministry of Industry and Information Technology jointly promulgated the *Administrative Provisions on Internet Audio-visual Program Service*, which came into effect on January 31, 2008 and was revised on August 28, 2015. These provisions apply to the provision of audio-visual program services to the public via internet (including mobile network) within the territory of the PRC. Providers of internet audio-visual program services are required to obtain a License for Online Transmission of Audio-visual Programs issued by GAPPRT or complete certain registration procedures with GAPPRT. Providers of internet audio-visual program services are generally required to be either State-owned or State-controlled by the PRC government, and the business to be carried out by such providers must satisfy the overall planning and guidance catalog for internet audiovisual program services determined by GAPPRT. In a press conference jointly held by GAPPRT and Ministry of Industry and Information Technology to answer questions with respect to the Audio-visual Program Provisions in February 2008, GAPPRT and Ministry of Industry and Information Technology clarified that providers of internet audio-visual program services who engaged in such services prior to the promulgation of these provisions shall be eligible to register their business and continue their operation of internet audio-visual program services so long as those providers had not been in violation of the laws and regulations. On March 10, 2017, SAPPRFT promulgated the *Categories of the Internet Audio-Video Program Services*, which classifies internet audio-video programs into four categories.

On April 8, 2008, GAPPRT issued a *Notice on Relevant Issues Concerning Application and Approval of License for Online Transmission of Audio-visual Programs*, which further sets forth detailed provisions concerning the application and approval process regarding the License for Online Transmission of Audio-visual Programs. This notice also provides that providers of internet audio-visual program services who engaged in such services prior to the promulgation of the *Administrative Provisions on Internet Audio-visual Program Service* shall also be eligible to apply for the license so long as their violation of the laws and regulations is minor and can be rectified timely and they have no records of violation during the latest three months prior to the promulgation of the *Administrative Provisions on Internet Audio-visual Program Service*.

On December 28, 2007, GAPPRT issued the *Notice on Strengthening the Administration of TV Dramas and Films Transmitted via the Internet*. According to this notice, if audio-visual programs published to the public through an information network fall under the film and drama category, the requirements of the Permit for Issuance of TV Dramas, Permit for Public Projection of Films, Permit for Issuance of Cartoons or academic literature movies and Permit for Public Projection of Academic Literature Movies and TV Plays apply accordingly. In addition, providers of such services should obtain prior consents from copyright owners of all such audio-visual programs.

Further, on March 30, 2009, GAPPRFT issued the *Notice on Strengthening the Administration of the Content of Internet Audiovisual Programs*, or the *Notice on Content of A/V Programs*, which reiterates the requirement of obtaining the permit of audiovisual programs to be published to the public through information network and prohibits certain types of internet audiovisual programs containing violence, pornography, gambling, terrorism, superstition or other hazardous factors. In addition, on August 11, 2009, GAPPRFT issued the *Notice on Relevant Issues Regarding Strengthening of the Administration of Internet Audio/visual Program Services Received by Television Terminals*, which specifies that prior to providing audio-visual program services for television terminals, an ICP service operator shall obtain the License for Online Transmission of Audio-visual Programs containing the scope of “Integration and Operation Services of Audiovisual Programs Received by Television Terminals.”

To comply with these laws and regulations, Henan Tourism Information Co., Ltd., or Henan Tourism, one of our subsidiaries in the PRC, currently holds a License for Online Transmission of Audio-visual Programs, which will expire on February 28, 2027. However, Shenzhen Xunlei, the entity that provides our video content display services, is not a registered owner of the license for online transmission of audio-visual programs. In addition, Shanghai Kuanghui does not currently possess a license for the online transmission of audio-visual program. As a result, it is possible that PRC government authorities could determine that these businesses are operating without sufficient license. In addition, the *Notice on Strengthening the Management of Online Show Live-streaming and E-commerce Live-streaming* requests all online shows and e-commerce to file with the National Internet Audio-Visual Platforms Information Management System before November 30, 2020. Shanghai Kuanghui has submitted the application for such registration which is currently under the review by the authority. However, the practice of such filings varies at the provincial levels of Radio and Television Administration, which are in charge of such registration. There is uncertainty as to whether we will be required to complete the registration in the future and we cannot assure you that we will successfully complete the registration in a timely manner, or at all. We may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business —We are strictly regulated in China. Any lack of requisite licenses or permits applicable to our businesses or to our third-party services providers and any changes in government policies or regulations may have a material and adverse impact on our businesses, financial condition and results of operations.”

PRC regulation on online live-streaming

On November 4, 2016, the Cyberspace Administration of China promulgated the *Regulations on the Administration of Online Live-streaming Services*, which became effective on December 1, 2016. These regulations provide that online live-streaming service providers and distributors must legally obtain the qualification for internet news information services before providing such services on the internet, and engage in online news information services only to the licensed extent. Online live-streaming service providers must review all live internet news information and interactions before publishing them, and set up their “chief editor” position if they provide live-streaming services of internet news information. These regulations also stipulate that online live-streaming service providers must carry out their subject responsibility, arrange professionals commensurate with its service size, establish and improve various management systems, and have the technical capability to immediately cut online live-streaming, and its technical plans shall comply with national standards. In addition, online live-streaming service providers must conduct graded and categorized management according to the content category and user scale of online live-streaming, and establish a credit rating management system for online live-streaming distributors as well as a blacklist management system.

On August 1, 2018, the Ministry of Industry and Information Technology, the Ministry of Public Security and other PRC government agencies jointly issued the *Notice on Strengthening the Administration of Internet Live-streaming Services*, which specifies respective duties of online live-streaming service providers, network access service providers and application stores, aiming to prompt internet-based enterprises to fulfill their responsibilities. This circular provides that an online live-streaming service provider must make a record filing with the competent telecommunications authority as an internet content provider. Online live-streaming service providers are also required to apply for a permit with the local authorities if they engage in telecommunications business, live-streaming business for internet news information, online performance, and/or online visual-audio programs. Online live-streaming service providers must make record filings with the local public security authorities within 30 days after live-streaming services have been published on the internet. In addition, online live-streaming service providers are required to implement a real name verification system for users, intensify administration of online anchors, establish a blacklist system for online anchors, optimize their system for watching and censoring live-streamed content for regulatory purposes, and improve measures to better respond to harmful content.

On November 12, 2020, the National Radio and Television Administration issued the *Notice on Strengthening the Management of Online Show Live-streaming and E-commerce Live-streaming*, pursuant to which live-streaming platforms for online shows are requested to strengthen positive value guidance and enable tasteful, meaningful, interesting and warm live-streaming programs to have good traffic, and to prevent the spread of the trends of wealth flaunting, money worshiping and vulgarity. This notice requests live-streaming platforms for online shows and e-commerce to register with the National Internet Audio-Visual Platforms Information Management System. To date, we are still in process of making the application for such registration for our live-streaming business. In addition, the number of content reviewers a platform is required to keep must in principle be no less than 1:50 of the number of live-streaming rooms. Live-streaming platforms for online shows need to manage the hosts and users making virtual gifting based on the real-name registration system, and users who have not registered with real names or who are minors are prohibited from virtual gifting. The live-streaming platforms are required to implement real-name registration system by real-name verification, face recognition, manual review and other measures to prevent minors from virtual gifting. The platform shall limit the maximum amount of rewards each user may give per time, day and month. Live-streaming platforms for e-commerce shall not illegally produce and broadcast, beyond their business scope of e-commerce, any commentary programs unrelated to sales of goods.

On February 9, 2021, the Cyberspace Administration of China and six other PRC governmental authorities jointly issued the *Circular on Issuing the Guiding Opinions on Strengthening Standardized Management of Online Live-streaming*, according to which live-streaming platforms shall strictly abide by laws and regulations and state provisions when providing live-streaming information services; strictly fulfill their live online platform statutory duties and implement live webcast listing platform main body responsibility, control network broadcast industry main issues list to establish and strictly implement that the editor in chief is responsible for, content audit, user registration, post comments, emergency response, technology security, the host management, training, assessment, reporting acceptance of internal management system. Live-streaming platforms that carry out commercial network performance activities must hold a Network Cultural Operation License and file for an ICP. A live broadcasting platform providing online audio-visual program services must hold the Permit for Spreading Audio-Visual Programs via Information Network (or complete registration in the National Information Registration and Management System for Online Audio-visual Platform) and put this on their ICP record. A live broadcast platform that provides Internet news and information service must hold an Internet News and Information Service License. A network live broadcasting platform shall go through the formalities of filing an enterprise with the local cyberspace and information authorities in a timely manner, and a platform that stops providing live broadcasting services shall cancel the filing in a timely manner.

On March 25, 2022, Cyberspace Administration of China, the State Administration of Taxation and State Administration for Market Regulation jointly issued the *Opinions on Further Regulating the For-Profit Activities in Online Live-streaming to Promote a Healthy Development of the Industry*, which requires live-streaming platforms' strict compliance with laws and regulations, including real-name verification and voluntary registration. Platforms are obligated to authenticate live-streaming publishers using their ID information and unified social credit code information. Additionally, platforms are required to report information such as the identity of the publisher, remuneration account, type of revenue, and profit-earning details to the local provincial-level cyberspace administration and competent tax authority every six months.

On May 7, 2022, the Cyberspace Administration of China, together with three other authorities, jointly issued the *Opinions on Regulating Live-streaming Rewards and Strengthening Minor Protections*, which iterates the requirements for live-streaming platforms in respect of strengthening real-name registration, prohibiting minors from virtual gifting and restrictions on providing live-streaming services to minors. Pursuant to these opinions, online platforms are prohibited from ranking, introducing or recommending live-streaming performers solely by the monetary amount of virtual gifts that they have received from users, nor could the platforms rank users based on the monetary amount of virtual gifts that they have given to live-streaming performers. Any such rankings currently available on these online platforms is ordered to be removed by June 7, 2022 according to the Live-streaming Opinions. In addition, the online platforms shall procure that, during the peak hours (from 8 p.m. to 10 p.m.) every day, each live-streaming performer shall not engage in "PKs" (i.e., real-time interactive competitive game between two performers) against another performer for more than twice, and the online platforms shall not impose penalty within the game or provide any technical support to facilitate imposing such penalty.

PRC regulation on online cultural activities

On February 17, 2011, the Ministry of Culture promulgated the *Provisional Measures on Administration of Internet Culture*, which became effective on April 1, 2011 and was amended on December 15, 2017. On March 18, 2011, the Ministry of Culture issued the *Notice on Issues Relating to Implementing the Newly Amended Provisional Measures on Administration of Internet Culture*, which regulates entities engaging in activities relating to “online cultural products.” “Online cultural products” are defined as cultural products produced, disseminated and circulated via internet which mainly include: (i) online cultural products particularly produced for the internet, such as online music entertainment, network games, network performance programs, online performing arts, online artworks and online animation features and cartoons; and (ii) online cultural products converted from music entertainment, games, performance programs, performing arts, artworks and animation features and cartoons, and disseminated via the internet. Pursuant to these measures, entities are required to obtain Online Culture Operating Permits from the applicable provincial level culture administrative authority if they intend to commercially engage in any of the following types of activities:

- production, duplication, importation, distribution or broadcasting of online cultural products;
- publication of online cultural products on the internet or transmission thereof via information networks such as the internet and the mobile networks to computers, fixed-line or mobile phones, television sets or gaming consoles for the purpose of browsing, reviewing, using or downloading such products by online users; or
- exhibitions or contests related to online cultural products.

On December 2, 2016, the Ministry of Culture issued the *Administrative Measures for Business Activities of Online Performances*, which became effective on January 1, 2017. According to these measures, the business of transmitting in real time the content of online games presented or narrated via information networks such as the internet, mobile communication networks and mobile internet or uploading such content for communication in the audio-visual form shall be administered as online performances. An operator of online performances shall apply for Online Culture Operating Permit with the competent provincial cultural administration department, and the business scope indicated on the Online Culture Operating Permit shall clearly include online performances. In addition, an operator of online performances shall present the number of its Online Culture Operating Permit in a prominent position on the homepage of its websites.

To comply with these laws and regulations, Shenzhen Xunlei obtained an Online Culture Operating Permit, which was last renewed in February 2025 with an effective period from March 16, 2025 to March 15, 2028 to offer music entertainment product online, operate online performance business and online shows business, and engage in the exhibition of online culture products and competition activities.

PRC regulation on online games

The online publication of online games is subject to the regulation of SAPPRFT. Under the *Administrative Provisions on Online Publishing Services*, ICP service operators must obtain the Internet Publishing Services License prior to provision of any online game publishing services. On September 28, 2009, GAPPRFT, the National Copyright Administration and the National Office of Combating Pornography and Illegal Publications jointly published the *Notice Regarding the Consistent Implementation of the “Stipulations on ‘Three Provisions’ of the State Council and the Relevant Interpretations of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Internet Games and the Examination and Approval of Imported Internet Games,”* which expressly requires that all online games need to be approved by GAPPRFT through the advance approvals before they are operated online, and any updated online game versions or any change to the online games shall be subject to further advanced approvals before they can be operated online. In addition, foreign investors are prohibited from operating online games by the forms of foreign invested enterprises. The indirect functions such as contractual control and technology supply are also prohibited.

In addition, on December 22, 2023, the National Press and Publication Administration released draft *Online Game Administrative Measures*, which restates existing regulations and market practices and also introduces new requirements, including (i) both the online game publisher and operating entities shall obtain Internet Publishing Services License and (ii) measures to curb excessive spending through setting spending limits and prohibitions on rewards to entice frequent gameplay. The draft explicitly prohibits the marketing of unapproved games, payment services for illegal games, and illegal online game operations. Additionally, game technical tests that involve charging users will need to obtain approval from the National Press and Publication Administration. It requires online game companies to set user spending limits, disclose those limits in their terms of service, and provide pop-up warnings when users demonstrate irrational spending behavior. It also prohibits online game companies from offering rewards as inducements for daily logins, initial account funding, or consecutive account funding. It also prohibits game companies from using speculative or auction-based approaches to offer or condone high-priced transactions in virtual items. The National Press and Publication Administration solicited comments on this draft by January 22, 2024, but there is no timetable as to when it will be enacted.

Our online game services are operated by Shenzhen Xunlei and its subsidiaries. All of these online game operating subsidiaries have obtained a Value-added Telecommunication Services License for operating our online games; and Shenzhen Xunlei, which holds 70% of the equity interest in Xunlei Games, has obtained an Internet Publishing Services License for the publication of internet games, which has expired on September 17, 2022. We have been in the process of renewing such license, and re-submitted the required documents to the competent authorities for review in October 2023. However, neither Shenzhen Xunlei nor its subsidiary that operates online games has obtained an Internet Publishing Services License. Given the uncertainties of interpretation and implementation of laws and regulations and the enforcement practices of government authorities, we cannot assure you that Shenzhen Xunlei or, its subsidiary that operates online games and Xunlei Games are not required to obtain Internet Publishing Services Licenses as well. As of the date of this annual report, we have not received any administrative penalties, including fines, restrictions or suspension of our business, or regulatory inquiries for our operation without an effective Internet Publishing Services License. For risks relating to the Internet Publishing Services License, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to successfully address the challenges and risks we face in the online games market, such as a failure to operate popular, high-quality games or to obtain all the licenses required to operate online games, which may subject us to penalties from competent authorities, including the discontinuance of our online game business.”

PRC regulation on anti-fatigue system, real-name registration system and parental guardianship project

In April 2007, GAPPRFT and several other government agencies issued a circular requiring the implementation of an anti-fatigue system and a real-name registration system by all PRC online game operators to curb addictive online game playing by minors. Under the anti-fatigue system, three hours or less of continuous playing by minors, defined as game players under 18 years of age, is considered to be “healthy,” three to five hours to be “fatiguing,” and five hours or more to be “unhealthy.” Game operators are required to reduce the value of in-game benefits to a minor player by half if the minor has reached the “fatiguing” level, and to zero once reaching the “unhealthy” level.

To identify whether a game player is a minor and thus subject to the anti-fatigue system, a real-name registration system must be adopted to require online game players to register their real identity information before playing online games. The online game operators are also required to submit the identity information of game players to the public security authority for verification. In July 2011, GAPPRFT, together with several other government agencies, jointly issued the *Notice on Initializing the Verification of Real-name Registration for the Anti-Fatigue System on Online Games* to strengthen the implementation of the anti-fatigue and real-name registration system. The main purpose of this notice is to curb addictive online game playing by minors and protect their physical and mental health. This notice indicates that the National Citizen Identity Information Center of the Ministry of Public Security will verify identity information of game players submitted by online game operators. This notice also imposes stringent penalties on online game operators that do not implement the required anti-fatigue and real-name registration systems properly and effectively, including terminating their online game operations.

In January 2011, Ministry of Culture, together with several other government agencies, jointly issued a circular entitled *Implementation Scheme regarding Parental Guardianship Project for Minors Playing Online Games* to strengthen the administration of online games and protect the legitimate rights and interests of minors. This circular indicates that online game operators must have a person-in-charge, set up specific service web pages and publicize specific hot-lines to provide parents with necessary assistance to prevent or restrict minors’ improper game playing behavior. Online game operators must also submit a report regarding its performance under the Parental Guardianship Project to the local office of the Ministry of Culture each quarter.

On February 4, 2015, the Cyberspace Administration of China promulgated *the Administrative Provisions on Account Names of Internet Users*, which became effective as of March 1, 2015. These provisions require internet service providers to authenticate registered users' identity information and to commit to complying with the "seven basic requirements," including, among other things, observing the laws and regulations, protecting state interests, as well as ensuring the authenticity of any information they provide. Internet information service providers are responsible for protecting users' privacy, maintaining the consistency between user information, such as account names and avatars, and compliance with the requirements set forth in these provisions, making reports to the competent authorities regarding any violation of these provisions, and taking appropriate measures to stop any such violations, such as, notifying the user to make corrections within a specified time and suspending or closing accounts in the event of continuing non-compliance.

On August 22, 2019, the Cyberspace Administration of China issued *the Regulation on Cyber Protection of Children's Personal Information*, effective on October 1, 2019, pursuant to which network operators are required to establish special policies and user agreements to protect children's personal information, and to appoint special personnel in charge of protecting children's personal information. Network operators who collect, use, transfer or disclose personal information of children are required to, in a prominent and clear way, notify and obtain consent from children's guardians.

In October 2019, National Press and Publication Administration issued *the Notice by the General Administration of Press and Publication of Preventing Minors from Indulging in Online Games*, under which the total period of time for underage users to play online games is strictly restricted. For example, from 22:00 p.m. each day to 8:00 a.m. of the next day, game operators are not allowed to provide underage users with any form of access to online games they operate, and the total length of time for game operators to provide underage users with access to online games cannot exceed three hours a day during statutory holidays or 1.5 hours a day on days other than statutory holidays. This notice also requires game operators to implement the real-name registration system for players of online games and take effective measures to restrict underage players from using paid services that are inconsistent with their capacity for civil conduct.

On August 30, 2021, the National Press and Publication Administration issued *the Notice on Further Strict Management to Prevent Minors from Indulging in Online Games*, which requires all online game operators to provide services to minors only on Fridays, Saturdays, Sundays and statutory holidays from 8:00 p.m. to 9:00 p.m., i.e., for one hour, and not to provide online games in any form to users who have not registered or logged in with their real names. In addition to the real-name registration system already in place, we have adjusted the systems in the games operated by us to comply with the requirements under this notice.

On October 26, 2021, the Cyberspace Administration of China issued draft *Administrative Provisions on the Account Names of Internet Users*. This draft provides that when registering an internet account, the user shall execute an agreement with the internet user account services platform, provide authentic identity information, and obey the rules of the platform for content production and account management, the platform conventions and service agreement. Internet user account service platforms shall establish, improve and strictly implement, among others, account name information management system, information content security system, and personal information protection system. Internet user account service platforms should also establish an account name information dynamic check patrol system for the verification of real identity information, improve their technical measures for purposes of account information legal compliance, and support account name authenticity checks. When an internet user account is in violation of the provisions of this draft, the internet user account service platform shall suspend the service and inform the user to correct the issue within a limited time; and if the user refuses to correct it, the account shall be terminated.

On September 20, 2023, the State Council promulgated *the Regulation on the Protection of Minors in Cyberspace*, effective on January 1, 2024. These measures provide that online games, live-streaming, online audio and video, social networking and other network service providers should set reasonable limitations on the amount minors at different ages can spend per transaction and per day in total in the use of their services, offer prominent and convenient features for guardians to manage time, permissions, and consumption to fulfill their supervisory duties, and should not provide paid services to minors incompatible with their civil capacity.

On June 12, 2024, the Cyberspace Administration of China, The Ministry of Public Security, the Ministry of Culture and Tourism, the State Administration of Radio and Television jointly issued *the Provisions on the Governance of Cyberviolence Information*, which took effect on August 1, 2024. The Provisions on the Governance of Cyberviolence Information require that network information service providers should establish functions and channels that facilitate minors and their guardians in exercising their rights to request the deletion of cyberviolence information. Upon receiving such notifications, they must promptly take necessary measures such as deletion, blocking, or disconnecting links to prevent the spread of the violence information.

On December 26, 2025, eight government authorities including the Cyberspace Administration of China jointly issued the Measures for the Classification of Online Information That May Affect the Physical and Mental Health of Minors, with effect from March 1, 2026. The measures impose a series of obligations on platforms, including, among others, that organizations and individuals that produce, reproduce, publish, or disseminate information that may affect the physical and mental health of minors shall provide a prominent and clear warning before the display of the information.

For the online games on our platform, we have implemented a real-name registration system for our online games. For game players who do not provide verified identity information, we assume that they are minors under 18 years of age. Online game operators or developers rely on the identify information provide by us to implement their anti-indulgence measures. With respect to anti-indulgence measures, we have cooperated with third parties in developing anti-indulgence measures and are currently working with our third-party online game providers to implement anti-indulgence measures pursuant to the Anti-indulgence Notice. We have completed in preparing application materials and connecting to the national anti-indulgence and real-name registration system. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to successfully address the challenges and risks we face in the online games market, such as a failure to operate popular, high-quality games or to obtain all the licenses required to operate online games, which may subject us to penalties from competent authorities, including the discontinuance of our online game business.”

PRC regulation on online game virtual currency

Under the *Notice on Strengthening the Administration of Online Game Virtual Currency*, no enterprise may concurrently provide both virtual currency issuance service and virtual currency transaction service. This notice prohibits companies that issue online game virtual currency from providing services that would enable the trading of such virtual currency. Any company that fails to submit the requisite application is subject to sanctions, including, but not limited to, termination of operation, confiscation of incomes and fines. This notice also prohibits online game operators from allocating virtual items or virtual currency to players based on random selection through lucky draw, wager or lottery that involves cash or virtual currency directly paid by the players. In addition, companies that issue online game virtual currency must comply with certain specific requirements, for example, online game virtual currency can only be used for products and services related to the issuance company’s own online games.

PRC regulation on internet publication

National Press and Publication Administration (formerly the SAPPRFT, GAPPRFT) is the government agency responsible for regulating publication activities in the PRC. In February 2016, the SAPPRFT and the Ministry of Industry and Information Technology jointly issued the *Administrative Measures on Network Publication*, which took effect in March 2016. Pursuant to these administrative measures, internet publishers shall be approved by and obtain an Internet Publishing Services License from National Press and Publication Administration to engage in network publication service. The network publication services refer to the activities of providing network publications to the public through information networks; and the network publications refer to the digitalized works with the publishing features such as editing, producing and processing. These administrative measures also provide the detailed qualifications and application procedures for obtaining an Internet Publishing Services License. The *Notice Regarding the Consistent Implementation of the “Stipulations on ‘Three Provisions’ of the State Council and the Relevant Interpretations of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Internet Games and the Examination and Approval of Imported Internet Games* issued jointly by GAPPRFT and other administrations confirmed that the entities operating internet games must obtain the Internet Publication Services License. On February 21, 2008, the GAPPRFT promulgated the *Rules for the Administration of Electronic Publication*, effective on April 15, 2008 and amended on August 28, 2015, according to which online games are classified as a kind of electronic publication, and publishing of online games is required to be conducted by licensed electronic publishing entities that have been issued standard publication codes. Pursuant to these rules, if a PRC company is contractually authorized to publish foreign electronic publications, it must obtain the approval of, and register the copyright license contract with, the National Press and Publication Administration.

Shenzhen Xunlei holds the Internet Publishing Services License for the publication of internet games, which has expired on September 17, 2022. We have been in the process of renewing such license, and re-submitted the required documents to the competent authorities for review in October 2023. Furthermore, neither Shenzhen Xunlei nor its subsidiaries that operate online game has obtained an Internet Publishing Services License. As of the date of this annual report, we have not received any administrative penalties, including fines, restrictions or suspension of our business, or regulatory inquiries for our operation without an effective Internet Publishing Services License. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to successfully address the challenges and risks we face in the online games market, such as a failure to acquire and operate popular, high-quality games or to obtain all the licenses required to operate online games, which may subject us to penalties from competent authorities, including the discontinuance of our online game business.”

Regulations on internet content services

National security considerations are an important factor in the regulation of internet content in China. The National People’s Congress has enacted laws with respect to maintaining the security of internet operations and internet content. According to these laws, as well as the Administrative Measures on Internet Information Services, violators may be subject to penalties, including criminal sanctions, for internet content that:

- opposes the fundamental principles stated in the PRC Constitution;
- compromises national security, divulges state secrets, subverts state power or damages national unity;
- harms the dignity or interests of the state;
- incites ethnic hatred or racial discrimination or damages inter-ethnic unity;
- undermines the PRC’s religious policy or propagates superstition;
- disseminates rumors, disturbs social order or disrupts social stability;
- disseminates obscenity or pornography, encourages gambling, violence, murder or fear or incites the commission of a crime;
- insults or slanders a third party or infringes upon the lawful rights and interests of a third party; or
- is otherwise prohibited by law or administrative regulations.

Internet content provision service operators are required to monitor their websites. They may not post or disseminate any content that falls within these prohibited categories and must remove any such content from their websites. The PRC government may shut down the websites of Internet Content Provision License holders that violate any of the abovementioned content restrictions, order them to suspend their operations, or revoke their Internet Content Provision Licenses.

On February 4, 2015, the Cyberspace Administration of China promulgated *the Administrative Provisions on Account Names of Internet Users*, which became effective as of March 1, 2015. These provisions require internet service providers to authenticate registered users’ identity information and to commit to complying with the “seven basic requirements,” including observing the laws and regulations, protecting state interests, as well as ensuring the authenticity of any information they provide. Internet information service providers are responsible for protecting users’ privacy, the consistency between user information, such as account names, avatars, and the requirements set forth in these provisions, making reports to the competent authorities regarding any violation of these provisions, and taking appropriate measures to stop any such violations, such as, notifying the user to make corrections within a specified time and suspending or closing accounts in the event of continuing non-compliance.

On August 25, 2017, the Cyberspace Administration of China promulgated *the Administrative Provisions on Internet Follow-up Comment Services*, which was amended on November 16, 2022 with effect from December 15, 2022. These provisions provide that internet follow-up comment service providers must verify the identification information of registered users, establish and improve user personal information protection systems, as well as establish and improve internet follow-up comment review and administration systems for real-time monitoring of user comments and emergency responses.

On August 25, 2017, the Cyberspace Administration of China promulgated *the Administrative Provisions on Internet Forum and Community Services*, which became effective on October 1, 2017. These provisions provide that internet forum and community service providers must assume primary responsibility for establishing and improving real-time information verification, emergency response capabilities, and personal information protections as well as other information security administration systems to institute preventative safety measures with employed professionals and necessary technical support for performing these duties.

On December 15, 2019, the Cyberspace Administration of China promulgated the Regulations on the Ecological Governance of Network Information Content, effective from March 1, 2020, which specify the content scopes that are encouraged, prohibited or prevented from producing, re-producing and publishing. The network information content producers should take measures to prevent and resist the production of content that uses exaggerated titles that are inconsistent with the content, may incite racism or discrimination against geographic region, and propagates gossip and scandals. The network information content service platforms should fulfill the main responsibility of content management and establish an ecological governance mechanism of the network information, improve system for user registration, account management, information publishing review, and emergency response. The network information content service users, network information content producers and network information content service platforms should not, through manual or technical means, carry out acts, such as traffic falsification, traffic hijacking, false registration of account IDs, illegal trading of account IDs, or manipulation of user account IDs, that destroy network ecology.

On June 27, 2022, the Cyberspace Administration of China promulgated the Administrative Provisions on the Account Information of Internet Users, with effect from August 1, 2022, which provides guidelines on registration and use of internet accounts by internet users and management of internet account information by internet information service providers. The internet information service providers shall be responsible for performing the management obligations of internet account information. These providers shall have adequate professional personnel and technical capacity commensurate with their service scales, and establish and strictly implement the management rules on verification of identity information, verification of account information, security of information content, ecological governance, emergency responses, and personal information protection.

On June 12, 2024, the Cyberspace Administration of China, The Ministry of Public Security, the Ministry of Culture and Tourism, the State Administration of Radio and Television jointly issued *the Provisions on the Governance of Cyberviolence Information*, which took effect on August 1, 2024. The provisions require (i) network information service providers to take primary responsibility for managing online content by establishing mechanisms for cyberviolence governance and (ii) network information service providers to implement systems for user registration, account management, personal information protection, content review, monitoring, and early warnings to identify and address cyberviolence information, and take measures such as deleting, shielding, and disconnecting links, keep relevant records, and report the case to relevant authorities for cyberviolence illegal information.

PRC regulation on algorithm recommendations

On February 7, 2021, the Anti-Monopoly Commission of the State Council published the *Anti-Monopoly Guidelines for the Internet Platform Economy Sector*, which stipulates that online platform operators who use technological advantages, such as data and algorithms, to eliminate or restrict competition or impose price restrictions or exclusivity requirements on users, may be deemed as committing an abuse of dominant market position.

On September 17, 2021, the Cyberspace Administration of China, together with eight other governmental authorities, jointly issued *the Guidelines on Strengthening the Comprehensive Regulation of Algorithms for Internet Information Services*, which provides that daily monitoring of data use, application scenarios and effects of algorithms shall be carried out by the regulators, and that security assessments of algorithms shall be conducted by the regulators. These guidelines also provide that an algorithm filing system shall be established and classified security management of algorithms shall be promoted.

On December 31, 2021, the Cyberspace Administration of China, together with the Ministry of Industry and Information Technology, the Ministry of Public Security and the State Administration for Market Regulation, jointly issued *the Administrative Provisions on Algorithm Recommendations of Internet Information Services*, effective on March 1, 2022, which provides that algorithm recommendation service providers are not allowed to use algorithms to register false user accounts, block information, give excessive recommendations, and that users should be given the option to easily turn off algorithm recommendation services.

On July 10, 2023, the Cyberspace Administration of China released the *Interim Administrative Measures for Generative Artificial Intelligence Services*, effective on August 15, 2023, pursuant to which any entity or individual that utilizes generative AI technology to provide texts, pictures, audio, video or other content generation services to the public within the PRC shall assume the responsibility of content producer for the content generated by generative AI technology. If personal information is involved, these entities and individuals are required to take responsibility as the personal information processor and protect personal information. Furthermore, these entities and individuals providing generative AI services with attribute of public opinions or capable of social mobilization must apply for a security assessment from the national cyberspace authority and fulfill certain algorithm filings procedures. In addition, these entities and individuals are required to adhere to certain principles, including, among others, ensuring that the content created by generative AI aligns with societal morals and does not threaten national security, taking measures to avoid discrimination, ensuring the accuracy of generated content, and respecting intellectual property rights. If any illegal generated content is discovered, these entities and individuals shall timely take measures such as termination of generation and transmission and prevent their recurrence through model optimization training and other methods, and report to the competent authority. These entities and individuals shall label pictures, videos, and other AI-generated content in accordance with *the Administrative Provisions on Deep Synthesis of Internet Information Services*.

On March 7, 2025, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security, and the State Administration of Radio and Television jointly issued *the Measures for Labelling Artificial Intelligence Generated Contents* with effect from September 1, 2025, which requires network information service providers to label AI-generated contents with explicit labels and implicit labels. Explicit labels should be added to AI-generated text, images, audio, video and virtual content that may cause confusion or misidentification of the public and implicit labels should be added to the file metadata of AI-generated contents. Service providers that offer online content dissemination services are required to verify AI-generated content and ensure that appropriate labels are affixed. If file's metadata lacks AI labels but the content shows signs of AI generation, it must be flagged accordingly. Additionally, app distribution platforms must require service providers to disclose if they offer AI-generated content services and verify the related labelling materials. Users are required to declare AI-generated content and use the labelling functions provided by the service provider when publishing such content.

We have taken several measures to comply with these regulations providing an option for our users to turn off algorithm recommendation services. However, these regulations are relatively new thus uncertainties still exist as to its interpretation, and potential impacts on our business operations are still substantially uncertain. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may be adversely affected by PRC regulations to limit the method and manner that the internet companies may apply when using algorithms.”

PRC regulation on internet privacy

The PRC Constitution states that PRC law protects the freedom and privacy of communications of citizens and prohibits infringement of such rights. In recent years, PRC government authorities have passed laws on internet use to protect personal information from any unauthorized disclosure. The *Administrative Measures on Internet Information Services* prohibit ICP service operators from insulting or slandering a third party or infringing upon the lawful rights and interests of a third party. Pursuant to the *Several Provisions on Regulating the Market Order of Internet Information Services* issued by Ministry of Industry and Information Technology on December 29, 2011, without the consent of a user, an ICP operator may not collect any user personal information or provide any such information to third parties. An ICP service operator shall expressly inform the users of the method, content and purpose of the collection and processing of such user personal information and may only collect such information necessary for the provision of its services. An ICP service operator is also required to properly keep the user personal information, and in case of any leak or likely leak of the user personal information, the ICP service operator shall take immediate remedial measures and in severe consequences, to make an immediate report to the telecommunications regulatory authority.

In addition, pursuant to *the Decision on Strengthening the Protection of Online Information* issued on December 28, 2012 and *the Order for the Protection of Telecommunication and Internet User Personal Information* issued by Ministry of Industry and Information Technology on July 16, 2013, any collection and use of user personal information shall 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 ICP service operator shall also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying of any such information, or selling or proving such information to other parties. Any violation of these regulations may subject the ICP service operator to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities.

Pursuant to the Twelfth Amendment to the Criminal Law of the PRC issued on December 29, 2023, any internet service provider that fails to fulfill the obligations related to internet information security as required by applicable laws and refuses to take corrective measures, will be subject to criminal liability for (i) any large-scale dissemination of illegal information; (ii) any severe effect due to the leakage of users' personal information; (iii) any serious loss of evidence of criminal activities; or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

The Standing Committee of the National People's Congress promulgated the PRC Cybersecurity Law of the PRC on November 7, 2016, which was amended on October 28, 2025 with effect from January 1, 2026. Pursuant to the PRC Cybersecurity Law, network operators shall follow their cybersecurity obligations according to the requirements of the classified protection system for cybersecurity, including: (a) formulating internal security management systems and operating instructions, determining the persons responsible for cybersecurity, and implementing the responsibility for cybersecurity protection; (b) taking technological measures to prevent computer viruses, network attacks, network intrusions and other actions endangering cybersecurity; (c) taking technological measures to monitor and record the network operation status and cybersecurity incidents; (d) taking measures such as data classification, and back-up and encryption of important data; and (e) other obligations provided by laws and administrative regulations. In addition, network operators shall follow the principles of legitimacy to collect and use personal information and disclose their rules of data collection and use, clearly express the purposes, means and scope of collecting and using the information, and obtain the consent of the persons whose data is gathered. On January 23, 2019, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, and the Ministry of Public Security and the State Administration for Market Regulation jointly issued *the Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps*, which restates the requirement of legal collection and use of personal information, encourages APP operators to conduct security certifications, and encourages search engines and APP stores to clearly mark and recommend those certified APPs.

On August 22, 2019, the Cyberspace Administration of China issued *the Regulation on Cyber Protection of Children's Personal Information*, effective on October 1, 2019. Network operators are required to establish special policies and user agreements to protect children's personal information, and to appoint special personnel in charge of protecting children's personal information. Network operators who collect, use, transfer or disclose personal information of children are required to, in a prominent and clear way, notify and obtain consent from children's guardians.

On November 28, 2019, the Secretary Bureau of the Cyberspace Administration of China, the General Office of the Ministry of Industry and Information Technology, the General Office of the Ministry of Public Security and the General Office of the State Administration for Market Regulation promulgated *the Identification Method of Illegal Collection and Use of Personal Information Through App*, which provides guidance for the regulatory authorities to identify the illegal collection and use of personal information through mobile apps, and for the app operators to conduct self-examination and self-correction and for other participants to voluntarily monitor compliance.

On May 28, 2020, the National People's Congress adopted *the PRC Civil Code*, effective on January 1, 2021, according to which individuals have the right of privacy. No organization or individual shall process any individual's private information or infringe on an individual's right of privacy, unless otherwise prescribed by law or with such individual's prior express consent. In addition, personal information is protected by the PRC laws. Any processing of personal information shall be subject to the principles of legitimacy, legality and necessity. An information processor must not divulge or falsify the personal information collected and stored by it, or provide the personal information of an individual to others without the consent of such individual.

The National Information Security Standardization Technical Committee issued the latest *Standard of Information Security Technology—Personal Information Security Specification*, which came into effect in October 2020. Under such standard, a personal information controller should follow the principles of legality, justification and necessity in handling personal information, obtain a consent from personal information providers and provide the personal information providers an independent choice when the product or service provided by the personal information controller has multiple functions.

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the PRC Personal Information Protection Law, effective on November 1, 2021. The PRC Personal Information Protection Law requires that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Different types of personal information and personal information processing will be subject to various rules on consent, transfer, and security. Entities handling personal information bear responsibilities for their personal information handling activities, and shall adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to correct, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On July 7, 2022, the Cyberspace Administration of China promulgated *the Outbound Data Transfer Security Assessment Measure*, effective on September 1, 2022, pursuant to which a data processor shall apply for security assessment with the competent authority before any outbound data transfer if the transfer involves (i) important data; (ii) personal information transferred overseas by a critical information infrastructure operator and a data processor that has processed personal information of more than one million individuals; (iii) personal information transferred overseas by a data processor who has already provided personal information of 100,000 persons or sensitive personal information of 10,000 persons overseas since January 1 of the previous year; or (iv) other circumstances as requested. Furthermore, on August 31, 2022, the Cyberspace Administration of China promulgated *the Guidelines for filing the Outbound Data Transfer Security Assessment (Version 1)*, which provides that acts of outbound data transfer include (i) overseas transmission and storage by data processors of data generated during mainland China domestic operations; (ii) the access to, use, download or export of the data collected and generated by data processors and stored in mainland China by overseas institutions, organizations or individuals; and (iii) other acts as specified.

On February 22, 2023, the Cyberspace Administration of China promulgated *the Personal Information Outbound Transfer Standard Contract Measures*, effective on June 1, 2023. These measures apply to the provision of personal information to any overseas recipient by a personal information processor through executing standard contract for personal information outbound transfer with such overseas recipient. The personal information processor who provides personal information to overseas recipient through standard contract shall meet the following criteria: (i) it is not a critical information infrastructure operator; (ii) it handles personal information of less than one million individuals; (iii) it provided personal information of less than 100,000 individuals in aggregate to overseas recipients since January 1 of the previous year; and (iv) it provided sensitive personal information of less than 10,000 individuals in aggregate to any overseas recipients since January 1 of the previous year. These measures also require a personal information processor to conduct a personal information protection impact assessment before providing any personal information to an overseas recipient and complete the filing with local cybersecurity authority within 10 working days from the effective date of the standard contract.

On March 22, 2024, the Cyberspace Administration of China enacted the Provisions on Facilitating and Regulating Cross-border Data Flows, or the Provisions, which became effective on the same date. The Provisions relax certain data export requirements by introducing modifications and exemptions to the three mechanisms for cross-border data transfer, namely (i) security assessment; (ii) standard contract for personal information outbound transfer; and (iii) personal information protection certification. Among these, a security assessment is required for (i) export of important data; (ii) export of personal information by a CIIO, unless any of the exempted circumstances apply; and (iii) export of sensitive personal information of 10,000 or more individuals or personal information of 1,000,000 or more individuals since 1st January of that year (for the purpose of calculating the amount thresholds, the personal information/sensitive personal information provided under any of the exempted circumstances shall be excluded). Either the standard contract or the certification can be adopted where a non-CIIO data operator cumulatively provides outside of mainland China the personal information (excluding sensitive personal information) of 100,000 or more individuals but fewer than 1,000,000 individuals since 1st January of that year or cumulatively provides outside of mainland China the sensitive personal information of fewer than 10,000 individuals since 1st January of that year. The Provisions outline several exemptions, such as (i) provision of data collected and generated in activities such as international trade, cross-border transportation, academic cooperation, cross-border production and marketing, which do not involve personal information or important data, (ii) provision of data collected and generated overseas after being processed within the China, provided that no important data and personal information are involved during the process; (iii) provision of data for contractual fulfilment by an individual, cross-border human resource management, or to protect the life, health, and property safety of natural persons in emergency situations; and (iv) a non-CIIO data operator cumulatively provides outside of mainland China the personal information (excluding sensitive personal information) of fewer than 100,000 individuals since 1st January of that year. In addition, data processors operating within the free trade experimental zones may enjoy further exemptions.

On February 12, 2025, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection, effective on May 1, 2025. Personal information processors that process personal information of more than ten million individuals shall carry out a compliance audit of personal information protection at least once every two years. Where a personal information processor conducts a compliance audit on personal information protection by itself, it shall have its internal department, or a commissioned professional institution regularly conduct compliance audits on its compliance with laws and administrative regulations in processing personal information. In certain circumstances, national cyberspace administration authorities and other departments performing personal information protection duties may require personal information processors to commission professional institutions to conduct compliance audits on personal information processing activities. When conducting compliance audits, personal information processors shall follow the Guidelines for Personal Information Protection Compliance Audits outlined in these Measures.

To comply with these laws and regulations, we have established information security systems to protect users' privacy, we also have adopted a risk detection mechanism for data security defects and vulnerabilities, and set up an emergency response mechanism for data security incidents. We also periodically review our privacy policies and amend as needed based on the development and changes of the personal information we will collect and process to ensure that we have comply with relevant requirements, including obtaining users' prior consent to the collection and processing of their personal information before such collecting and processing. However, our system may not be compliant with laws and regulations. We have been ordered to rectify our app as it failed to explicitly inform users the purpose, method, and scope regarding personal data collection. We will continue to review and amend our privacy policies on our websites and mobile applications periodically based on the development and changes of our business operations so that we obtain proper consents from our users for collecting and using their personal information.

PRC regulation on internet medicine information service

The State Food and Drug Administration promulgated *the Administration Measures on Internet Medicine Information Service* on July 8, 2004, which was amended in November 2017, and certain implementing rules and notices thereafter. These measures set out regulations governing the classification, application, approval, content, qualifications and requirements for internet medicine information services. An ICP service operator that provides information regarding medicine or medical equipment must obtain an Internet Medicine Information Service Qualification Certificate from the applicable provincial level counterpart of State Food and Drug Administration. Shenzhen Xunlei has obtained a Medicine Information Service Qualification Certificate from Guangdong Food and Drug Administration for the provision of internet medical information services with an expiry date of May 23, 2028. Shenzhen Wangwenhua has also obtained a Medicine Information Service Qualification Certificate from Guangdong Food and Drug Administration for the provision of internet medical information services with the expiry date extended to August 23, 2027.

PRC regulation on advertising business

The State Administration for Market Regulation is the government agency responsible for regulating advertising activities in the PRC.

According to the PRC laws and regulations, companies that engage in advertising activities must obtain from the State Administration for Market Regulation or its local branches a business license which specifically includes operating an advertising business within its business scope. The business license of an advertising company is valid for the duration of its existence, unless the license is suspended or revoked due to a violation of laws or regulations. PRC advertising laws and regulations set forth certain content requirements for advertisements in the PRC including prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest. Advertisers, advertising agencies and advertising distributors are required by PRC advertising laws and regulations to ensure that the content of the advertisements they prepare or distribute is true and in full compliance with laws and regulations. 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 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. The release or delivery of advertisements through the internet shall not impair the normal use of the network by users. The advertisements released in pop-up form on the web page of the Internet and other forms shall indicate the close flag in prominent manner and ensure one-key close. 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. In the event of serious violations, the State Administration for Market Regulation or its local branches may revoke violators' licenses or permits for their advertising business operations.

On February 25, 2023, the State Administration for Market Regulation issued *the Measures for the Administration of Internet Advertising*, effective on May 1, 2023. These measures provide requirements for transparency, user rights protection and responsibilities for advertising agents, advertising publishers and platform operators, and also introduce requirements for various forms of online advertisements, including pop-up advertisements, open-screen advertisements, live-streaming advertisement, "soft text advertisements," internet advertisements containing links, auction ranked advertisements, algorithm-recommended advertisements, internet live broadcast advertisements and covert advertisements. For instance, when promoting goods or services through soft text advertisements such as knowledge introduction, experience sharing and consumption evaluation with attached purchase methods like shopping links, the advertisement publisher must clearly indicate "advertisement" to distinguish it as such. These measures specifically require internet platform operators to take measures to prevent and stop illegal advertisements, which include recording and storing the real identity information of users who publish advertisements for at least three years, monitoring and investigating advertisement content, and employing measures to stop illegal advertisements. Platform operators must also establish effective complaint and reporting mechanisms, cooperate with competent governmental authorities in investigating illegal conduct, and use measures such as warnings or suspending or terminating services for users who publish illegal advertisements. Platform operators are prohibited from using technical means or other methods to obstruct competent governmental authorities' advertisement monitoring. Violation of these requirements may result in administrative penalties including fines, confiscation of illegal incomes, suspension of business operations and revocation of business licenses, among others. The administrative penalty decisions made by competent governmental authorities will be publicly disclosed through the National Enterprise Credit Information Publicity System. We have outsourced our advertising business to Itui in 2020 and required Itui to set up an effective review mechanism for each advertisement it places on our websites and platform to ensure the content is truthful, accurate, and in full compliance with laws and regulations. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Advertisements displayed on our platform may subject us to penalties and other administrative actions."

PRC regulation on information security and censorship

The PRC laws and regulations specifically prohibit the use of internet infrastructure where it may breach public security, provide content harmful to the stability of society or disclose state secrets. According to the *Measures for the Administration of Computer Information Network and International Networking Security Protection*, which was issued by the State Council on January 8, 2011, and other regulations, it is mandatory for internet companies in the PRC to complete security filing procedures and regularly update information security and censorship systems for their websites with the local public security bureau. In addition, the amended *Law on Preservation of State Secrets*, which became effective on May 1, 2024, provides that whenever an internet service provider detects any leakage of state secrets in the distribution of online information, it should stop the distribution of such information and report to the authorities of state security and public security. As per requests of state security authorities, public security or state secrecy, the internet service provider shall delete any content on its website that may lead to disclosure of state secrets.

On June 28, 2016, the Cyberspace Administration of China issued the *Administrative Provisions on Mobile Internet Applications Information Services*, which became effective on August 1, 2016 and the most recent amendment of which became effective on August 1, 2022, to further strengthen the administration over the mobile internet application information services. Pursuant to these provisions, owners or operators of mobile internet applications that provide information services are required to be responsible for information security management, which, among others, includes the following:

- certifying the identification information of the registered users;
- establishing and improving the protective mechanism for users information, following the principle of legality, rightfulness, necessity and good faith, and having clear and reasonable purposes, disclose processing rules, abide by the regulations on the scope of necessary personal information and take necessary measures to ensure personal information security; and
- establishing and improving the verification mechanism for the content, taking measures against any illegal content, keeping the records and reporting such content to competent authorities.

On November 7, 2016, the Standing Committee of the National People's Congress promulgated the PRC Cybersecurity Law, which was amended on October 28, 2025 with effect from January 1, 2026, to protect cyberspace security and order. Pursuant to the PRC Cyber Security Law, any individual or organization using the network must comply with the constitution and the applicable laws, follow the public order and respect social moralities, and must not endanger cyber security, or engage in activities by making use of the network that endanger the national security, honor and interests, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. In addition, the PRC Cyber Security Law requires network operators must not collect personal information irrelevant to their services. The network operators are required to strictly keep confidential users' personal information that they have collected and to establish and improve user information protective mechanism. In the event of any unauthorized disclosure, damage or loss of collected personal information, network operators must take immediate remedial measures, notify the affected users and report the incidents to the competent authorities in a timely manner. In addition, the amended PRC Cybersecurity Law raises the maximum fine for network operators who fail to fulfill their cybersecurity duties, including failure to take measures to cease the transmission or remove information prohibited by appropriate laws or administrative regulations, keep record of relevant information or report to competent authorities, to RMB 10 million, and introduces new legal liabilities including the legal liability for selling or providing network critical equipment and network security specific products that have not been certified for security.

On August 25, 2017, the Cyberspace Administration of China promulgated the *Provisions on the Administration of Internet Comments Posting Services*, which became effective on October 1, 2017 with the most recent amendment becoming effective on December 15, 2022. According to these provisions, internet comments posting services refer to the services of publishing transcripts, symbols, expressions, pictures, audio and video and other information offered by Internet websites, applications, interactive communication platforms and other types of website platforms having the capabilities of social mobilization or influencing public opinion by way of comment, reply, message, bullet screen, like and using other means. Providers of the internet comments posting services shall strictly assume the primary responsibilities and discharge the following obligations accordingly:

- verify the real identity information of registered users following the principle of using real name at foreground and volunteering to do so at background and forbid the provision of internet comments posting services for users whose real identity information is not verified or falsely use the identity information of the organization or others;

- establish and improve a user personal information protection system;
- establish a system to review new comments before they are published when providing internet comments posting services;
- establish and improve an internet comments posting review and management, real-time check, emergency response, report acceptance and other information security management systems, timely identify and process illicit and unhealthy information and submit a report to the competent network information departments;
- develop information protection and management technologies for the internet comments posting, timely identify security flaws and bugs and other risks in internet comments posting services, take remedial measures and submit a report to the competent internet and information departments; and
- set up a reviewing and editing team, strengthen the post review and review training and improve the professionalism of editors.

In addition, on August 25, 2017, the Cyberspace Administration of China promulgated the *Administrative Provisions on Internet Forum and Community Services*, which became effective on October 1, 2017, pursuant to which the internet forum and community service providers shall assume the primary responsibility for establishing and improving the information inspection and verification, public information real-time check, emergency response and personal information protection and other information security management systems, put in place safe and controllable preventative measures, employ professionals based on service scope, and provide necessary technical support for the departments in performing duties according to the law. The internet forum and community service providers shall not use internet forum and community services to publish or disseminate information banned by laws, regulations and provisions of the state. Where the internet forum and community service providers identify any aforementioned information, they shall cease the transmission of such information forthwith, delete and take other measures, retain the records and timely submit a report to the Cyberspace Administration of China or its local branches.

On November 15, 2018, the Cyberspace Administration of China and the Ministry of Public Security jointly promulgated the *Provisions for the Security Assessment of Internet Information Services Having Public Opinion Properties or Social Mobilization Capacity*, with effect from November 30, 2018, which deems microblogging, live - streaming, information sharing services as internet information having the capabilities of social mobilization or influencing public opinion. The service providers providing such services are required to conduct security assessments when they launch new online services, expand the functionality of their existing services, introduce new technologies or applications, experience a significant increase in user base, witness the spread of unlawful or harmful information, or any other circumstance identified by the cybersecurity authorities. These service providers are required to submit security assessment reports to the local cybersecurity authorities and public security bureau via the National Internet Security Management Service Platform.

On June 27, 2022, the Cyberspace Administration of China promulgated the *Administrative Provisions on the Account Information of Internet Users*, effective from August 1, 2022, which provides guidelines on the provision the account information of internet users. Internet-based information service providers shall perform their responsibilities as the administrative subjects of the account information of internet users, have in place professionals and technical capacity appropriate to the scale of services, and establish, improve and strictly implement the authentication of real identity information, verification of account information, security of information content, ecological governance, emergency responses, protection of personal information and other management systems.

On September 9, 2022, the Cyberspace Administration of China, together with the Ministry of Industry and Information Technology and State Administration for Market Regulation, jointly issued the *Administrative Provisions on Internet Pop-up Window Information Notification Services*, effective on September 30, 2022, which provides that providers of internet pop-up window information push services shall implement the responsibilities as subjects of information content management and establish and improve management systems for censoring of information content, ecological governance, data security and personal information protection, and protection of minors.

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law, effective on September 1, 2021. The PRC Data Security Law establishes a classified and tiered system for data protection based on the level of importance of the data in the economic and social development, as well as the level of danger of the data imposed on national security, public interests, or the legal interests of individuals and organizations upon any manipulation, destruction, leakage, illegal acquisition or illegal usage. Furthermore, it is specified that the PRC Cybersecurity Law applies to the security administration of the cross-border transfer of important data collected and generated by operators of "critical information infrastructure" during their operations in China.

In addition, these measures requires data processors processing over one million users' personal information to comply with the regulations on important data processors, including appointing a person in charge of data security and establishing a data security management organization, filing with the competent authority within fifteen working days after identifying its important data, formulating data security training plans and organizing data security education and training for all staff every year, and that the education and training time of data security related technical and management personnel shall not be less than 20 hours per year. These measures also state that data processors processing important data or going public overseas shall conduct an annual data security assessment by themselves or entrust a data security service institution to do so, and submit the data security assessment report of the previous year to the local branch of Cyberspace Administration of China before January 31 of each year.

Further, these measures also require internet platform operators to establish platform rules, privacy policies and algorithm strategies related to data, and solicit public comments on their official websites and personal information protection related sections for no less than 30 working days when they formulate platform rules or privacy policies or makes any amendments that may have a significant impact on users' rights and interests. Further, platform rules and privacy policies formulated by operators of large internet platforms with more than 100 million daily active users, or amendments to such rules or policies by operators of large internet platforms with more than 100 million daily active users that may have significant impacts on users' rights and interests shall be evaluated by a third-party organization designated by the Cyberspace Administration of China and reported to local branch of the Cyberspace Administration of China for approval. The Cyberspace Administration of China solicited comments on this draft, but there is no timetable as to when it will be enacted.

On December 28, 2021, the Cyberspace Administration of China, the NDRC, the Ministry of Industry and Information Technology and several other authorities jointly promulgated *Measures for Cybersecurity Reviews*, which became effective on February 15, 2022. According to these measures, (i) when the purchase of network products and services by a critical information infrastructures operator or the data processing activities conducted by a network platform operator affect or may affect national security, a cybersecurity review shall be conducted pursuant to these measures. The aforesaid operators shall file for a cybersecurity review with Cybersecurity Review Office under the Cyberspace Administration of China if their behavior affects or may affect national security; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities on a foreign stock exchange; and (iii) the PRC governmental authorities may initiate cybersecurity review if such governmental authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security. Cybersecurity reviews focus on assessing the following national security risks factors: (i) the risk of illegal control, interference or destruction of critical information infrastructure, arising from the purchase and utilization of network products and services; (ii) the harm on the business continuity of critical information infrastructure incurring from a disruption of network products and services supply; (iii) the safety, openness, transparency, diversity of sources of network products and services; the reliability of suppliers; and the risk of supply disruption due to political, diplomatic, trade and other reasons; (iv) the level of compliance with the PRC laws, administrative regulations and ministry rules of the suppliers of network products and services; (v) the risk of core data, important data or a large amount of personal information being stolen, leaked, destroyed, and illegally used or illegally exited the country; (vi) the risk of critical information infrastructure, core data, important data or a large amount of personal information being affected, controlled, or maliciously used by foreign governments and the network information security risk in relation to listing abroad; and (vii) other factors that may harm critical information infrastructure, cyber security and/or data security.

On July 7, 2022, the Cyberspace Administration of China promulgated the *Outbound Data Transfers Security Assessment Measures*, effective on September 1, 2022, which require the data processor providing data overseas and falling under any of the following circumstances to apply for the security assessment of cross-border data transfer with the local provincial-level counterparts of the national cybersecurity authority: (i) where the data processor intends to provide important data overseas; (ii) where a critical information infrastructure operator and a data processor who has processed personal information of more than 1,000,000 individuals intends to provide personal information overseas; (iii) where a data processor who has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals to overseas recipients, in each case as calculated cumulatively, since January 1 of the last year, intends to provide personal information overseas; and (iv) other circumstances where the security assessment of data cross-border transfer is required as prescribed by the Cyberspace Administration of China. Furthermore, the data processor shall conduct a self-assessment on the risk of data cross-border transfer prior to applying for the foregoing security assessment, under which the data processor shall focus on certain factors including, among others, the legitimacy, fairness and necessity of the purpose, scope and method of data cross-border transfer and the data processing of overseas recipients, the risks that the cross-border data transfer may bring to national security, public interests and the legitimate rights and interests of individuals or organizations as well as whether the cross-border data transfer related contracts or the other legally binding documents to be entered with overseas recipients have fully included the data security protection responsibilities and obligations. Any violations of these measures may result in the penalties for the data processor and its responsible person under the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law and other laws and regulations, which include warnings, rectification, suspension of business, revocation of license or fines of up to RMB50 million or five percent of annual revenue for the data processor and up to RMB1 million for responsible individuals.

On September 30, 2024, the State Council released the Administrative Measures for Network Data Security, which came into effect on January 1, 2025. The Administrative Measures for Network Data Security provide detailed operational guidelines for the implementation of the PRC Cybersecurity Law, Data Security Law, and Personal Information Protection Law. According to the Administrative Measures for Network Data Security, data processors must identify and report the type of important data involved in their business pursuant to relevant guidelines, and processors of important data must adopt specific measures to secure important data, such as designating the personnel and internal management department for network data security and conducting risk assessment and submitting annual risk assessment reports to relevant authorities. Failure to protect important data, including failure to identify and report the type of important data, can lead to administrative penalties, including fines, suspension of business operations, and revocation of business licenses. The Administrative Measures for Network Data Security also require that a network data processor processing the personal information of more than 10 million individuals shall comply with the provisions governing the important data processors. In terms of network platform governance, the Administrative Measures for Network Data Security imposes compliance obligations on network platform service providers, in particular, overseeing the network data security practice of third parties who provide products or services on the platform and bearing legal liabilities when such third parties' network data processing activities violate applicable laws or the platform rules and causes damage to users. Large network platform operators, defined as those (i) with over 50 million registered users or more than 10 million monthly active users; (ii) having complex business models; and (iii) conducting network data processing activities that may significantly impact national security, economic operations and public welfare, should publish annual social responsibility report on personal information protection, and should not carry out unfair or deceptive practices such as collecting and processing user data through misleading, fraudulent, or coercive means, unjustified restrictions on user data access, and unreasonable differential treatment of users.

On February 14, 2025, the Cyberspace Administration of China promulgated the *Personal Information Protection Compliance Audit Management Measures* with effect from May 1, 2025, which requires personal information processors processing data of over 10 million individuals to conduct personal information protection compliance audits at least once every two years. In addition, personal information processors processing the personal information of over 1 million individuals shall designate a personal information protection officer in charge of the compliance audit. The personal information processors providing important internet platform services, having large number of users and complicated business type, shall establish an independent body mainly composed of external members to oversee the situation of personal information protection compliance audit.

Violation of these laws and provisions may result in penalties, including fines, confiscation of illegal income. In the case of serious violations, the competent telecommunication authority, public security authority and other competent authorities may suspend relevant business, rectification or close down the website, or revoke licenses or permits for their business operations.

We are subject to the laws and regulations relating to information security and censorship. To comply with these laws and regulations, we have completed the mandatory security filing procedures with the local public security authorities, and regularly update its information security and content-filtering systems with newly issued content restrictions as required by the laws and regulations. Although instances in the past have suggested that our information security and content-filtering systems may not be compliant with laws and regulations in all respects, we strive to improve our systems by continuously implementing additional protective and examining measures to reduce the risk of cyber-incidents and to detect improper or illegal content. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—System failure, interruptions and downtime, including those caused by cyber-attacks or security breaches, can result in user dissatisfaction, adverse publicity or leakage of confidential information of our users and customers, and our business, financial condition, results of operations may be materially and adversely affected.”

PRC regulation on torts

In May 2020, the National People’s Congress promulgated the PRC Civil Code, which became effective on January 1, 2021. Under the PRC Civil Code, internet users and internet service providers shall bear tortious liability in the event they infringe upon other people’s civil rights and interests through the internet. Where an internet user is infringing upon the civil rights or interests of another person via internet, the injured party shall have the right to demand the internet service provider to take necessary measures such as deleting the infringing content, etc. by serving the internet service provider a notice. Where the internet service provider fails to take any necessary measures, it shall be jointly and severally liable with the internet user for any additional injury or damage incurred thereafter. Under the circumstance that the internet service provider is aware that an internet user is infringing upon the civil rights or interests of another person and fails to take necessary measures, the internet service provider shall be jointly liable for such infringement with such internet user.

PRC regulation on intellectual property rights

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

Copyright law

Under the PRC Copyright Law (1990), as amended in 2001, 2010 and 2020, and its related implementing regulations, creators of protected works enjoy personal and property rights, including the right of dissemination via information network of the works. The term of a copyright, other than the rights of authorship, alteration and integrity of an author which shall be unlimited in time, is life plus 50 years for individual authors and 50 years for corporations.

To address the problem of copyright infringement related to content posted or transmitted on the internet, the National Copyright Administration and Ministry of Industry and Information Technology jointly promulgated the *Measures for Administrative Protection of Copyright Related to Internet* on April 29, 2005. These measures, which became effective on May 30, 2005, apply to acts of automatically providing services, such as uploading, storing, linking or searching works, audio or video products, or other content through the internet based on the instructions of internet users who publish content on the internet, without editing, amending or selecting any transmitted content. When imposing administrative penalties upon the act which infringes upon any users’ right of communication through information networks, the *Measures for Imposing Copyright Administrative Penalties*, promulgated in 2009, shall be applied.

Pursuant to the *Regulation on Protection of the Right of Communication through Information Network*, as amended in 2013, an ICP service provider may be exempted from indemnification liabilities under following circumstances:

- any ICP service provider, who provides automatic internet access service upon instructions of its users or provides automatic transmission service of works, performance and audio-visual products provided by its users, will not be required to assume the indemnification liabilities if (i) it has not chosen or altered the transmitted works, performance and audio-visual products; and (ii) it provides such works, performance and audio-visual products to the designated user and prevents any person other than such designated user from obtaining the access.

- any ICP service provider who, for the sake of improving network transmission efficiency, automatically provides to its own users, based on the technical arrangement, the relevant works, performances and audio-visual products obtained from any other ICP service providers will not be required to assume the indemnification liabilities if (i) it has not altered any of the works, performance or audiovisual products that are automatically stored; (ii) it has not affected such original ICP service provider in grasping the circumstances where the users obtain the relevant works, performance and audio-visual products; and (iii) when the original ICP service provider revises, deletes or shields the works, performance and audio-visual products, it will automatically revise, delete or shield the same based on the technical arrangement.
- any ICP service provider, who provides its users with information memory space for such users to provide the works, performance and audio-visual products to the general public via the information network, will not be required to assume the indemnification liabilities if (i) it clearly indicates that the information memory space is provided to the users and publicizes its own name, contact person and web address; (ii) it has not altered the works, performance and audio-visual products that are provided by the users; (iii) it is not aware of or has no reason to know the infringement of the works, performance and audio-visual products provided by the users; (iv) it has not directly derived any economic benefit from the provision of the works, performance and audio-visual products by its users; and (v) after receiving a notice from the right holder, it has deleted such works, performance and audio-visual products as alleged for infringement pursuant to such regulation.
- any ICP service provider, who provides its users with search services or links, will not be required to assume the indemnification liabilities if, after receiving a notice from the rights holder, it has deleted the works, performance and audio-visual products as alleged for copyright infringement pursuant to this regulation. However, the ICP service provider shall be subject to joint liabilities for copyright infringement if it is aware of or has reason to know the infringement of the works, performance and audio-visual products to which it provides links.

In December 2012, the Supreme People's Court of China promulgated the *Provisions on Certain Issues Related to the Application of Law in the Trial of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks*, the most recent amendment of which became effective on January 1, 2021. According to these provisions, the courts will require ICP service providers to remove not only links or content that have been specifically mentioned in the notices of infringement from rights holders, but also links or content they "should have known" to contain infringing content. The provisions further provide that where an ICP service provider has directly obtained economic benefits from any content made available by an internet user, it has a higher duty of care with respect to internet users' infringement of third-party copyrights.

To comply with these laws and regulations, we have implemented internal procedures to monitor and review the content on our websites and platforms and remove any infringing content promptly after we receive notice of infringement from the legitimate rights holder.

Patent law

The National People's Congress adopted the PRC Patent Law in 1984 and amended it in 1992, 2000, 2008 and 2020, respectively. A patentable invention, utility model or design must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation or designs that are mainly used for marking the pattern, color or combination of these two of prints. The Patent Office under the China National Intellectual Property Administration is responsible for receiving, examining and approving patent applications. A patent is valid for a twenty-year term in the case of an invention and a ten-year term in the case of a utility model and a fifteen-year term in the case of a design, starting from the application date. A third-party user must obtain consent or a proper license from the patent owner to use the patent except for certain specific circumstances provided by law. Otherwise, the use may constitute an infringement of the patent rights. As of December 31, 2025, we had 445 registered patents in the PRC and 135 patent applications were being examined by the Patent Office of the China National Intellectual Property Administration.

Trademark law

Registered trademarks are protected under the PRC Trademark Law, which was adopted in 1982 and amended in 1993, 2001, 2013 and 2019, and its implementation rules. The Trademark Office of China National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout the PRC. The PRC Trademark Law has adopted a “first-to-file” principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark that has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark shall not prejudice the existing right of others obtained by priority, nor shall any person register in advance a trademark that has already been used by another person and has already gained “sufficient degree of reputation” through that person’s use. After receiving an application, the PRC Trademark Office will make a public announcement if the trademark passes the preliminary examination. Within three months after such public announcement, any person may file an opposition against a trademark that has passed a preliminary examination. The PRC Trademark Office’s decisions on rejection, opposition or cancellation of an application may be appealed to the PRC Trademark Review and Adjudication Board, whose decision may be further appealed through judicial proceedings. If no opposition is filed within three months after the public announcement period or if the opposition has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, upon which the trademark is registered and will be effective for a renewable ten-year period, unless otherwise revoked. As of December 31, 2025, we had 1,315 trademarks registered in different applicable trademark categories in China and three trademarks registered with World Intellectual Property Organization. We had applied for registration of 63 trademarks in China.

Domain name

The domain names are protected under the *Administrative Measures on the Internet Domain Names* promulgated by Ministry of Industry and Information Technology on August 24, 2017 and effective on November 11, 2017. Ministry of Industry and Information Technology is the major regulatory body responsible for the administration of the PRC internet domain names. China Internet Network Information Center is responsible for the daily administration of CN domain names and Chinese domain names. On June 18, 2019, China Internet Network Information Center issued the *Implementing Rules of National Top-Level Domain Names Registration*, Pursuant to the *Administrative Measures on the Internet Domain Names* and the *Implementing Rules of National Top-Level Domain Names Registration*, the registration of domain names adopts the “first-to-file” principle and the registrant shall complete the registration via the domain name registration service institutions. We have registered “[xunlei.com](#)” and other domain names.

PRC regulation on tax

PRC enterprise income tax

The PRC enterprise income tax is calculated based on the taxable income determined under the PRC laws and accounting standards. On March 16, 2007, the National People’s Congress enacted a new PRC Enterprise Income Tax Law, which became effective on January 1, 2008 and was last revised on December 2018. On December 6, 2007, the State Council promulgated the *Implementation Rules to the PRC Enterprise Income Tax Law*, which also became effective on January 1, 2008 and last revised on December 6, 2024, with effect from January 20, 2025. On December 26, 2007, the State Council issued the *Notice on Implementation of Enterprise Income Tax Transition Preferential Policy under the PRC Enterprise Income Tax Law*, which became effective simultaneously with the PRC Enterprise Income Tax Law. The PRC Enterprise Income Tax Law imposes a uniform enterprise income tax rate of 25% on all domestic enterprises, including foreign-invested enterprises unless they qualify for certain exceptions, and terminates most of the tax exemptions, reductions and preferential treatments available under previous tax laws and regulations. Under the PRC Enterprise Income Tax Law and such circular, enterprises that were established before March 16, 2007 and already enjoyed preferential tax treatments may continue to enjoy them (i) in the case of preferential tax rates, for a period of five years from January 1, 2008; during the five-year period, the tax rate will gradually increase from 15% to 25%, or (ii) in the case of preferential tax exemption or reduction for a specified term, until the expiration of such term. In addition, the PRC Enterprise Income Tax Law and its implementation rules permit qualified “high and new technology enterprises” to enjoy a reduced enterprise income tax rate of 15%.

Moreover, under the PRC Enterprise Income Tax Law, enterprises organized under the laws of jurisdictions outside China with their “de facto management bodies” located within China may be considered PRC resident enterprises and therefore subject to PRC enterprise income tax at the rate of 25% on their worldwide income. The implementation rules of the PRC Enterprise Income Tax define the term “de facto management body” as the management body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In addition, the *Circular Related to Relevant Issues on the Identification of a Chinese holding Company Incorporated Overseas as a Residential Enterprise under the Criterion of De Facto Management Bodies* issued by the State Administration of Taxation on April 22, 2009 provides that a foreign enterprise controlled by a PRC enterprise or a PRC enterprise group will be classified as a “resident enterprise” with its “de facto management bodies” located within China if the following requirements are satisfied: (i) the senior management and core management departments in charge of its daily operations function mainly in the PRC; (ii) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) its major assets, accounting books, company seals, and minutes and files of its board and shareholders’ meetings are located or kept in the PRC; and (iv) at least half of the enterprise’s directors or senior management with voting rights reside in the PRC. Although the circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups and not those controlled by PRC individuals or foreigners, the determining criteria set forth in the circular may reflect the general position of the State Administration of Taxation on how the “de facto management body” text should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners.

In April 2020, the Ministry of Finance, the State Administration of Taxation and the NDRC issued the *Announcement on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China*, which became effective on January 1, 2021, allowing enterprises operated in an encouraged industry that is established in western China to pay the enterprise income tax at a reduced rate of 15% from January 1, 2021 to December 31, 2030.

Although we are not controlled by a PRC enterprise or PRC enterprise group and we do not believe that we meet all of the above-mentioned conditions, substantial uncertainty exists as to whether we will be deemed a PRC resident enterprise for enterprise income tax purpose. In the event that we are considered a PRC resident enterprise, we would be subject to the PRC enterprise income tax at the rate of 25% on our worldwide income, but the dividends that we receive from our PRC subsidiaries would be exempt from the PRC withholding tax since such income is exempted under the PRC Enterprise Income Tax Law for a PRC resident enterprise recipient. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our global income may be subject to PRC taxes under the PRC Enterprise Income Tax Law, which may have a material adverse effect on our results of operations.”

Under PRC tax laws and regulations, arrangements and transactions among related parties may be subject to audit or scrutiny by the PRC tax authorities within ten years after the taxable year when the arrangements or transactions are conducted. We could face material and adverse tax consequences if the PRC tax authorities were to determine that the contractual arrangements among our WFOEs, the variable interest entities and their respective shareholders, as well as the intellectual property framework agreement between Xunlei Computer and Shenzhen Xunlei, were not entered into on an arm’s-length basis and therefore constituted unfavorable transfer pricing arrangements. Unfavorable transfer pricing arrangements could, among other things, result in an upward adjustment to the tax liability of Shenzhen Xunlei, and the PRC tax authorities may impose interest on late payments on Shenzhen Xunlei for the adjusted but unpaid taxes. Our results of operations may be materially and adversely affected if Shenzhen Xunlei’s tax liabilities increase significantly or if it is required to pay interest on late payments.

PRC value added tax

On May 24, 2013, the Ministry of Finance and the State Administration of Taxation issued the *Circular on Tax Policies in the Nationwide Pilot Collection of Value Added Tax in Lieu of Business Tax in the Transportation Industry and Certain Modern Services Industries*. The scope of certain modern services industries under this circular extends to the inclusion of radio and television services. On March 23, 2016, the Ministry of Finance and the State Administration of Taxation jointly issued the *Circular on the Pilot Program for Overall Implementation of the Collection of Value Added Tax Instead of Business Tax*, which took effect on May 1, 2016. Pursuant to this circular, all of the companies operating in construction, real estate, finance, modern service or other sectors which were required to pay business tax are required to pay value-added tax, in lieu of business tax. The value-added tax rate is 6%, except for rate of 11% for real estate sale, land use right transferring and providing service of transportation, postal sector, basic telecommunications, construction, real estate lease; rate of 17% for providing lease service of tangible property; and rate of zero for specific cross-bond activities.

On April 4, 2018, the Ministry of Finance and the State Administration of Taxation issued the *Circular on Adjustment of Value-added Tax Rates*, which became effective on May 1, 2018. According to this circular, certain value-added tax rates have been reduced since May 1, 2018, such as (i) value-added tax 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; and (ii) value-added tax rate of 11% originally applicable to the taxpayers who purchase agricultural products is adjusted to 10%.

On March 20, 2019, the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs of the PRC issued the *Announcement on Relevant Policies for Deepening Value-Added Tax Reform*, which became effective on April 1, 2019. According to this announcement, starting from April 1, 2019, the value-added tax rate of 10% was adjusted to 9% while the VAT rate of 16% was adjusted to 13%.

PRC dividend withholding tax

Pursuant to the PRC Enterprise Income Tax Law and its implementation rules, dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign enterprise investors are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. Under the *China-Hong Kong Taxation Arrangement*, income tax on dividends payable to a company resident in Hong Kong that holds more than a 25% equity interest in a PRC resident enterprise may be reduced to a rate of 5%. In February 2018, the State Administration of Taxation issued a new circular on issues relating to "beneficial owner" in tax treaties, which became effective on April 1, 2018. This circular provides a more flexible guidance to determine whether the applicant engages in substantive business activities. Furthermore, under the *Administrative Measures for Entitlement to Treaty Benefits for Non-resident Taxpayers*, non-resident taxpayers which satisfy the criteria for entitlement to tax treaty benefits may, at the time of tax declaration or withholding declaration through a withholding agent, enjoy the tax treaty benefits and are subject to further regulation by the tax authorities. If non-resident taxpayers fail to claim the tax treaty benefits with the withholding agent, or the materials and the information contained in the relevant reports and statements provided to the withholding agent do not satisfy the criteria for entitlement to tax treaty benefits, the withholding agent shall withhold tax pursuant to the provisions of PRC tax laws. In addition, according to a tax circular issued by State Administration of Taxation in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, the PRC tax authorities have the discretion to adjust the preferential tax rate enjoyed by the relevant offshore entity. Although Xunlei Computer is currently wholly owned by Xunlei Network HK, we cannot assure you that we will be able to enjoy the preferential withholding tax rate of 5% under the *China-Hong Kong Taxation Arrangement*.

PRC regulation on labor laws and social insurance

Pursuant to the PRC Labor Law and the PRC Labor Contract Law, employers must execute written labor contracts with full-time employees. All employers must compensate their employees with wages equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with workplace safety training. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative liabilities. Criminal liability may arise for serious violations.

In addition, according to the PRC Social Insurance Law and the *Regulations on the Administration of Housing Provident Funds*, employers in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

To comply with these laws and regulations, we have caused all of our full-time employees to enter into labor contracts and provide our employees with the proper welfare and employment benefits.

PRC regulation on foreign exchange control and administration

Foreign exchange regulation in the PRC is primarily governed by the following regulations:

- *Foreign Exchange Administration Rules*, which was promulgated by the State Council on January 29, 1996 and amended on January 14, 1997 and on August 5, 2008 respectively; and
- *Administration Rules of the Settlement, Sale and Payment of Foreign Exchange*, promulgated by the People's Bank of The PRC on June 20, 1996.

Under the *Foreign Exchange Administration Rules*, Renminbi is convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions. As for capital account items, such as direct investments, loans, security investments and the repatriation of investment returns, however, the conversion of foreign currency is still subject to the approval of, or registration with, SAFE or its competent local branches; while for the foreign currency payments for current account items, the SAFE approval is not necessary for the conversion of Renminbi except as otherwise explicitly provided by laws and regulations. Under the *Administration Rules of the Settlement, Sale and Payment of Foreign Exchange*, enterprises may only buy, sell or remit foreign currencies at banks that are authorized to conduct foreign exchange business after the enterprise provides valid commercial documents and supporting documents and, in the case of certain capital account transactions, after obtaining approval from SAFE or its competent local branches. Capital investments by enterprises outside of the PRC are also subject to limitations, which include approvals by or registration with the Ministry of Commerce, SAFE and NDRC, or their respective competent local branches. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted to fluctuate within a band against a basket of certain foreign currencies.

In March 2015, SAFE issued the *Circular on Reform of the Administrative Rules of the Payment and Settlement of Foreign Exchange Capital of Foreign Invested Enterprises*, effective on June 1, 2015, pursuant to which foreign-invested enterprises may either continue to follow the current payment-based foreign currency settlement system or elect to follow the “conversion-at-will” regime of foreign currency settlement. Where a foreign-invested enterprise follows the conversion-at-will regime of foreign currency settlement, it may convert part or all of the amount of the foreign currency in its capital account into Renminbi at any time. The converted Renminbi will be kept in a designated account labeled as settled but pending payment, and if the foreign-invested enterprise needs to make payment from such designated account, it still needs to go through the review process with its bank and provide necessary supporting documents. This circular, therefore, has substantially lifted the restrictions on the usage by a foreign-invested enterprise of its Renminbi-registered capital converted from foreign currencies. According to this circular, such Renminbi capital may be used at the discretion of the foreign-invested enterprise and the SAFE will eliminate the prior approval requirement and only examine the authenticity of the declared usage afterwards. SAFE subsequently issued the *Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts* on June 9, 2016. This circular provides an integrated standard for conversion of foreign exchange under capital account items (including, but not limited to, foreign currency capital and foreign debts) on discretionary basis which applies to all enterprises registered in China. This circular also reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, while such converted Renminbi shall not be provided as loans to its non-affiliated entities, or used for construction and purchase of non-self-used real estate (excluding real estate enterprises) or unless otherwise expressly provided in law, directly or indirectly used in securities investment or other financial management excluding the bank capital preservation products.

On May 4, 2015, SAFE promulgated the *Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (2015 Amendment)*, which became effective on the same date. This circular substantially amends and simplifies the current foreign exchange procedure. The major developments under this circular are that the opening of various special purpose foreign exchange accounts (e.g., pre-establishment expenses account, foreign exchange capital account, guarantee account) no longer requires the approval of SAFE. Furthermore, multiple capital accounts for the same entity may be opened in different provinces, which was not possible before the promulgation of this circular. Reinvestment of Renminbi proceeds by foreign investors in the PRC no longer requires SAFE approval or verification, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer requires SAFE approval.

On May 10, 2013, SAFE promulgated the *Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents*, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration. Institutions and individuals shall register with SAFE and/or its branches for their direct investment in the PRC. Banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

In February 2015, SAFE promulgated the *Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment*, which took effect on June 1, 2015. This circular delegates the authority to enforce the foreign exchange registration in connection with the inbound and outbound direct investment under SAFE rules to certain banks and therefore further simplifies the foreign exchange registration procedures for inbound and outbound direct investment. On April 26, 2016, SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting Trade and Investment Facilitation and Improving Authenticity Review, which provides that for outward remittances of the profit equivalent of more than US\$50,000 (exclusive) by domestic institutions, banks shall review relevant board resolutions (or the partnership resolution) on profit distribution, the original copies of tax return forms and the financial statements evidencing the profits, in accordance with the principle of authentic transactions.

In January 2017, SAFE promulgated the *Circular on Further Improving the Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification*, which provides 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 should check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Furthermore, according to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

On October 23, 2019, SAFE promulgated the *Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment*. Pursuant to this circular, restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises and restrictions on the use of funds in domestic asset realization accounts for foreign exchange settlement are canceled.

PRC regulation on foreign exchange registration of offshore investment by PRC residents

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular No. 37, on July 4, 2014. This circular requires PRC residents to register with local branches of SAFE 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 interests in domestic enterprises or offshore assets or interests, referred to in this circular as a "special purpose vehicle." The term "control" under this circular is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. This circular further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period, or any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and the amendment requirements described above could result in liability under PRC law for the evasion of applicable foreign exchange restrictions. On February 13, 2015, SAFE issued the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment, which took effect on June 1, 2015. This circular delegates to the qualified banks the authority to register all PRC residents' investment in "special purpose vehicle" pursuant to the SAFE Circular No. 37, except that those PRC residents who have failed to comply with the SAFE Circular No. 37 will continue to fall within the jurisdiction of the local SAFE branches and must make their supplementary registration application with such local SAFE branches.

We have requested PRC residents holding direct or indirect interest in our company to our knowledge to make the necessary applications, filings and amendments as required under SAFE Circular No. 37 and other related rules. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our company, and we cannot provide any assurances that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements required by SAFE Circular No. 37 or other related rules. The failure or inability of our PRC resident shareholders to make any required registrations or comply with other requirements under SAFE Circular No. 37 and other related rules may subject such PRC residents or our PRC subsidiaries to fines and legal sanctions and may also limit our ability to raise additional financing and contribute additional capital into or provide loans to (including using the proceeds from our initial public offering) our PRC subsidiaries, limit our PRC subsidiaries' ability to pay dividends or otherwise distribute profits to us, or otherwise adversely affect us.

PRC regulation on employee share options

On December 25, 2006, the People's Bank of China promulgated the Administrative Measures for Individual Foreign Exchange. On February 15, 2012, SAFE issued the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies. Pursuant to these notices, PRC residents who are granted shares or stock options by companies listed on overseas stock exchanges according to the stock incentive plans are required to register with SAFE or its local branches, and PRC residents participating in the stock incentive plans of overseas listed companies shall retain a qualified PRC agent, which could be a PRC subsidiary of such overseas publicly-listed company or another qualified institution selected by such PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plans on behalf of these participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, purchase and sale of corresponding stocks or interests, and fund transfer. In addition, the PRC agents are required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agents or the overseas entrusted institution or other material changes. The PRC agents shall, on behalf of the PRC residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. 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 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.

Our PRC citizen employees who have been granted share options or restricted shares, or PRC grantees, are subject to the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies. If we or our PRC grantees fail to comply with these notices and the Administrative Measures for Individual Foreign Exchange, we and/or our PRC grantees may be subject to fines and other legal sanctions. We may also face regulatory uncertainties that could restrict our ability to adopt additional share incentive plans for our directors and employees under PRC law. In addition, the State Administration for Taxation issued certain circulars concerning employee share awards. Under these circulars, our employees working in the PRC who exercise share options or hold the vested restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share awards with tax authorities and to withhold individual income taxes of those employees who exercise their share options or hold the vested restricted shares. If our employees fail to pay or we fail to withhold their income taxes according to laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

PRC regulation on dividend distributions

The PRC Company Law primarily governs the distribution of dividends paid by wholly foreign-owned enterprises after the PRC Foreign Investment Law and *Regulation on the Implementation of the PRC Foreign Investment Law* came into effect. Under the PRC Company Law, enterprises in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, an enterprise in the PRC is required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its statutory common reserves until its cumulative total reserve funds reaches 50% of its registered capital.

PRC regulation on overseas listings

On August 8, 2006, the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, CSRC and SAFE jointly adopted *the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors*, or the M&A Rules, which became effective on September 8, 2006 and was amended on June 22, 2009. The M&A Rules purport to require that offshore special purpose vehicles that are controlled by PRC companies or individuals and that have been formed for overseas listing purposes through acquisitions of PRC domestic interest held by such PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, the CSRC published a notice on its official website specifying documents and materials required to be submitted to it by special purpose vehicles seeking CSRC approval of their overseas listings. While the application of the M&A Rules remains unclear, our PRC legal counsel has advised us that based on its understanding of the current PRC laws, rules and regulations and the M&A Rules, prior approval from the CSRC is not required under the M&A Rules for the listing and trading of our ADSs on the Nasdaq Global Select Market, given that (i) our PRC subsidiaries were directly established by us as wholly foreign-owned enterprises, and we have not acquired any equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are our beneficial owners after the effective date of the M&A Rules, and (ii) no provision in the M&A Rules clearly classifies the contractual arrangements as a type of transaction subject to the M&A Rules.

On July 6, 2021, the PRC government authorities issued *Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law*. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 17, 2023, the CSRC issued *Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies*, which became effective on March 31, 2023, and five supporting guidelines. These measures establish a new filing-based regime to regulate overseas offerings and listings by domestic companies. Specifically, an overseas follow-on offering or listing, or other equivalent offering activity, including issuance of convertible notes, exchangeable notes or preferred shares, by a domestic company, whether directly or indirectly, must be filed with the CSRC and comply with the requirements under these measures. The indirect overseas listing of domestic companies refers to companies mainly engaged in business activities in the PRC domestic market, which issue shares or other similar rights based on their domestic equity, assets, earnings, or similar rights in the name of a company registered overseas for overseas listing. The five supporting guidelines also provide that the examination and determination of an indirect offering and listing will be conducted on a substance-over-form basis, and an offering and listing shall be deemed as a PRC company's indirect overseas offering and listing if the issuer meets both of the following conditions: (i) any of the operating income, gross profit, total assets, or net assets of the PRC companies in the most recent fiscal year was more than 50% of the relevant line item in the issuer's audited consolidated financial statement for that year; and (ii) senior management personnel responsible for business operations and management are mostly PRC citizens or are ordinarily resident in the PRC, or the principal place of business is in the PRC or carried out in the PRC. In all such cases, the issuer or its designated principal operating PRC entity, as the case may be, shall file with the CSRC for its initial public offering, follow-on offering and other equivalent offering activities. Particularly, the issuer shall submit a filing with respect to its initial public offering and listing within three business days after its initial filing of the listing application, and submit a filing with respect to its follow-on offering within three business days after the completion of the follow-on offering. The issuer shall also submit a report with respect to the following material events within three business days after the occurrence and announcement of such event: (i) change of control rights; (ii) being investigated or punished by overseas securities regulatory authorities or competent authorities; (iii) change of listing status or listing board; and (iv) voluntary or mandatory termination of the listing. The five supporting guidelines specify that "control relationship" or "control right" under the *Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies* refer to the actual control of the company by means of equity, voting rights, trusts, agreements and other arrangements, either individually or jointly, directly or indirectly. Given this scope, these measures are intended to apply to PRC companies that use a variable interest entity structure. These measures also identify certain circumstances that will preclude issuers from pursuing overseas offerings and listings, including (i) explicit prohibition from financing through listing by laws, administrative regulations or national provisions; (ii) recognition by the competent department of the State Council that the issuer's overseas offering and listing may harm national security; (iii) commission of criminal offenses, such as embezzlement, bribery, misappropriation of property, or disruption of market orders by the domestic companies, its controlling shareholder, or the actual controller within the past three years; (iv) ongoing investigation by law enforcement agencies for suspected criminal or significant illegal and irregular activities without any clear conclusion yet; and (v) material ownership disputes over shares held by the controlling shareholder or by other shareholders that are controlled by controlling shareholder and/or actual controller. Additionally, these measures include certain compliance requirements for issuers, such as compliance with national security laws, regulations and provisions on foreign investment, cyber security and data security, and address that security review procedures, if involved, shall be carried out in accordance with laws prior to submitting the application for overseas offering and listing. Failure to comply with the filing requirements under these measures may result in warnings, rectification and fines of not less than RMB1 million and not more than RMB10 million for the PRC companies. The responsible persons may face a warning and fines of not less than RMB0.5 million and not more than RMB5 million. Additionally, fines of not less than RMB1 million and not more than RMB10 million may be imposed on the PRC company's controlling shareholder and actual controller who organizes or instructs the violation. These measures have no retroactive effect.

On February 24, 2023, the CSRC together with other PRC governmental authorities issued the Provisions on Strengthening the Management of Confidentiality and Archives regarding Overseas Securities Offerings and Listings by Domestic Companies, effective March 31, 2023, pursuant to which domestic companies, securities companies and securities service institutions involved in the overseas offerings and listings by PRC domestic companies, either in direct or indirect form, must establish a system of confidentiality and archival management to prevent disclosure of state secrets or harm to the state and public interests. These provisions require domestic companies involved in overseas offerings and listings to obtain approval from the competent authority and file with the secrecy administrative department at the same level before providing or publicly disclosing any document or material that involves state secrets or working secrets of state organizations. They must strictly follow relevant procedures in accordance with regulations to provide any document or material, the leakage of which may have adverse effects on national security or public interests. Domestic companies must provide a statement to securities companies and securities service institutions indicating that they have followed these requirements. Additionally, domestic companies must enter into a confidentiality agreement with securities companies and securities service institutions to specify their confidentiality obligations and liabilities in accordance with laws and regulations, including the PRC Laws on Protecting State Secrets and the Confidentiality and Archives Management Provisions. Working papers produced by securities companies and securities service institutions within the PRC for overseas offerings and listings shall also be stored within the PRC. These provisions also require domestic companies to complete relevant procedures before providing accounting archives to entities, including securities companies, securities service institutions, overseas regulators, and individuals. Domestic companies, securities companies and securities service institutions must obtain approvals before providing documents and information in response to inspections and investigations by overseas regulators. These inspections and investigations should be conducted via the cross-border supervision mechanism whereby the PRC regulators will provide necessary assistance.

PRC regulation on initial coin offerings

On September 4, 2017, the People's Bank of China, the Office of the Central Leading Group for Cyberspace Affairs, the Ministry of Industry and Information Technology, the State Administration for Industry and Commerce, the China Banking Regulatory Commission, the CSRC and the China Insurance Regulatory Commission jointly promulgated *the Announcement on Prevention of Token Fundraising Risks* to strengthen the administration of the initial coin offerings activities. Pursuant to this announcement, "fundraising through token offerings" is referred to as a type of fundraising activities where an issuer raises "virtual currencies" such as Bitcoin or Ether from investors through the illegal issuance and subsequent circulation of tokens. Pursuant to the announcement, token fundraising activity is essentially an illegal public fundraising activity without obtaining government approval. It is a suspected illegal offering of tokens, illegal offering of securities, illegal fundraising, financial fraud, or pyramid scheme, which are criminal offenses under the PRC law. This announcement prohibits fundraising activities through token issuance. In addition, the announcement also provides that token trading platform should not be engaged in (i) the exchange between any statutory currency with tokens and "virtual currencies," (ii) the trading, either as a central counter - party or not, of the tokens or "virtual currencies," and (iii) token or "virtual currency" pricing, information intermediary services or other services for tokens or "virtual currencies."

On September 15, 2021, the People's Bank of China, the Office of the Central Cyberspace Affairs Commission, the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Industry and Information Technology, the Ministry of Public Security, the State Administration for Market Regulation, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission and the State Administration of Foreign Exchange jointly promulgated *the Circular on Further Preventing and Disposing of Risks in Virtual Currency Trading and Speculation* to further strengthen the administration of the virtual currency trading. Pursuant to this circular, virtual currencies do not have the same legal status as legal currencies and it is strictly prohibited and banned that virtual currency-related business activities are illegal financial activities, including carrying out exchange services between legal currencies and virtual currencies or between virtual currencies, buying and selling virtual currencies as a central counter - party, providing information intermediary and pricing services for virtual currency transactions, token issuance financing, virtual currency derivative transactions and other virtual currency-related business activities are suspected of illegal sale of tokens, unauthorized public issuance of securities, illegal operation of futures business, illegal fundraising and other illegal financial activities. Pursuant to the Circular, if related illegal financial activities constitute a crime, criminal liability shall be investigated in accordance with the law.

On September 2, 2022, the Standing Committee of the National People's Congress issued *the Anti-Telecom and Online Fraud Law*, pursuant to which entities or individuals shall not help others commit money laundering through virtual currency trading for carrying out telecom and online fraud activities.

PRC regulation on blockchain information services

On January 10, 2019, the Cyberspace Administration of China issued *the Provisions on the Administration of Blockchain Information Services*, which came into effect on February 15, 2019. Pursuant to these provisions, a blockchain information service provider is required to file particulars of such service provider including its name, service category, service form, application field, and server address with the blockchain information service filing management system managed by the Cyberspace Administration of China and go through filing procedures within ten business days after it starts to provide services. After completing the filing procedure, the blockchain information service provider should display the filing number in a conspicuous position on the service provider's websites and applications through which it provides services. Service providers that had already started to provide blockchain information services before these provisions became effective are required to do make-up filings within 20 business days after these provisions became effective. As of the date of this annual report, we had obtained the initial record-filing number.

In addition, these provisions also imposed an array of obligations to the providers of blockchain information services. For example, blockchain information service providers are required to set up various rules and procedures in terms of user registration, information verification, emergency response, and safeguard measures. Blockchain information service providers are also required to formulate and publish blockchain platform management rules and enter into a service agreement with users of blockchain information services. In addition, blockchain information service providers are obligated to verify the real name of the users of blockchain information services and are prohibited to offer services to users who fail to provide information relating to their real identity. Failure to comply with requirements in these provisions may subject blockchain information service providers to administrative penalties such as warning, being ordered to temporarily suspend relevant business operations to rectify within prescribed time period, or fines, or criminal liabilities, depending on which provisions are violated.

On March 12, 2021, the National People's Congress published Outline of the People's Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035, which states that PRC will accelerate the promotion of digital industrialization including blockchain and will promote the innovation of blockchain technology such as smart contracts, consensus algorithms, encryption algorithms, and distributed systems, focus on alliance chains to develop blockchain service platforms and application solutions in the fields of fintech, supply chain management, and government services, and improve supervision mechanisms.

On May 27, 2021, the Ministry of Industry and Information Technology and the Cyberspace Administration of China jointly issued *Guiding Opinions on Accelerating the Application of Blockchain Technology and the Development of the Industry*, which states that the management of blockchain-related intellectual property rights shall be strengthened and risk control mechanisms and technical prevention measures shall be improved. For example, it encourages enterprises to explore and establish a common intellectual property rights protection mechanism through blockchain patent pools, intellectual property rights alliances and other modes. The opinions also emphasize the importance of accelerate the application of blockchain technology and the overall development of the industry.

On April 13, 2022, the National Internet Finance Association of China, the China Banking Association and the Securities Association of China jointly issued *the Proposals on Preventing NFT-related Financial Risks*, which prominently includes a commitment by members of these three associations not to financialize or securitize NFTs, and to not provide trading services or related financial services for NFTs in any form.

PRC regulation on anti-money laundering

On October 31, 2006, the Standing Committee of the National People's Congress issued the PRC Anti-Money Laundering Law, which was amended on November 8, 2024 and took effect from January 1, 2025. Pursuant to the PRC Anti-Money Laundering Law, specific non-financial institutions that are required by relevant regulations to perform the obligation of anti-money laundering shall, in accordance with law, among others adopt preventive and monitoring measures, establish and improve internal control systems for anti-money laundering, and fulfill anti-money laundering obligations such as customer due diligence, preservation of customer identity data and transaction records, reporting of large and suspicious transactions, and special preventive measures for anti-money laundering. The client ID data and transaction information, and investigation information of anti-money laundering acquired through performing the functions and duties of anti-money laundering according to law shall be kept confidential, and shall not be provided to any unit or individual unless otherwise prescribed by law. Any unit or individual that finds money laundering activities is entitled to report the same to the competent administrative authority of anti-money laundering or judicial organ, and the organs that accept the report shall keep confidential the reporter and the content reported.

Enterprises and other market entities shall submit information on beneficial owners through the relevant information system of the market supervision and regulation department.

On April 12, 2016, General Office of the State Council issued a Circular of the General Office of the State Council on Issuing the Implementing Proposals for the Special Rectification of Internet Financial Risks, pursuant to which online peer-to-peer lending platforms or equity-based crowdfunding platforms shall not engage in asset management, claims or equity transfer, capital allocation in the high-risk securities market, or other financial business without approval. Internet enterprises that have not obtained the financial business qualifications may not carry out the corresponding business by relying on the internet, and the nature of the business they carry out shall comply with the business qualifications obtained. Without approval of the relevant departments, no financial products of different categories that are privately placed may be offered to the public by packaging, splitting, or otherwise.

Furthermore, the People's Bank of China, China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission jointly published *the Administrative Measures for Anti-money Laundering and Counter-terrorism Financing by Internet Finance Service Agencies (for Trial Implementation)*, which became effective on January 1, 2019. Under these measures the specific scope of work on anti-money laundering and counter-terrorism financing in the internet finance industry shall be determined, adjusted and released by the People's Bank of China in concert with financial regulators of the State Council in accordance with laws, regulations and regulatory rules, including the online payment, peer-to-peer lending, peer-to-peer lending information intermediary services, equity crowdfunding financing, internet fund sale, internet insurance, internet trust and internet consumption finance. The People's Bank of China will develop an online monitoring platform for anti-money laundering and counter-terrorism financing in the internet finance industry (hereinafter referred to as the "online monitoring platform"), and this online monitoring platform will be used to improve the online regulatory mechanism for anti-money laundering and strengthen information sharing. Service agencies other than financial institutions and non-banking payment institutions shall register the fulfillment of duties in anti-money laundering and counter-terrorism financing on the online monitoring platform. Where a single cash receipt or payment, or the aggregate cash receipts and payments, of a client on a single day, amount(s) to RMB50,000 or more or the equivalent value of US\$10,000 or more, a service agency that is neither a financial institution nor a non-banking payment institution shall report the large-amount transaction within five working days of the occurrence of the transaction.

Laws and regulations in Singapore

The below section sets forth a summary of the laws and regulations that most affect our business activities in Singapore. The laws and regulations relate to online streaming, payment processing, games, data protection, intellectual property rights, anti-money laundering and terrorism financing, dividend distribution, and employment and labor.

Singapore regulation on online live-streaming

Broadcasting Act

The Broadcasting Act 1994 of Singapore, or the Broadcasting Act, regulates the dealing in, the operation of and the ownership in broadcasting services and broadcasting apparatus, and online communication services, which are accessible to Singapore-end users, and for matters connected therewith.

Pursuant to this act, an online communication service refers to an electronic service which has the characteristics of a social media service. This electronic service means a service which (a) enables end-users to access or communicate content on the Internet using that service (including a point-to-multipoint service), or deliver content on the Internet to persons having the appropriate equipment to receive that content, (b) between a point in Singapore and one or more points in Singapore, or between a point or one or more points, where the first-mentioned point is outside Singapore and at least one of the other points is inside Singapore, and (c) is not an excluded electronic service.

To the extent that we provide an online communication service that is not exempted under the Broadcasting Act, the Infocomm Media Development Authority, namely the regulator of the information, communications and media sectors in Singapore, the Infocomm Media Development Authority may designate our online communication service as a regulated online communication service pursuant to Section 45K of the Broadcasting Act. The Infocomm Media Development Authority may designate an online communication service as a regulated online communication service provider after taking into account the range of all online communication services provided to Singapore end users, and the extent and nature of the effect that the different types of online communication services have on the people of Singapore and her different communities. According to Section 45L and Section 45M of the Broadcasting Act, such regulated online communication service providers are mandated to comply with the online Code of Practice and the other regulations prescribed by the Infocomm Media Development Authority.

We have not been designated by the Infocomm Media Development Authority as a regulated online communication service and are not subject to compliance with any online Codes of Practice that the Infocomm Media Development Authority may issue to providers of such regulated online communication service.

We highlight that Part 10A of the Broadcasting Act on online communication service regulation does not apply to any of our content provided or communicated on the internet before the date of February 1, 2023, the commencement of Section 5 of the Online Safety (Miscellaneous Amendments) Act 2022. For our content provided or communicated on the internet after February 1, 2023, to which Part 10A of the Broadcasting Act applies, we note our ongoing obligation under Section 45A of the Broadcasting Act to ensure that we (a) provide a safe online environment for Singapore end-users that promotes responsible online behavior, (b) deter objectionable online activity and prevent access to harmful content, (c) place adequate priority on the protection of Singapore end-users who are children of different age groups from exposure to content which may be harmful to them, and (d) be regulated in a manner that enables public interest considerations to be addressed. In connection therewith, we have in place internal procedures to stop egregious content from being communicated or provided on our online communication service, in full compliance with the Broadcasting Act. Such internal procedures include publishing a set of community guidelines on our online communication service that outlines our expectations for user behavior, implementing a complaints resolution process to promptly remove any egregious content, and utilizing a third-party content filtering system to prevent any egregious content from being communicated or provided on our online communication service, however, there can be no assurance that such internal procedures would always be adequate. Any failure to comply is an offence under Section 45E of the Broadcasting Act and may result in administrative sanctions such as fines of up to SGD\$1 million imposed by the Infocomm Media Development Authority. In the case of a continuing offence, further fines of up to SGD\$100,000 for every day or part of a day during which the offence continues after conviction may be imposed by the Infocomm Media Development Authority.

The Broadcasting Act also prohibits the provision of certain broadcasting services, including internet content, in or from Singapore without a license issued by the Infocomm Media Development Authority. The Broadcasting Act sets out an automatic class licensing scheme for computer online services provided by internet content providers. Under the Broadcasting (Class Licence) Notification, an internet content provider, which includes a corporation which provides any program for business purposes on the internet, is automatically class-licensed without any need to make a specific application for licensing to the Infocomm Media Development Authority and are automatically subject to comply with the conditions of the class license set out under the Schedule of the Broadcasting (Class Licence) Notification and the Internet Code of Practice.

As an internet content provider, we are automatically class-licensed by the Infocomm Media Development Authority pursuant to the Broadcasting (Class License) Notification and are obliged to comply with the class license conditions and the Internet Code of Practice. Our compliance includes using our best efforts to ensure that prohibited material, namely, any material that is objectionable on the grounds of public interest, public morality, public security, national harmony, offends good taste or decency, or is otherwise prohibited by applicable Singaporean laws (including, explicitly, the propagation, promotion or discussion of any political or religious issues relating to Singapore), is not broadcast via the internet to Singaporean end-users. We are also required to deny access to any prohibited material if directed to do so by the Infocomm Media Development Authority. In this regard, we have in place internal procedures to ensure that prohibited materials are not broadcasted to Singapore-end users, in full compliance with the class license conditions and the Internet Code of Practice. Such internal procedures include publishing a set of community guidelines that outlines our expectations for user behavior, implementing a complaints resolution process to promptly remove any prohibited materials, and utilizing a third-party content filtering system to prevent any prohibited materials from being broadcasted to Singapore end-users, however, there can be no assurance that such internal procedures would always be adequate. If we contravene the class license conditions or the Internet Code of Practice, we may face administrative sanctions such as the suspension or cancellation of our automatic class license, or fines imposed by the Infocomm Media Development Authority.

Singapore regulation on online games

Gambling Control Act

Currently, the Gambling Control Act 2022 of Singapore, or the Gambling Control Act, prohibits a person from conducting gaming unless the person is, pursuant to Section 18(b)(ii) of the Gambling Control Act, a class licensee authorized under a class license to provide a gambling service involving conducting gaming or gaming of that kind.

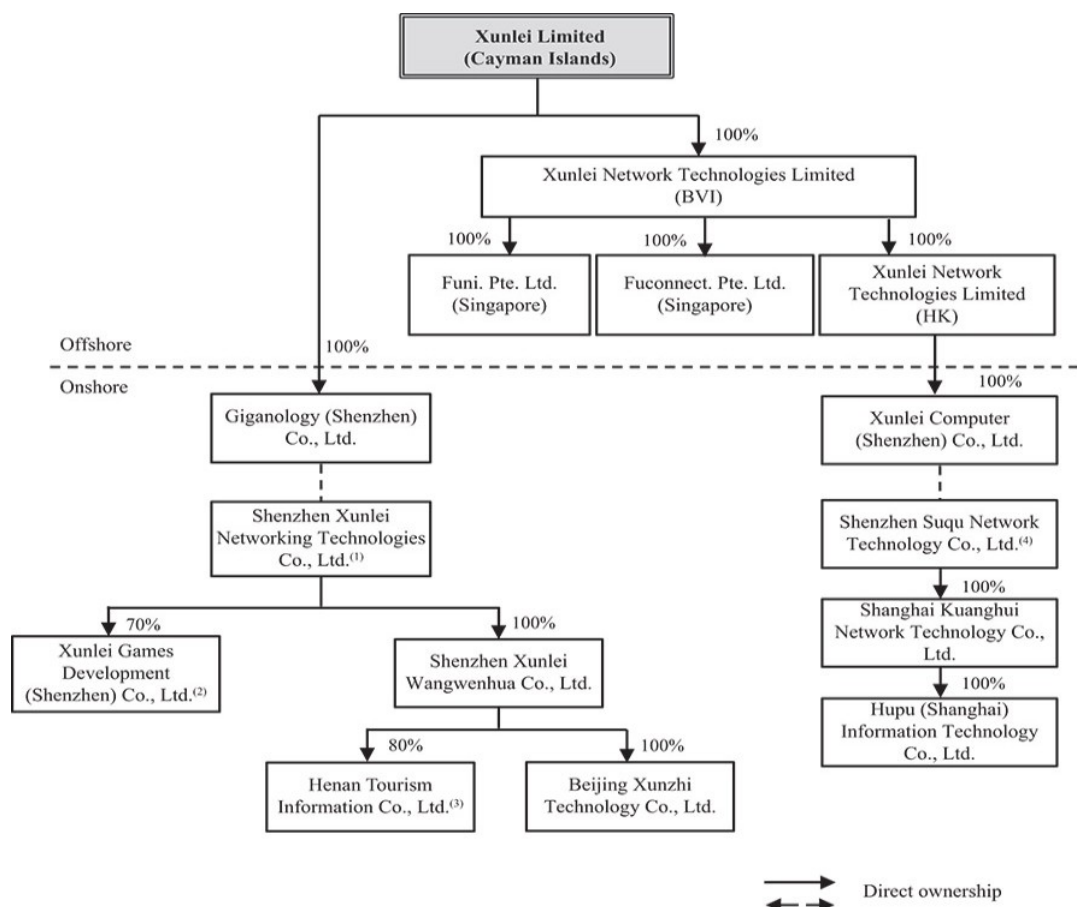
According to the Infocomm Media Development Advisory on the Regulation of Remote Games of Chance under the Gambling Control Act, remote games of chance that provide transferable in-game items such as prizes, and where such prizes are not money and cannot be converted within the game into money, money equivalent or anything else of value unrelated to the game are regulated under a class license regime as a Type 2 class license. Under the class license regime, any person who wishes to offer an remote games of chance under the Type 2 class license does not need to apply for a license from the Gambling Regulatory Authority and can continue to develop and publish games so long as they comply with the respective set of conditions set out in the Gambling Control (Remote Games of Chance – Class License) Order 2022, or the Gaming Control Order.

As our gaming activities are undertaken in relation only to remote games of chance that provide transferable in-game items such as prizes, and such prizes are not money and cannot be converted within the game into money, money equivalent or anything else of value unrelated to the game, we will be regulated by the Gambling Regulatory Authority under the class license regime as a Type 2 class licensee so long as we comply with the Type 2 class license conditions under Paragraph 7 of the Gambling Control Order. Our compliance efforts include, taking all reasonably practicable steps to ensure that we do not provide a service whereby (a) any prize that may be won in the interactive game of chance, (b) any feature of the interactive game of chance that may be unlocked (in a randomized or partially randomized fashion) during gameplay, or (c) any complimentary token awarded by or under the authority of the class licensee to any player for or to play, or to continue to play, the interactive game of chance, is readily converted or made readily converted into money or a money equivalent or into anything else of value except for use in an in-game microtransaction during that same interactive game of chance or another interactive game that is related to the abovementioned interactive game of chance. Accordingly, so long as we are compliant with Paragraph 7 of the Gambling Control Order, we are not required to apply for a license under the Gambling Control Act to undertake such gaming activities. In connection therewith, we have not applied for a license under the Gambling Control Act for our gaming activities.

In the event that we undertake gaming activities that constitute a service that contravenes the Gambling Control Order, and we do not fall within any of the other exceptions under the Gambling Control Act, we will apply for a license under the Gambling Control Act before we undertake such activities to ensure that we are in full compliance with the Gambling Control Act.

C. Organizational Structure

The following diagram illustrates our corporate structure, including the variable interest entities and our principal subsidiaries and principal subsidiaries of the variable interest entities, as of the date of this annual report on Form 20-F. In March 2026, Shenzhen Xunlei entered into definitive agreements to transfer an aggregate 50% equity interest in Shenzhen Onething for an aggregate cash consideration of RMB125 million. Upon completion of the transaction in March 2026, Shenzhen Xunlei retained 20% equity interest in Shenzhen Onething, and we no longer consolidate the financial results of Shenzhen Onething.



Notes:

- (1) Shenzhen Xunlei is a variable interest entity. Mr. Sean Shenglong Zou, our co-founder, Mr. Hao Cheng, our co-founder, Mr. Jianming Shi, Guangzhou Shulian Information Investment Co., Ltd. and Ms. Fang Wang own 76.0%, 8.3%, 8.3%, 6.7% and 0.7% of Shenzhen Xunlei's equity interests, respectively.
- (2) The remaining 30% of the equity interest is owned by Mr. Hao Cheng.
- (3) The remaining 20% of the equity interest is owned by Henan Cultural Tourism Investment Group Co., Ltd.
- (4) Shenzhen Suqu is a variable interest entity. Shenzhen Zhiyi Wensi Consulting LLP("Zhiyi Wensi"), and Shenzhen Zhilue Xinsi Consulting Co., Ltd.("Zhilue Xinsi") own 99% and 1% of Shenzhen Suqu's equity interests, respectively. Zhiyi Wensi is a PRC limited liability partnership with (i) Zhilue Xinsi, as its general partner, holding a 5% partnership interest, and (ii) Mr. Kening Wu, as its limited partner, holding the remaining 95% partnership interest. Zhilue Xinsi is a PRC limited liability company whose registered shareholders are Mr. Kening Wu, our vice president, and Mr. Xiaosong Li, our director and vice president, holding 60% and 40% of the equity interests, respectively.

Contractual Arrangements with the Variable Interest Entities and their Respective Shareholders

The following is a summary of the contractual agreements with Shenzhen Xunlei and Shenzhen Suqu.

Contractual agreements with Shenzhen Xunlei

Agreements that enable us to direct the activities most significantly affect Shenzhen Xunlei's economic performance

Business operation agreement

Pursuant to the business operation agreement among Giganology Shenzhen, Shenzhen Xunlei and the shareholders of Shenzhen Xunlei, as amended, Shenzhen Xunlei's shareholders must appoint the candidates nominated by Giganology Shenzhen to be the directors on its board of directors in accordance with applicable laws and the articles of association of Shenzhen Xunlei, and must cause the persons recommended by Giganology Shenzhen to be appointed as its general manager, chief financial officer and other senior executives. Shenzhen Xunlei and its shareholders also agree to accept and strictly follow the guidance provided by Giganology Shenzhen from time to time relating to employment, termination of employment, daily operations and financial management. Moreover, Shenzhen Xunlei and its shareholders agree that Shenzhen Xunlei will not engage in any transactions that could materially affect its assets, business, personnel, liabilities, rights or operations, including, but not limited to, the amendment of Shenzhen Xunlei's articles of association, without the prior consent of Giganology Shenzhen and Xunlei Limited or their respective designees. This agreement will expire in 2026 and will be extended automatically for additional ten years unless terminated with Giganology Shenzhen's written confirmation prior to the expiration date.

Equity pledge agreement

Pursuant to the equity pledge agreement between Giganology Shenzhen and the shareholders of Shenzhen Xunlei, as amended, the shareholders of Shenzhen Xunlei have pledged all of their equity interests in Shenzhen Xunlei to Giganology Shenzhen to guarantee Shenzhen Xunlei and its shareholders' performance of their respective obligations and any ensuing liabilities under the exclusive technology support and service agreement, as amended, the exclusive technology consulting and training agreement, as amended, the proprietary technology license agreement, the business operation agreement, as amended, the equity interests disposal agreement, as amended, the loan agreements, as amended, and the intellectual properties purchase option agreement, as amended. In addition, the shareholders of Shenzhen Xunlei have completed the registration of equity pledge under the equity pledge agreement with the competent governmental authority. If Shenzhen Xunlei and/or its shareholders breach their contractual obligations under those agreements, Giganology Shenzhen, as pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests.

Powers of attorney

Pursuant to the irrevocable powers of attorney executed by each shareholder of Shenzhen Xunlei, each such shareholder appointed Giganology Shenzhen as its attorney-in-fact to exercise such shareholders' rights in Shenzhen Xunlei, including, without limitation, the power to vote on its behalf on all matters of Shenzhen Xunlei requiring shareholder approval in accordance with PRC laws and regulations and the articles of association of Shenzhen Xunlei. Each power of attorney will remain in force for ten years from the date of execution unless the business operation agreement, as amended, among Giganology Shenzhen, Shenzhen Xunlei and the shareholders of Shenzhen Xunlei is terminated at an earlier date. The term may be extended at Giganology Shenzhen's discretion.

Agreements that transfer economic benefits to us

Exclusive technology support and services agreement

Pursuant to the exclusive technology support and services agreement between Giganology Shenzhen and Shenzhen Xunlei, as amended, Giganology Shenzhen has the exclusive right to provide to Shenzhen Xunlei technology support and technology services related to all technologies needed for its business. Giganology Shenzhen exclusively owns any intellectual property rights resulting from the performance of this agreement. The service fee payable by Shenzhen Xunlei to Giganology Shenzhen is a certain percentage of its earnings. The supplemental agreement will expire in September 2035 and will be automatically renewed for a further period of ten years thereafter. Giganology Shenzhen is entitled to terminate the agreement at any time by providing 30 days' prior written notice to Shenzhen Xunlei.

Exclusive technology consulting and training agreement

Pursuant to the exclusive technology consulting and training agreement between Giganology Shenzhen and Shenzhen Xunlei, as amended, Giganology Shenzhen has the exclusive right to provide to Shenzhen Xunlei technology consulting and training services related to its business. Giganology Shenzhen exclusively owns any intellectual property rights resulting from the performance of this agreement. The service fee payable by Shenzhen Xunlei to Giganology Shenzhen is a certain percentage of its earnings. The supplemental agreement will expire in September 2035 and will be automatically renewed for a further period of ten years thereafter. Giganology Shenzhen is entitled to terminate the agreement at any time by providing 30 days' prior written notice to Shenzhen Xunlei.

Proprietary technology license contract

Pursuant to the proprietary technology license contract between Giganology Shenzhen and Shenzhen Xunlei, Giganology Shenzhen grants Shenzhen Xunlei a non-exclusive and non-transferable right to use Giganology Shenzhen's proprietary technology. Shenzhen Xunlei can only use the proprietary technology to conduct its business within China. Giganology Shenzhen or its designated representative(s) owns the rights to any improvements developed based on the proprietary technology licensed pursuant to this contract. This agreement expired in March 2022 and was extended for an additional ten years by Giganology Shenzhen and Shenzhen Xunlei on March 1, 2022.

Intellectual properties purchase option agreement

Pursuant to the intellectual properties purchase option agreement between Giganology Shenzhen and Shenzhen Xunlei, as amended, Shenzhen Xunlei irrevocably grants Giganology Shenzhen (or its designated representative(s)) an exclusive option to purchase certain specified intellectual properties that it owns for RMB1.0 or the minimum amount of consideration permitted under the PRC law. This agreement expired in March 2022 and was automatically extended for an additional ten years, and will be extended automatically for an additional ten years at each expiration date as long as these intellectual properties have not been transferred to Giganology Shenzhen and/or its designee and Shenzhen Xunlei then still exist.

Agreements that provide us the option to purchase the equity interest in Shenzhen Xunlei

Equity interests disposal agreement

Pursuant to the equity interests disposal agreement among Giganology Shenzhen, Shenzhen Xunlei and the shareholders of Shenzhen Xunlei, as amended, Shenzhen Xunlei's shareholders irrevocably grant Giganology Shenzhen (or its designated representative(s)) an exclusive option to purchase all or part of their equity interests in Shenzhen Xunlei for RMB1.0 or the minimum amount of consideration permitted under PRC law. This agreement will expire in 2026 and will be extended automatically for additional ten years unless terminated with Giganology Shenzhen's written confirmation prior to the expiration date.

Loan agreements

Under the loan agreement between Giganology Shenzhen and Guangzhou Shulian Information Investment Co., Ltd., Sean Shenglong Zou, Hao Cheng, Fang Wang and Jianming Shi, as amended, Giganology Shenzhen made interest-free loans of approximately RMB1.8 million, RMB2.5 million, RMB2.3 million, RMB0.2 million and RMB2.3 million, respectively, to each of the above shareholders of Shenzhen Xunlei and all of these shareholders have used the full amount of loans to make capital contribution to Shenzhen Xunlei. The term of this agreement is two years from the date it was signed, and will be automatically extended afterwards on a yearly basis until each shareholder of Shenzhen Xunlei has repaid the loan in its entirety in accordance with the loan agreement. The loan for each shareholder will be deemed to be repaid under this agreement only when all equity interest held by the relevant shareholder in Shenzhen Xunlei has been transferred to Giganology Shenzhen or its designated parties. As of the date of this annual report, all the loans under the loan agreements remain outstanding. At any time during the term of the loan agreement, Giganology Shenzhen may, at its sole discretion, require any of the shareholders of Shenzhen Xunlei to repay all or any portion of his outstanding loan under the agreement.

In addition, following the loan agreement mentioned above, under a separate loan agreement between Giganology Shenzhen and Mr. Sean Shenglong Zou as a shareholder of Shenzhen Xunlei, as amended, Giganology Shenzhen made an additional interest-free loan of RMB20 million to Mr. Zou, the entire amount of which was used to contribute to the registered capital of Shenzhen Xunlei, increasing the registered capital of Shenzhen Xunlei to RMB30 million. The term of this agreement is two years from the date it was signed, and will be automatically extended afterwards on a yearly basis until Mr. Zou has repaid the loan in its entirety in accordance with the loan agreement. This loan will be deemed to be repaid under this agreement only when all equity interest held by the relevant shareholder in Shenzhen Xunlei has been transferred to Giganology Shenzhen or its designated parties. At any time during the term of the loan agreement, Giganology Shenzhen may, at its sole discretion, require all or any portion of the outstanding loan under the agreement to be repaid.

Contractual agreements with Shenzhen Suqu

Under our contractual arrangement applicable to Shenzhen Suqu, Shenzhen Suqu is held directly by one PRC limited liability company, namely, Shenzhen Zhilue Xinsi Consulting Co., Ltd. (“Zhilue Xinsi”) and one PRC limited liability partnership, namely, Shenzhen Zhiyi Wensi Consulting LLP (“Zhiyi Wensi”), among which, Zhiyi Wensi holds 99% of the equity interest in Shenzhen Suqu, and Zhilue Xinsi holds the remaining 1%. All equity interests in Shenzhen Suqu have been pledged to our WFOE, Xunlei Computer.

Zhiyi Wensi is a PRC limited liability partnership with (i) Zhilue Xinsi, as its general partner, holding a 5% partnership interest, and (ii) Mr. Kening Wu, as its limited partner, holding the remaining 95% partnership interest.

Zhilue Xinsi is a PRC limited liability company whose registered shareholders are Mr. Kening Wu and Mr. Xiaosong Li, holding 60% and 40% of the equity interests, respectively. Mr. Kening Wu is our vice president, and Mr. Xiaosong Li is our director and vice president.

Under such contractual arrangement, Xunlei Computer, on the one hand, and Shenzhen Suqu and the multiple layers of legal entities above Shenzhen Suqu, namely, Zhiyi Wensi and Zhilue Xinsi, as well as Mr. Kening Wu and Mr. Xiaosong Li, on the other hand, have entered into the following contractual arrangements:

Loan agreements

Pursuant to the loan agreements entered into between Xunlei Computer, on the one hand, and each of Zhiyi Wensi, Zhilue Xinsi, Mr. Kening Wu and Mr. Xiaosong Li, on the other hand, Xunlei Computer provided interest-free loans to each of them. Each borrower has applied the full amount of the relevant loan solely toward its capital contributions to Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi, as applicable, in its capacity as a shareholder or partner.

The term of each loan is ten years from its effective date and will be automatically extended for additional ten-year periods unless Xunlei Computer requires early repayment. The loans may only be repaid in the manner designated by Xunlei Computer, including, to the extent permitted under PRC laws, by transferring all equity interests or partnership interests held by the borrower in Shenzhen Suqu, Zhiyi Wensi or Zhilue Xinsi to Xunlei Computer or its designated person.

As of the date of this annual report, all loans under these agreements remain outstanding.

Exclusive option agreements

Pursuant to the exclusive option agreements entered into between Xunlei Computer, on the one hand, and Zhiyi Wensi, Zhilue Xinsi, Mr. Kening Wu and Mr. Xiaosong Li, on the other hand, Zhiyi Wensi, Zhilue Xinsi, Mr. Kening Wu and Mr. Xiaosong Li have irrevocably granted Xunlei Computer an exclusive option to purchase, to the extent permitted under PRC laws and regulations, all or part of their respective equity interests or partnership interests in Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi, as applicable.

Xunlei Computer may exercise such option at any time at its sole discretion. The purchase price shall be RMB1.0 or the minimum price permitted under applicable PRC laws and regulations. Upon exercise of the option, each grantor is required to facilitate the transfer of the relevant equity interests or partnership interests, as applicable, including by entering into the equity or partnership interest transfer agreements in the agreed form and completing all necessary approval, filing and registration procedures.

These exclusive option agreements shall remain effective until all equity interests or partnership interests in Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi have been transferred to Xunlei Computer or its designated person(s), unless earlier terminated by Xunlei Computer at its sole discretion.

Exclusive business cooperation agreement

Pursuant to the exclusive business cooperation agreements entered into between Xunlei Computer, on the one hand, and each of Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi, on the other hand, each of Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi has appointed Xunlei Computer as its sole and exclusive service provider to provide comprehensive technical support, business consulting and other related services. Each of Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi has also agreed not to procure the same or similar services from any third party without Xunlei Computer's prior written consent.

In consideration for such services, each of Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi agrees to pay service fees on a quarterly basis in an amount determined by Xunlei Computer, which shall be not less than 90% of its quarterly net revenues after deducting recognized costs and expenses.

The exclusive business cooperation agreements further grant Xunlei Computer an exclusive right, to the extent permitted under PRC laws and regulations, to purchase all or part of the assets of Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi at the lowest price permitted under applicable PRC laws. These agreements became effective upon execution and will remain effective indefinitely, unless terminated with Xunlei Computer's prior written confirmation.

Powers of attorney

Pursuant to the irrevocable powers of attorney executed by Zhiyi Wensi, Zhilue Xinsi, Mr. Kening Wu and Mr. Xiaosong Li, each of Zhiyi Wensi, Zhilue Xinsi, Mr. Kening Wu and Mr. Xiaosong Li has irrevocably authorized Xunlei Computer (or its designated representative(s)) to act as its exclusive attorney-in-fact to exercise, to the extent permitted under applicable PRC laws, all shareholder rights, partner rights or other rights, as applicable, that it is entitled to with respect to Shenzhen Suqu, Zhiyi Wensi or Zhilue Xinsi.

Such authorized rights include, among others, attending shareholders' or partners' meetings, exercising all voting or decision-making rights, selling, transferring, pledging or otherwise disposing of all or part of the relevant equity interests or partnership interests, and appointing or replacing the legal representative, directors, supervisors, senior management or other authorized representatives of Shenzhen Suqu, Zhiyi Wensi or Zhilue Xinsi, as applicable.

Each power of attorney is irrevocable and shall remain effective for so long as the relevant authorizing party directly or indirectly holds or controls any equity interests or partnership interests in Shenzhen Suqu, Zhiyi Wensi or Zhilue Xinsi, unless earlier terminated by Xunlei Computer at its sole discretion.

Equity pledge agreements

Under the equity pledge agreements, the shareholders or partners of Shenzhen Suqu, Zhiyi Wensi and Zhilue Xinsi, including Mr. Kening Wu and Mr. Xiaosong Li, have pledged all of their respective equity or partnership interests in these entities to Xunlei Computer.

The pledges secure performance of the relevant parties' obligations under the exclusive business cooperation agreement, exclusive option agreement, loan agreements and powers of attorney. The equity pledges of Shenzhen Suqu and Zhilue Xinsi have been duly registered with the competent PRC governmental authorities, while the pledge of investment contributions in Zhiyi Wensi has not been registered due to the absence of applicable local registration guidelines.

Upon any breach of the secured obligations, Xunlei Computer is entitled, as pledgee, to enforce the pledges, including by disposing of the pledged interests.

In the opinion of Kewei Law Firm, our PRC legal counsel:

- the ownership structures of the variable interest entities and our subsidiaries in China comply all applicable PRC laws and regulations currently in effect; and
- the contractual arrangements among (i) Giganology Shenzhen, our PRC subsidiary, Shenzhen Xunlei and its shareholders and (ii) Xunlei Computer, our PRC subsidiary, Shenzhen Suqu, Zhilue Xinsi, Zhiyi Wensi and their respective shareholders or partners governed by PRC law are valid, binding and enforceable in accordance with the contractual arrangements' terms, and will not result in any violation of PRC laws or regulations currently in effect.

We have been advised by Kewei Law Firm, our PRC legal counsel, however, that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may take a view that is contrary to the above opinion of our PRC legal counsel. We have been further advised by our PRC legal counsel that if the PRC government finds that the agreements that establish the structure for operating our business to provide digital media data transmission and streaming services, online games and other value-added telecommunication services do not comply with PRC government restrictions on foreign investment in the aforesaid business we engage in, we could be subject to severe penalties including being prohibited from continuing operations. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC governmental restrictions on foreign investment in internet-related business and foreign investors' mergers and acquisition activities in China, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations."

D. Property, Plant and Equipment

Our principal executive offices are located at 3709 Baishi Road, Nanshan District, Shenzhen, 518000, the People's Republic of China, which comprises approximately 65,000 square meters of construction space. Other than our proprietary offices in Shenzhen, we also lease offices in several cities including Shenzhen, Beijing, Shanghai, Guangzhou and Wuhan. All offices have a total floor area of approximately 15,538 square meters. We completed the construction of our headquarters building and relocated our principal executive offices to the new headquarters building at the address mentioned above in December 2022, and obtained the ownership certificate of the new headquarters building in March 2024. Our leased premises are leased from unrelated third parties who have valid title to the relevant properties. Our leases typically have terms of one to three years. Our servers are primarily hosted at internet data centers owned by major domestic internet data center providers. The hosting services agreements typically have one-year terms and are renewed upon expiration. We believe that we will be able to obtain adequate facilities to accommodate our future expansion plans.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following discussion of our financial condition and results of operations is based upon, and should be read in conjunction with, our audited consolidated financial statements and the related notes included in this annual report on Form 20-F. This report contains forward-looking statements. See “Forward-looking Information.” In evaluating our business, you should carefully consider the information provided under the caption “Item 3. Key Information—D. Risk Factors” in this annual report on Form 20-F. We caution you that our businesses and financial performance are subject to substantial risks and uncertainties.

A. Operating Results

Overview

We operate a powerful internet platform in China based on cloud technology to enable our users to quickly access, store, manage and consume digital media content on the internet. We have expanded our products and services from PC-based devices to mobile devices in part through pre-installed acceleration plug-ins on mobile phones to further enlarge our user base and offer our users a wider range of access points. In addition, we provide a portfolio of synergistic products and services across cloud acceleration, blockchain and digital entertainment to enrich the lives of our internet users.

We provide users with quick and easy access to digital media content on the internet through our core product and services, available to users for free and for a subscription fee, respectively. Our acceleration product and services include Xunlei Accelerator and our subscription services delivered through our products. Benefiting from the large user base accumulated by our core product, Xunlei Accelerator, we have further provided and developed various other internet value-added services to meet a fuller spectrum of our users’ digital media content access and consumption needs.

We generate revenues primarily through the following services:

- *Subscription services.* We provide subscription services for subscribers to enable faster and more reliable access to digital media content. Revenues from subscription services contributed 33.5% of our revenue in 2025. Subscription fees are duration-based and are primarily collected up-front from subscribers on a monthly, quarterly or annual basis.
- *Live-streaming and other services.* We historically offer various live-streaming products, including video live-streaming and audio live-streaming domestically and internationally. We have ceased providing both audio and video live-streaming services in China, while we continue to provide audio live-streaming services in overseas markets. Other services primarily include other value-added services such as Xunlei online advertising, Hupu advertising services, online games, technical services, and rental service. Revenues from live-streaming and other services accounted for 36.8% of our total revenue in 2025.
- *Cloud computing services and products.* We also provide cloud computing services to our customers, such as internet content providers, through our cost-efficient CDN services by crowdsourcing idle bandwidth from our users. In addition to the sales of our cloud computing services, we sold hardware devices. Revenues from cloud computing services and products contributed 29.7% of our revenue in 2025.

Our total revenues decreased from US\$364.9 million in 2023 to US\$324.4 million in 2024, but then increased to US\$462.4 million in 2025. We had a net income attributable to Xunlei Limited of US\$14.2 million in 2023, US\$1.2 million in 2024 and US\$1,048.3 million in 2025, respectively.

Major factors affecting our results of operations

Our business and operating results are subject to general factors affecting the internet industry in China, including overall economic growth, which has resulted in increases in disposable income and consumer spending, government and industry initiatives accelerating the technological advancement and growth of internet industry, the growth of internet usage and penetration rate in China, strong preference of Chinese consumers for accessing digital media content through the internet, the greater availability of digital media content on the internet, the increasing acceptance of online advertising as part of advertisers' overall marketing strategy and spending, as well as the rules and regulations of the Chinese government. Our results of operations will continue to be affected by such general factors.

Our results of operations are also directly affected by a number of company-specific factors, including:

Our ability to continue to enhance and innovate our service offerings, including our mobile products.

As our industry evolves rapidly and user preference for our services may change quickly, our revenues and results of operations significantly depend on our ability to continue enhancing and expanding our service offerings to meet evolving user preference and market demand, and to broaden our user base. We have a proven track record of developing our service offerings to successfully address the preferences of China's internet users. To address deficiencies of digital media content transmission over the internet in China, we provide users with quick and easy access to digital media content on the internet through our core product and services, Xunlei Accelerator and our subscription services, available to users for free and for a subscription fee, respectively. Furthermore, we focus more on user behaviors and study users' life cycles on our platforms, so that we can offer relevant services at the right time and encourage users to continue using our services.

Our ability to further monetize our user base.

Our revenues and results of operations depend on our ability to further monetize our user base, to convert more users to subscribers and to increase the spending of our subscribers. With enhanced knowledge of user behavior and preferences, we offer a diverse range of premium services tailored to their individual needs. For example, our subscription services offer users value-added services for speed. We intend to further monetize our user base and aim to convert users to subscribers by expanding our offering of value-added services, such as cloud-based storage mobile and TV access. We plan to provide one-stop services for our users, in terms of accessing content and storage and synchronization of content across devices.

Our ability to maintain our technology leadership and cost-efficient infrastructure.

Our results of operations depend on our ability to maintain our technology leadership, with innovations such as our mobile technology and our cloud acceleration technology. Our mobile technology allows users to access content from anywhere, and our cloud acceleration technology enables users to access content in an efficient manner. Our proprietary technology and highly scalable massive distributed computing network form our core competitive advantage, enabling us to deliver superior transmission acceleration services and enhanced user experience anywhere and with an efficient sort of acceleration. As part of our expansion strategy, we plan to devote substantial resources to research and development in order to better serve our users, particularly to our mobile products and services. Therefore, the expenses associated with our research and development are expected to increase in the near future.

Our ability to control our costs and operating expenses.

Our results of operations depend on our ability to control our costs and operating expenses. We actively monitor and optimize our cost structure. Our costs and operating expenses are expected to increase in the future, for example, we expect an increase in marketing expense in a competitive environment and an increase in employee compensation to attract talents. We plan to continue to invest in research and development to maintain our technology leadership.

Description of certain statement of operations items

Revenues

During 2023, 2024 and 2025, we derived our revenues primarily from subscription services, live-streaming and other services, and cloud computing services and products. Our live-streaming and other services consist primarily of live-streaming services, other value-added services, which mainly comprise online advertising services, online games and related distribution services, technical services, and rental service. The following table sets forth the amounts and percentages of our total revenues by nature for the years presented:

	For the Year Ended December 31,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	(in thousands, except for percentages)					
Subscriptions	119,343	32.7	133,680	41.2	154,801	33.5
Live-streaming and other services ⁽¹⁾	122,157	33.5	86,141	26.6	170,158	36.8
Cloud computing services and products	123,411	33.8	104,584	32.2	137,451	29.7
Total	364,911	100.0	324,405	100.0	462,410	100.0

Note:

- (1) Previously reported as “live-streaming and other internet value-added services.” This represents revenues from various live-streaming products and other value-added services, such as online advertising, online games and technical services, and rental service.

Subscriptions. We generate revenues from providing our users with exclusive services, such as access to high-speed online transmission, premium acceleration or access privileges, for a duration-based subscription fee. We offer two premium subscription packages at different price levels to cater to subscribers’ different demand for acceleration speed, cloud drive storage and user experience, which are becoming increasingly popular among our subscribers. Revenue from our subscription services increased from US\$119.3 million in 2023 to US\$133.7 million in 2024 and further increased to US\$154.8 million in 2025. Our subscription revenue as a percentage of our total revenues increased from 32.7% in 2023 to 41.2% in 2024 and decreased to 33.5% in 2025.

The most significant factor that directly affects our subscription revenues is the number of subscribers. We may maintain our subscriber base in the future by expanding our offering of fee-based services, but important factors outside of our control, such as the PRC government’s regulation and censorship of information disseminated over the internet, may have a material adverse impact on our cloud acceleration services, which in turn may have an adverse effect on the number of our subscribers and on our revenues and results of operations. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Regulation and censorship of information disseminated over the internet in China have adversely affected our business and may continue to adversely affect our business, and we may be liable for the digital media content on our platform.”

Live-streaming and other services. Revenues from live-streaming and other services decreased from US\$122.2 million in 2023 to US\$86.1 million in 2024 and increased to US\$170.2 million in 2025. Revenues from live-streaming and other services accounted for 33.5%, 26.6% and 36.8% of our total revenues in 2023, 2024 and 2025, respectively. We ceased the operations of our domestic audio live-streaming business in June 2023 and video live-streaming business in October 2024, and continue to offer audio live-streaming services in overseas markets.

Revenues from live-streaming and other services were generated primarily from our overseas audio live-streaming services, other value-added services such as Xunlei online advertising services, Hupu advertising services, online games and related distribution services, technical services, and rental service. For audio live-streaming services, users purchase virtual gifts from us and send the gifts they purchase to broadcasters while enjoying broadcasters’ performance. Our online advertising revenues are mainly derived from the advertising revenue sharing agreement we entered into with Itui, our largest shareholder. Hupu advertising services primarily include brand advertising and performance advertising, and Hupu contributed 4.4% of our total revenues from May 2025 to December 2025.

Cloud computing services and products. Revenues from cloud computing services and products decreased from US\$123.4 million in 2023 to US\$104.6 million in 2024 and increased to US\$137.4 million in 2025. For cloud computing services, we recognize revenue when we provide bandwidth to our customers. Revenue from cloud computing services and products accounted for 33.8%, 32.2% and 29.7% of our total revenues in 2023, 2024 and 2025, respectively.

Cost of revenues

Our cost of revenues consists primarily of (i) bandwidth costs, (ii) revenue-sharing costs, (iii) payment handling charges and (iv) other costs including depreciation and amortization, impairment on intangible assets, cost of inventories sold, among others. The following table sets forth the components of our cost of revenues by amounts and percentages of our revenues for the years presented:

	For the Year Ended December 31,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	(in thousands, except for percentages)					
Bandwidth costs	112,522	30.8	101,632	31.3	142,827	30.9
Revenue-sharing costs	67,302	18.4	26,797	8.3	57,282	12.4
Payment handling charges	8,494	2.3	12,741	3.9	18,025	3.9
Other costs	12,331	3.4	14,397	4.4	24,752	5.4
Total	200,649	55.0	155,567	48.0	242,886	52.5

Bandwidth costs. Bandwidth costs consist of the fees we pay to telecommunications carriers and other service providers for telecommunications services and for hosting our servers at their internet data centers and the fees we compensate users of our cloud computing hardware devices for the use of their idle uplink capacity. Bandwidth is a significant component of our cost of total revenues.

For details on our cloud computing services and products, see “Item 4. Information on the Company—B. Business Overview.”

Revenue-sharing costs. Revenue-sharing costs mainly represent the fees we pay to broadcasters and talent agencies for our live-streaming business.

Payment handling charges. Payment handling charges are the fees we pay to payment channels for subscription, live-streaming, online games and other paid services. Users can make payments for such services through third-party online, and mobile phone payment channels. These third-party payment channels typically charge a handling fee for their services. Our subscribers used to make subscription payments through mobile phones. However, as mobile carriers generally charge higher handling fees than other channels, we have modified our subscription fee structure to encourage our subscribers to use other available payment channels. We expect such payment handling charges as a percentage of revenues to increase as revenues from subscription and live-streaming businesses continue to grow, both of which rely heavily on third-party payment services.

Operating expenses

Our operating expenses consist of (i) research and development expenses, (ii) sales and marketing expenses, (iii) general and administrative expenses, and (iv) credit loss expenses/(write-back), net. The following table sets forth the components of our operating expenses by amounts and percentages of our revenues for the years presented:

	For the Year Ended December 31,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	(in thousands, except for percentages)					
Research and development expenses	74,201	20.3	71,572	22.1	80,040	17.3
Sales and marketing expenses	43,509	11.9	44,842	13.8	86,260	18.7
General and administrative expenses	46,875	12.8	45,827	14.1	44,874	9.7
Credit loss expenses/(write-back), net	100	0.0	288	0.1	(262)	(0.1)
Total	164,685	45.0	162,529	50.1	210,912	45.6

Research and development expenses. Research and development expenses consist primarily of salaries and benefits for our research and development personnel. Expenditures incurred during the research phase are expensed as incurred. We expect our research and development expenses to increase in the future as we need to recruit and retain talents to develop new products and improve existing products, particularly our acceleration products and certain new initiatives.

Sales and marketing expenses. Sales and marketing expenses consist primarily of salaries and benefits for our sales and marketing personnel and marketing and promotional expenses. We expect our sales and marketing expenses to increase in the future as we expect to invest in brand enhancement efforts and the promotion of our products and services, particularly as we plan to increase our efforts in promoting our Mobile Xunlei, live-streaming products and other mobile products.

General and administrative expenses. General and administrative expenses consist primarily of salaries and benefits (including share-based compensation expenses), depreciation of property and equipment, professional service fees and other administrative expenses. We expect our general and administrative expenses to increase in the future as we expect our business to continue to grow and as a result of general inflation.

Credit loss expenses/(write-back), net. Credit loss expenses/(write-back), net, primarily consist of credit losses allowances for accounts receivable, due from related parties and other receivables. The credit loss expenses in 2025 mainly represents accrual of credit loss allowance for certain receivables based on our assessment.

Impairment of goodwill

An impairment of goodwill was identified and recorded in the fourth quarter of 2024 mainly as the financial performance of our cloud computing business declined significantly in late 2024, which was assessed to be a sustained trend that has been reflected in the estimated future results from this business in our annual impairment test performed as of December 31, 2024.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands. The Cayman Islands currently levies no taxes on corporations based upon profits, income, gains or appreciation. There are no other taxes likely to be material to us 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.

China

Pursuant to the PRC Enterprise Income Tax Law, effective on January 1, 2008 and last revised in December 2018, a 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. In addition, the PRC Enterprise Income Tax Law and its implementation rules permit qualified “high and new technology enterprises” (“HNTE”) to enjoy a reduced enterprise income tax rate of 15%.

In January 2016, PRC government authorities further issued qualification criteria, application procedures and assessment processes for the qualification of HNTE. Each of Shenzhen Xunlei, Shenzhen Onething, Xunlei Computer and Shenzhen Wangwenhua possessed such HNTE certificate for the year ended December 31, 2025. As a result, these four entities are qualified to enjoy a preferential tax rate of 15% for the year ended December 31, 2025. The HNTE certificates possessed by Shenzhen Xunlei and Shenzhen Wangwenhua were renewed and are effective until October 2026. The HNTE certificates possessed by Shenzhen Onething and Xunlei Computer were renewed in December 2024 and are effective until December 2027. In addition, we acquired Hupu (Shanghai) Information Technology Co., Ltd. in 2025, which also possesses such HNTE certificate, effective until 2028.

Our other major subsidiaries or VIE's subsidiaries in the PRC have been granted preferential tax treatment under China's Small and Low-Profit Enterprise tax incentive program, and the remaining are subject to the statutory corporate income tax rate of 25%. According to the PRC Enterprise Income Tax Law and its implementation rules, foreign enterprises which have no commercial presence in the PRC but derive dividends, interest, rents, royalties and other income (including capital gains) from sources in the PRC are subject to a 10% PRC withholding tax (a further reduced withholding tax rate may be available according to the applicable double tax treaty or arrangement). The 10% withholding tax is generally applicable to any dividends to be distributed from Giganology Shenzhen and Xunlei Computer to us out of any profits of Giganology Shenzhen and Xunlei Computer derived after January 1, 2008. Although Xunlei Computer and Giganology Shenzhen had retained earnings as of December 31, 2023, 2024 and 2025, the directors of the companies decided to reinvest the retained earnings permanently in China and therefore no such withholding tax is required.

In addition, the PRC Enterprise Income Tax Law treats enterprises established outside the PRC with "effective management and control" located in the PRC as PRC resident enterprises for tax purposes. The term "effective management and control" is generally defined as exercising overall management and control over the business, personnel, accounting, properties, etc. of an enterprise. If a company is considered as a PRC resident enterprise for tax purposes, it would be subject to the PRC Enterprise Income Tax at the rate of 25% on its worldwide income after January 1, 2008. As of December 31, 2025, our company had not accrued for PRC tax on such basis. Our company will continue to monitor its tax status.

Hong Kong

Our subsidiaries in Hong Kong are subject to 16.5% income tax on their taxable income generated from operations in Hong Kong.

Singapore

Our subsidiaries incorporated in Singapore are subject to 17% of their taxable income.

Results of operations

The following table sets forth a summary of our consolidated results of operations by amounts and percentages of our revenues for the years indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The results of operations in any period are not necessarily indicative of the results that may be expected for any future period.

	For the Year Ended December 31,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	(in thousands, except for percentages)					
Total revenue, net of rebates and discounts	364,911	100.0	324,405	100.0	462,410	100.0
Business taxes and surcharge	(1,189)	(0.3)	(1,265)	(0.4)	(1,982)	(0.4)
Total net revenues	363,722	99.7	323,140	99.6	460,428	99.6
Cost of revenues	(200,649)	(55.0)	(155,567)	(48.0)	(242,886)	(52.5)
Gross profit	163,073	44.7	167,573	51.7	217,542	47.0
Research and development expenses	(74,201)	(20.3)	(71,572)	(22.1)	(80,040)	(17.3)
Sales and marketing expenses	(43,509)	(11.9)	(44,842)	(13.8)	(86,260)	(18.7)
General and administrative expenses	(46,875)	(12.8)	(45,827)	(14.1)	(44,874)	(9.7)
Credit loss (expenses)/write-back, net	(100)	(0.0)	(288)	(0.1)	262	0.1
Impairment of goodwill	—	—	(20,748)	(6.4)	—	—
Total operating expenses	(164,685)	(45.0)	(183,277)	(56.5)	(210,912)	(45.6)
Operating (loss)/income	(1,612)	(0.3)	(15,704)	(4.8)	6,630	1.4
Interest income	4,619	1.3	4,892	1.5	3,262	0.7
Interest expense	(1,514)	(0.4)	(728)	(0.2)	(1,698)	(0.4)
Other income, net	16,904	4.6	9,183	2.8	1,038,131	224.5
Income/(loss) before income tax	18,397	5.2	(2,357)	(0.7)	1,046,325	226.3
Income tax (expenses)/benefits	(4,131)	(1.1)	3,020	0.9	1,285	0.3
Net income for the year	14,266	4.1	663	0.2	1,047,610	226.6
Less: Net income/(loss) attributable to the non-controlling interest	41	—	(552)	(0.2)	(655)	(0.1)
Net income attributable to Xunlei Limited	14,225	4.1	1,215	0.4	1,048,265	226.7

Period to Period Comparison of Results of Operations

Year ended December 31, 2025 compared with year ended December 31, 2024

Revenues. Our total revenues increased by 42.5% from US\$324.4 million in 2024 to US\$462.4 million in 2025, primarily due to the increased revenues from all businesses.

- Revenue from subscription services increased by 15.8% from US\$133.7 million in 2024 to US\$154.8 million in 2025, primarily due to the growing number of total subscribers, which increased from 6.38 million as of December 31, 2024 to 7.67 million as of December 31, 2025.
- Revenues from live-streaming and other services increased by 97.5% from US\$86.1 million in 2024 to US\$170.2 million in 2025, primarily due to the growth of our overseas audio live-streaming businesses as well as advertising business mainly as a result of the acquisition of Hupu in May 2025.
- Revenue from cloud computing services and products increased by 31.4% from US\$104.6 million in 2024 to US\$137.4 million in 2025, primarily due to the increased demand of our cloud computing service.

Cost of revenues. Our cost of revenues increased by 56.1% from US\$155.6 million in 2024 to US\$242.9 million in 2025, primarily attributable to the increased demand for our cloud computing services and increased revenue-sharing costs resulting from the growth of overseas audio live-streaming business.

Bandwidth costs. Our bandwidth costs increased by 40.5% from US\$101.6 million in 2024 to US\$142.8 million in 2025, primarily due to the increased demand for our cloud computing services, which was consistent with the increase in cloud computing revenues.

Revenue-sharing costs. Our revenue-sharing costs from live-streaming business increased by 113.8% from US\$26.8 million in 2024 to US\$57.3 million in 2025, primarily due to the growth of our overseas audio live-streaming business, which was consistent with the increase in live-streaming revenues.

Payment handling charges. Our payment handling charges increased by 41.5% from US\$12.7 million in 2024 to US\$18.0 million in 2025, primarily because of the increased demand for third-party payment service to collect fees from subscription and overseas live-streaming services, as well as the increased portion of overseas live-streaming which have higher payment handling charges.

Other costs. These costs increased by 71.9% from US\$14.4 million in 2024 to US\$24.8 million in 2025, primarily due to the increased depreciation charges of our leased assets

Gross profit. As a result of the above, our gross profit increased by 29.8% from US\$167.6 million in 2024 to US\$217.5 million in 2025. The increase was primarily attributable to the increased gross profit from our Xunlei segment, particularly from our subscription and overseas audio live-streaming businesses, as well as the gross profit contributed by the Hupu segment following its acquisition in May 2025.

Gross profit margin decreased from 51.7% in 2024 to 47.0% in 2025, primarily due to the decreased portion of subscription revenues to total revenues within our Xunlei segment, which have a higher gross profit margin, and the increased portion of our overseas live-streaming business and cloud computing within our Xunlei segment, which have lower gross profit margins, partially offset by the higher gross profit margin contribution from the Hupu segment following its acquisition in May 2025.

Research and development expenses. Our research and development expenses increased by 11.8% from US\$71.6 million in 2024 to US\$80.0 million in 2025, primarily due to the increased labor costs and share-based compensation as compared with the previous year.

Sales and marketing expenses. Our sales and marketing expenses increased by 92.4% from US\$44.8 million in 2024 to US\$86.3 million in 2025, primarily due to the expansion of our marketing campaign and related expenses incurred for our subscription and live-streaming businesses and increased labor costs.

General and administrative expenses. Our general and administrative expenses decreased by 2.1% from US\$45.8 million in 2024 to US\$44.9 million in 2025.

Credit loss expenses/(write-back), net. We recorded a credit amount of US\$0.3 million in 2025 compared to a debit amount of US\$0.3 million in 2024. The change was primarily due to a decrease in the allowance for receivables based on our assessment as of December 31, 2025.

Impairment of goodwill. We did not record any impairment of goodwill for the year ended December 31, 2025. An impairment of goodwill was identified and recorded in the fourth quarter of 2024 mainly as the financial performance of our cloud computing business declined significantly in late 2024, which was assessed to be a sustained trend that has been reflected in the estimated future results from this business in our annual impairment test performed as of December 31, 2024.

Operating expenses. Our operating expenses increased by 15.1% from US\$183.3 million in 2024 to US\$210.9 million in 2025, primarily due to the increased sales and marketing promotion expenses and labor costs.

Interest income. Our interest income decreased by 33.3% from US\$4.9 million in 2024 to US\$3.3 million in 2025, primarily due to the decreased interest income from time deposits with original maturities of three months or less.

Interest expense. Our interest expense increased by 133.2% from US\$0.7 million in 2024 to US\$1.7 million in 2025, primarily due to an increase in the average loan balance during this year in 2025 as compared to the prior year.

Other income, net. Our other income, net increased by 11,204.9% from US\$9.2 million in 2024 to US\$1,038.1 million in 2025, primarily due to the unrealized fair value gains from our long-term investment in Arashi Vision, which completed its initial public offering on the Shanghai Stock Exchange STAR Market in June 2025. As of December 31, 2025, we held approximately 7.8% equity interest in Arashi Vision. Following the listing, the investment is measured at fair value based on the quoted closing market price of Arashi Vision's shares. This fair value measurement resulted in the recognition of significant unrealized gains in 2025. As a pre-IPO shareholder, we are subject to a statutory lock-up obligation under applicable PRC laws and regulations, which restricts us from transferring our shares for a period of one year from the date of the listing.

Income tax (expenses)/benefits. We had income tax benefits of US\$1.3 million in 2025, compared with US\$3.0 million in 2024. The income tax benefits in 2025 was primarily attributable to the liquidation of a VIE's subsidiary. The benefit was partially offset by income tax expenses incurred by other entities within our group.

Net income. As a result of the above, there was a net income of US\$1,047.6 million in 2025, as compared with a net income of US\$0.7 million in 2024. The change was primarily driven by the increase in gross profit and other income, net during the year.

Net income attributable to Xunlei Limited. As a result of the above, we generated a net income attributable to Xunlei Limited of US\$1,048.3 million in 2025 and a net income attributable to Xunlei Limited of US\$1.2 million in 2024.

Year ended December 31, 2024 compared with year ended December 31, 2023

Revenues. Our total revenues decreased by 11.1% from US\$364.9 million in 2023 to US\$324.4 million in 2024, primarily due to the decreased revenues from our cloud computing and live-streaming businesses.

- Revenue from subscription services increased by 12.0% from US\$119.3 million in 2023 to US\$133.7 million in 2024, primarily due to the growing number of total subscribers, which increased from 5.99 million as of December 31, 2023, to 6.38 million as of December 31, 2024.
- Revenue from cloud computing services and products decreased by 15.3% from US\$123.4 million in 2023 to US\$104.6 million in 2024, primarily due to the reduced sales of our cloud computing service and hardware devices.
- Revenues from live-streaming and other services decreased by 29.5% from US\$122.2 million in 2023 to US\$86.1 million in 2024, primarily due to the downsizing of our domestic audio live-streaming operations since June 2023.

Cost of revenues. Our cost of revenues decreased by 22.5% from US\$200.6 million in 2023 to US\$155.6 million in 2024, primarily attributable to the decreased demand for our cloud computing services and reduced revenue-sharing costs resulting from the downsizing of our domestic audio live-streaming business.

Bandwidth costs. Our bandwidth costs decreased by 9.7% from US\$112.5 million in 2023 to US\$101.6 million in 2024, primarily due to the enhanced utilization efficiency and the decreased demand for our cloud computing services, which was consistent with the decrease in cloud computing revenues.

Revenue-sharing costs. Our revenue-sharing costs from live-streaming business decreased by 60.2% from US\$67.3 million in 2023 to US\$26.8 million in 2024, primarily due to the downsizing of our domestic audio live-streaming business, which led to the decline in live-streaming revenues as well as revenue-sharing costs.

Payment handling charges. Our payment handling charges increased by 50.0% from US\$8.5 million in 2023 to US\$12.7 million in 2024, primarily because of the increased demand for third-party payment service to collect fees from subscription and overseas live-streaming services, as well as the increased portion of overseas live-streaming which have higher payment handling charges.

Other costs. These costs increased by 16.8% from US\$12.3 million in 2023 to US\$14.4 million in 2024, primarily due to the increased depreciation charges of our leased assets.

Gross profit. As a result of the above, our gross profit increased by 2.8% from US\$163.1 million in 2023 to US\$167.6 million in 2024. The increase was primarily attributable to the increased proportion of subscription revenues to total revenues within our Xunlei segment, which have a higher gross profit margin, partially offset by the decreased gross profit from our cloud computing business within our Xunlei segment.

Gross profit margin increased from 44.7% in 2023 to 51.7% in 2024, primarily due to the impact from the downsizing of our domestic live-streaming business within our Xunlei segment, which has a lower gross profit margin, and an increased portion of subscription revenues to total revenues within our Xunlei segment, which has a higher gross profit margin.

Operating expenses. Our operating expenses increased by 11.3% from US\$164.7 million in 2023 to US\$183.3 million in 2024, primarily due to impairment of goodwill.

Research and development expenses. Our research and development expenses decreased by 3.5% from US\$74.2 million in 2023 to US\$71.6 million in 2024, primarily due to the decreased labor costs and share-based compensation as compared with the previous year.

Sales and marketing expenses. Our sales and marketing expenses increased by 3.1% from US\$43.5 million in 2023 to US\$44.8 million in 2024, primarily due to the expansion of our marketing campaign and related expenses incurred for our subscription and live-streaming businesses and increased labor costs.

General and administrative expenses. Our general and administrative expenses decreased by 2.2% from US\$46.9 million in 2023 to US\$45.8 million in 2024, primarily due to the decrease in share-based compensation expenses during the year, partially offset by the increase in labor costs as compared with the previous year.

Credit loss expenses, net. We recorded a credit loss expenses, net of US\$0.3 million in 2024, compared to US\$0.1 million in 2023. The change was primarily due to an increase in the allowance for receivables based on our assessment as of December 31, 2024.

Impairment of goodwill. An impairment of goodwill of US\$20.7 million was identified and recorded in the fourth quarter of 2024 mainly as the financial performance of our cloud computing business declined significantly in late 2024, which was assessed to be a sustained trend that has been reflected in the estimated future results from this business in our annual impairment test performed as of December 31, 2024.

Interest income. Our interest income increased by 5.9% from US\$4.6 million in 2023 to US\$4.9 million in 2024, primarily due to the increased interest income from time deposits with original maturities of three months or less.

Interest expense. Our interest expense decreased from US\$1.5 million in 2023 to US\$0.7 million in 2024, primarily due to the replacement of certain bank borrowings with lower interest rate during this year in 2024.

Other income, net. Our other income, net decreased by 45.7% from US\$16.9 million in 2023 to US\$9.2 million in 2024, primarily due to less income from reversal of long aged payables with low payment probability and the decrease in exchange gains and subsidy income received during the year.

Income tax (expenses)/benefits. We had income tax benefits of US\$3.0 million in 2024, compared with an income tax expenses of approximately US\$4.1 million in 2023. The tax benefit in 2024 was primarily attributable to the tax benefit from investment loss in a subsidiary under liquidation. The benefit was partially offset by income tax expenses incurred by other entities within our group.

Net income. As a result of the above, there was a net income of US\$0.7 million in 2024, as compared with a net income of US\$14.3 million in 2023. The change was primarily due to the increase in operating loss, partially offset by the decrease in income tax expense during the year.

Net income attributable to Xunlei Limited. As a result of the above, we generated a net income attributable to Xunlei Limited of US\$1.2 million in 2024 and a net income attributable to Xunlei Limited of US\$14.2 million in 2023.

SEGMENTS

Upon completion of the acquisition of Hupu in May 2025, the Group started to report results of operations in two segments: (i) Xunlei, for the pre-existing business, and (ii) Hupu, for the newly acquired business.

The following table sets forth our revenues by segment for the periods indicated, with inter-segment revenues eliminated in consolidation:

	For the Year Ended December 31,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	(in thousands, except for percentages)					
Xunlei	364,911	100.0	324,405	100.0	442,289	95.6
Hupu ⁽¹⁾	—	—	—	—	20,121	4.4
Total	364,911	100.0	324,405	100.0	462,410	100.0

Notes:

(1) Revenue from Hupu is included in the “Live-streaming and other services” line item in the revenue by nature analysis. See “—Period to Period Comparison of Results of Operations” for a discussion of changes in total revenues, under the section entitled “—Revenues.”

During 2023 and 2024, all of our revenues were attributable to the Xunlei segment. For the year ended December 31, 2025, the Hupu segment contributed US\$20.1 million, or 4.4%, of our total revenues.

The following table sets forth our segment operating results for the years ended December 31, 2025.

(In thousands US\$)	For the year ended December 31, 2025		
	Xunlei	Hupu	Total
Segment total revenues	442,289	20,121	462,410
Less:			
Bandwidth costs	(141,866)	(961)	(142,827)
Employee benefits expenses	(107,594)	(7,010)	(114,604)
Advertising and market promotion expenses	(63,263)	(75)	(63,338)
Revenue-sharing costs	(57,282)	—	(57,282)
Share-based compensation expenses	(3,840)	—	(3,840)
Other expenses ⁽¹⁾	(66,837)	(7,127)	(73,964)
Segment income from operations	1,607	5,023	6,630

We also have retrospectively recast the segment financial information for the year ended December 31, 2023 and 2024 to conform to the new segment structure as below, the retrospective recast primarily involves reclassifying significant segment expenses and updating usage metrics. No changes were made to consolidated financial statements.

(In thousands US\$)	For the year ended December 31, 2024	
	Xunlei	
Segment total revenues		324,405
Less:		
Bandwidth costs		(101,632)
Employee benefits expenses		(106,541)
Advertising and market promotion expenses		(29,783)
Revenue-sharing costs		(26,797)
Share-based compensation expenses		(2,453)
Other expenses ⁽¹⁾		(52,155)
Segment income from operations		5,044

(In thousands US\$)	For the year ended December 31, 2023	
	Xunlei	
Segment total revenues		364,911
Less:		
Bandwidth costs		(112,522)
Employee benefits expenses		(101,373)
Advertising and market promotion expenses		(29,140)
Revenue-sharing costs		(67,302)
Share-based compensation expenses		(9,676)
Other expenses ⁽¹⁾		(46,510)
Segment loss from operations		(1,612)

Notes:

(1) Other expenses mainly comprised payment handling charges, depreciation and amortization charges, labor outsourcing expenses and professional service fees.

The following table presents the reconciliation from the segment (loss)/income from operations to the consolidated income/(loss) before income tax expenses for the years ended December 31, 2023, 2024 and 2025:

	For the year ended December 31,		
	2023	2024	2025
Segment (loss)/income from operations	(1,612)	5,044	6,630
Impairment of goodwill	—	(20,748)	—
Interest income	4,619	4,892	3,262
Interest expense	(1,514)	(728)	(1,698)
Other income, net	16,904	9,183	1,038,131
Income/(loss) before income taxes	18,397	(2,357)	1,046,325

Segment total revenues

Segment total revenues were US\$364.9 million in 2023, US\$324.4 million in 2024, and US\$462.4 million in 2025, representing a decrease of 11.1% from 2023 to 2024 and an increase of 42.5% from 2024 to 2025.

Xunlei segment

Revenues from our Xunlei segment decreased by 11.1% from US\$364.9 million in 2023 to US\$324.4 million in 2024, primarily due to the decrease in cloud computing revenues resulting from heightened competition and pricing pressure, as well as the downsizing of our domestic live-streaming operations since June 2023, partially offset by the growth of our subscription business. Revenues from our Xunlei segment increased by 36.3% from US\$324.4 million in 2024 to US\$442.3 million in 2025, primarily due to the growth of our subscription and overseas audio live-streaming businesses.

Hupu segment

In May 2025, we completed the acquisition of Hupu. For the year ended December 31, 2025, the Hupu segment contributed US\$20.1 million of revenues or contributed to the 4.4% of our total segment revenues in 2025.

Segment income from operations

Segment (loss)/income from operations went from a loss of US\$1.6 million in 2023 to an income of US\$5.0 million in 2024, and increased by 31.4% from an income of US\$5.0 million in 2024 to an income of US\$6.6 million in 2025.

Xunlei segment

Segment income from operations from our Xunlei segment went from a loss of US\$1.6 million in 2023 to an income of US\$5.0 million in 2024, primarily due to an increase in gross profit and gross profit margin, which was mainly driven by the increase in gross profit of our subscription business and the increased portion of subscription revenues to total revenues, as subscription services have a higher gross profit margin. Segment income from operations from our Xunlei segment decreased by 68.1% from US\$5.0 million in 2024 to US\$1.6 million in 2025, primarily due to a decrease in gross profit from our cloud computing business and an increase in operating expenses, partially offset by higher gross profit from our subscription and live-streaming businesses.

Hupu segment

In May 2025, we completed the acquisition of Hupu. For the year ended December 31, 2025, the Hupu segment contributed US\$5.0 million of segment income from operations, which was the primary driver of the 31.4% increase in our total segment income from operations in 2025.

B. Liquidity and Capital Resources

We have financed our operations primarily by using our existing internal cash reserves and borrowing bank loans. As of December 31, 2025, we had US\$305.2 million in cash and cash equivalents and short-term investments, and we also had US\$75.6 million outstanding bank loans.

We have incurred accounts receivable from the sales of cloud computing services and advertising revenue sharing with Itui, as well as from Hupu's advertising services after it is acquired by us. Thus, the financials of our customers purchasing cloud computing services from us including Itui may affect our collection of accounts receivable. Any inability of customers of our cloud computing services, especially those that accounted for a significant percentage of our accounts receivable in the past, to pay us in a timely manner may adversely affect our liquidity and cash flows. In the future, we may rely on dividends and other distributions on equity paid by our wholly-owned PRC subsidiaries for our cash and financing requirements. There may be potential restrictions on the dividends and other distributions by our PRC subsidiaries. For instance, if Giganology Shenzhen, our PRC subsidiary, incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. The PRC tax authorities may require us to adjust our taxable income under the contractual arrangements that Giganology Shenzhen and Xunlei Computer currently have in place with Shenzhen Xunlei and Shenzhen Suqu, respectively, in a way that would materially and adversely affect the latter's ability to pay dividends and other distributions to us. In addition, under PRC laws and regulations, Giganology Shenzhen or Xunlei Computer, as wholly foreign-owned enterprises in China, may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. Wholly foreign-owned enterprises such as Giganology Shenzhen and Xunlei Computer are required to set aside at least 10% of their accumulated after-tax profits each year, if any, to fund a statutory reserve fund, until the aggregate amount of such fund reaches 50% of their respective registered capital. At their discretion, wholly foreign-owned enterprises may allocate a portion of their after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. See "Item 3. Key Information—D. Risk Factors—Risk Related to Our Corporate Structure—We may rely principally on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of Giganology Shenzhen and Xunlei Computer to pay dividends to us could have a material adverse effect on our ability to conduct our business." In addition, our investment made as registered capital and additional paid in capital of our subsidiaries, the variable interest are also subject to restrictions in their distribution and transfer according to the laws and regulations in China. Owing to the above, our subsidiaries, variable interest entities and their subsidiaries in China are restricted in their ability to transfer their net assets to us in terms of cash dividends, loans or advances. As of December 31, 2025, the amount of the restricted net assets, which represents registered capital and additional paid-in capital cumulative appropriations made to statutory reserves, was US\$175.0 million.

As an offshore holding company, we are permitted, under PRC laws and regulations, to provide funding from the proceeds of our offshore fund raising activities to our PRC subsidiaries only through loans or capital contributions, and to the variable interest entities only through loans, subject to the satisfaction of the applicable government registration and approval requirements. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and government control of currency conversion may restrict or prevent us from making loans to our PRC subsidiaries and variable interest entities and their subsidiaries or making additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business." As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries or variable interest entities when needed. Notwithstanding the forgoing, our WFOEs may use their own retained earnings (as opposed to Renminbi converted from foreign currency denominated capital) to provide financial support to variable interest entities either through extended payment terms on amounts due to our WFOEs from variable interest entities, or via entrusted loans from our WFOEs to variable interest entities, or direct loans to their respective nominee shareholders, which would be contributed to the variable interest entity as capital injection. Such direct loans to the nominee shareholders would be eliminated in the consolidated financial statements against the VIE's share capital.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs for at least the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand, we may seek to issue debt or equity securities or obtain additional credit facilities.

Cash Flows

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

	For the Year Ended December 31,		
	2023	2024	2025
	(in thousands of US\$)		
Net cash generated from operating activities	25,716	30,976	32,479
Net cash used in investing activities	(23,898)	(21,913)	(99,096)
Net cash (used in)/generated from financing activities	(13,524)	(925)	45,480
Net (decrease)/increase in cash, cash equivalents and restricted cash	(11,706)	8,138	(21,137)
Cash, cash equivalents and restricted cash at the beginning of year	184,808	170,802	177,547
Effect of exchange rates on cash, cash equivalents, and restricted cash	(2,300)	(1,393)	1,416
Cash, cash equivalents and restricted cash at end of year	170,802	177,547	157,826

As of December 31, 2025, we had cash, cash equivalents and restricted cash of US\$157.8 million in total, including RMB619.3 million (US\$88.1 million) and US\$3.3 million located within the PRC, of which RMB269.9 million (US\$38.4 million) and US\$0.6 million was held by the variable interest entities and their subsidiaries. We also had cash and cash equivalents of RMB0.2 million (US\$25.8 thousand), US\$62.4 million, HKD1.0 million (US\$0.1 million), SGD4.8 million (US\$3.7 million), PHP\$8.2 million (US\$138.8 thousand) and INR\$62.9 million (US\$3.7 thousand), JPY 340.0 thousand (US\$2.2 thousand), MYR46.3 thousand (US\$11.4 thousand) and TRY4.8 thousand (US\$1.1 thousand) located outside of the PRC as of December 31, 2025.

Operating activities

Net cash generated from operating activities amounted to US\$32.5 million in 2025, as compared to a net income of US\$1,047.6 million. The difference between net cash generated from operating activities and net income was attributable to adjustments for certain non-cash income or expenses and net changes in working capital. Adjustments for non-cash income or expenses consisted principally net unrealized fair value gains of long-term investments of US\$1,033.0 million, the share-based compensation expenses of US\$3.8 million and depreciation of property and equipment of US\$5.0 million. The net change in working capital was primarily due to (i) an increase in accounts receivable of US\$27.4 million, which was in line with the increased revenues from cloud computing services, subscription services and live-streaming services, (ii) an increase in accrued liabilities and other payables of US\$2.8 million, which was mainly due to the increase in payables for advertisements and tax levies; (iii) an increase in accounts payable of US\$15.6 million, which was in line with the increase in bandwidth purchase for the cloud computing service, (iv) an increase in contract liabilities of US\$3.6 million, which was in line with the increase in our subscription revenues, (v) a decrease in income tax payable of US\$5.7 million, which was mainly due to the tax benefit from the liquidation of a VIE's subsidiary.

Net cash generated from operating activities amounted to US\$31.0 million in 2024, as compared to a net income of US\$0.7 million. The difference between net cash generated from operating activities and net income was attributable to adjustments for certain non-cash expenses and net changes in working capital. Adjustments for non-cash expenses consisted principally of one-time impairment of goodwill of US\$20.7 million, the share-based compensation expenses of US\$2.5 million, and depreciation of property and equipment of US\$4.7 million. The net change in working capital was primarily due to (i) an increase in accounts receivable of US\$2.0 million, which was in line with the increased revenues from joint-subscription service, (ii) an increase in accrued liabilities and other payables of US\$5.4 million, which was mainly due to an increase in payables for advertisements and tax levies; (iii) an increase in contract liabilities of US\$3.6 million, which was in line with the increase in our subscription revenues, (iv) an increase in income tax payable of US\$3.1 million, which was mainly due to the increase in taxable profit, and (v) an increase in deferred tax assets of US\$10.1 million, which was primarily attributable to the tax benefit from investment loss in a subsidiary under liquidation.

Net cash generated from operating activities amounted to US\$25.7 million in 2023, as compared to a net income of US\$14.3 million. The difference between net cash generated from operating activities and net income was attributable to adjustments for certain non-cash expenses and net changes in working capital. Adjustments for non-cash expenses consisted principally of the share-based compensation expenses of US\$9.7 million, depreciation of property and equipment of US\$4.4 million, and impairment of property and equipment of US\$1.1 million. The net change in working capital was primarily due to (i) an increase in accounts receivable of US\$2.0 million, which was in line with the increased cloud computing service revenues, (ii) a decrease in contract liabilities of US\$2.0 million, which was in line with the increase in our subscription revenues, (iii) an increase in inventories of US\$1.8 million, which was mainly due to the increased demand of our cloud computing products, and (iv) an increase in accrued liabilities and other payables of US\$3.1 million, primarily attributable to an increased accrual in employee bonus and marketing expenses.

Investing activities

Net cash used in investing activities largely reflects purchases of property and equipment in connection with the expansion and upgrade of our technology infrastructure, purchases of intangibles assets, acquisition of long-term investments, payments to purchase and payments received upon maturity of short-term investments such as treasury products.

Net cash used in investing activities was US\$99.1 million in 2025, primarily attributable to purchases of short-term investments of US\$601.8 million and net cash paid for a business combination of US\$52.1 million, partially offset by maturities of short-term investments of US\$566.3 million.

Net cash used in investing activities was US\$21.9 million in 2024, primarily attributable to our purchase of short-term investments of US\$479.5 million and purchase of property and plant of US\$8.0 million, while partially offset by maturities of short-term investments of US\$470.2 million.

Net cash used in investing activities amounted to US\$23.9 million in 2023, primarily attributable to proceeds from collection upon maturities of short-term investments of US\$360.7 million, which was partially offset by our purchase of short-term investments of US\$378.2 million.

Financing activities

Net cash generated from financing activities was US\$45.5 million in 2025, which was attributable to the proceeds from bank borrowings of US\$62.5 million, while offset by the repayment of bank borrowings of US\$16.1 million.

Net cash used in financing activities was US\$0.9 million in 2024, which was attributable to the repurchase of shares of US\$7.7 million and repayment of bank borrowings of US\$26.6 million, while offset by the proceeds from bank borrowings of US\$33.4 million.

Net cash used in financing activities amounted to US\$13.5 million in 2023, primarily attributable to repayment of bank borrowings of US\$13.1 million and repurchase of shares of US\$4.7 million.

Material Cash Requirements

Our material cash requirements mainly include capital expenditures, contractual obligations and long-term debt obligations.

Capital expenditures

Our capital expenditures primarily consist of purchasing servers or other equipment for our business operations and payment for construction of our headquarters office building. We made capital expenditures of US\$4.0 million, US\$8.0 million, and US\$5.3 million in 2023, 2024 and 2025, respectively. We will continue to make capital expenditures to meet the expected growth of our business.

Contractual obligations

Our contractual obligations mainly include bandwidth lease obligations. The following table sets forth our contractual obligations as of December 31, 2025.

	Total	Less than 1 year	1-3 years	3-5 years	Over 5 years
	(in thousands of US\$)				
Bandwidth lease obligations	39	39	—	—	—
Total	39	39	—	—	—

As of December 31, 2025, we had unconditional purchase obligations for bandwidth that had not been recognized in the amount of US\$39 thousand.

Long term debt obligations

Our long term debt obligations primarily consist of bank borrowings and estimated interest payments. The interest rate of our long term loan is calculated based on the loan prime rate minus 45 or 10 basis points. The bank borrowings will be due according to the following schedule:

	Total	Less than 1 year	1-3 years
	(in thousands of US\$)		
Bank borrowings obligations	41,970	3,557	38,413
Estimated interest payment obligations	1,860	1,046	814
Total	43,830	4,603	39,227

We intend to fund our existing and future material cash requirements primarily with anticipated cash flows from operations, our existing cash balance and other financing alternatives. We will continue to make cash commitments, including capital expenditures, to support the growth of our business.

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We do not have retained or contingent interests in assets transferred. We have not entered into contractual arrangements that support the credit, liquidity or market risk for transferred assets. We do not have obligations that arise or could arise from variable interests held in an unconsolidated entity, or obligations related to derivative instruments that are both indexed to and classified in our own equity, or not reflected in the statement of financial position.

Other than as discussed above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2025.

Off-balance sheet arrangements

We do not have any commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any guarantees, retained or contingent interest in assets transferred to an unconsolidated entity, contractual arrangements that support the credit, liquidity or market risk for transferred assets; obligations that arise or could arise from variable interests held in an unconsolidated entity.

C. Research and Development

We believe that our commitment to research and development is an important contributing factor in our success. As of December 31, 2025, we had a team of 536 engineers. We provide our engineers with various continuing training programs and opportunities. To maintain and enhance our leadership position in the market, we will continue to compete for engineering talent and invest in research and development in order to provide better services to our users, subscribers and advertisers.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any known trends, uncertainties, demands, commitments or events for the period since January 1, 2026 that are reasonably likely to have a material effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, which requires our management to make estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenues and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. See Item 18 of Part III, “Financial Statements—Note 2—Summary of significant accounting policies.”

Allowance for expected credit losses

The current expected credit losses methodology requires that the full amount of expected credit losses for the lifetime of the financial instrument be recorded at the time when it is originated or acquired, considering relevant historical experience, current conditions and reasonable and supportable macroeconomic forecasts that affect the collectability of financial assets, and adjusted for changes in expected lifetime credit losses subsequently, which may require earlier recognition of credit losses. Our accounts receivable, due from related parties and other current assets (including other receivables) and other non-current assets (including other long-term receivables), are within the scope of ASC Topic 326.

Our accounts receivable consists primarily of receivables from cloud computing customers, third-party payment channels and advertising customers. To estimate expected credit losses, we have identified the relevant risk characteristics of our customers and the related receivables and other receivables which include size, type of the services or the products we provide, or a combination of these characteristics. Receivables with similar risk characteristics have been grouped into pools and assessed on a pool basis. The credit loss assessment for each pool was mainly based on past collection experience, consideration of current and future economic conditions and changes in our collection trends. Other key factors that influence the expected credit loss analysis include credit rating, payment terms offered in the normal course of business to customers, and industry-specific factors that could impact our receivables. Additionally, external data and macroeconomic factors are also considered.

Valuation allowance of deferred tax assets

We make estimates and apply judgment in determining the provision for income taxes for financial reporting purposes. We make these estimates and judgments primarily in the following areas: (i) the calculation of tax credits, (ii) the calculation of differences in the timing of recognition of revenue and expense for tax reporting and financial statement purposes, as well as (iii) the calculation of interest and penalties related to uncertain tax positions. Changes in these estimates and judgments may result in a material increase or decrease to our tax provision, which would be recorded in the period in which the change occurs. Deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carry forwards. We record a valuation allowance to reduce deferred tax assets to an amount for which realization is more likely than not. To assess uncertain tax positions, we apply a more likely than not threshold and a two-step approach for the tax position measurement and financial statement recognition. Under the two-step approach, the first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. This process is inherently subjective since it requires our assessment of the probability of future outcomes. We evaluate these uncertain tax positions on a quarterly basis, including consideration of changes in facts and circumstances, such as new regulations or recent judicial opinions, as well as the status of audit activities by taxing authorities. Changes in these estimates and assumptions could materially affect the tax position measurement and financial statement recognition. See Note 22 to the consolidated financial statements for information regarding taxation.

Valuation of intangible assets acquired in business combinations

We account for business combinations using the acquisition method, which requires us to allocate purchase consideration to tangible assets acquired, liabilities assumed, and identifiable intangible assets based on their estimated fair values as of the acquisition date. The excess of purchase consideration over the fair value of net identifiable assets is recorded as goodwill. The determination of fair values, particularly for intangible assets, requires significant estimates and assumptions about future events and market conditions.

In May 2025, we completed the acquisition of Hupu, a leading sports media and data platform in China, which resulted in the recognition of identifiable intangible assets totaling approximately US\$29.7 million, comprised of customer relationships of approximately US\$17.4 million, brand name of approximately US\$10.0 million, and technology of approximately US\$2.3 million. The remaining excess of purchase consideration over the fair value of the net identifiable assets acquired was recorded as goodwill of approximately US\$38.5 million.

We used the multi-period excess earnings method to estimate the fair value of acquired customer relationships, which was determined as the present value of the excess earnings attributable to the asset after deducting returns on contributory assets, at a discount rate of 19.5%. For the acquired brand name and technology, the relief-from-royalty method was applied, using royalty rates of 5.0% and 3.0%, respectively, and the fair values were estimated as the present value of the after-tax royalty savings at discount rates of 19.5%. Other key assumptions included forecasted revenue growth rates ranging from 2.0% to 6.8% and a customer attrition rate of approximately 10.0% per annum for the customer relationships. We engaged an independent valuation firm to assist with these determinations. Changes in these assumptions could materially affect the fair values of the acquired intangible assets and resulting goodwill, and could also affect future amortization charges and impairment assessments.

See Notes 2(c), 3, and 12 to our consolidated financial statements for further details.

Impairment assessment of goodwill

Goodwill is not amortized but is tested for impairment annually as of December 31, or more frequently if events or circumstances indicate potential impairment. For each reporting unit, we may elect to first assess qualitative factors to determine whether it is more likely than not that fair value is less than carrying amount, or we may proceed directly to a quantitative test. Under the quantitative test, the reporting unit's estimated fair value is compared to its carrying amount, and an impairment loss is recognized to the extent carrying amount exceeds fair value.

As of December 31, 2025, our goodwill balance of approximately US\$39.2 million was entirely attributable to the acquisition of Hupu. We determined that Hupu constitutes a single reporting unit and performed a quantitative impairment assessment using a discounted cash flow model based on cash flow projections over a five-year forecast period. Significant assumptions included:

- **Revenue forecasts:** 3.7%-4.6% over the forecast period, developed based on Hupu's historical operating performance, expected trends in the online advertising market, and management's expectations regarding user engagement initiatives and business synergies with us;
- **Operating margins:** 31.5%-33.1% over the forecast period, based on Hupu's historical cost structure and anticipated operating efficiencies;
- **Discount rate:** A weighted average cost of capital ("WACC") of 19.0%, estimated using market participant data including an analysis of comparable companies in the technology, media, and telecommunications sector, reflecting the risk profile of Hupu's expected cash flows;
- **Terminal growth rate:** 2.0%, determined with reference to the long-term expected inflation rate in the People's Republic of China.

The estimated fair value exceeded carrying amount by approximately 7.5%, indicating that Hupu's goodwill is at heightened risk of future impairment. The fair value would approximate carrying amount under either of the following scenarios, with all other assumptions held constant: (i) an increase in the discount rate of approximately 1.5 percentage points, or (ii) a reduction in projected revenue growth rates of approximately 2.0 percentage points. Because the acquisition was completed only seven months prior to the testing date, cash flow projections are based on limited operating history under our ownership and are inherently uncertain.

As our market capitalization was below our consolidated net book value as of December 31, 2025, we also performed a reconciliation of the aggregate estimated fair values of our reporting units to our market capitalization. Based on the impairment test and reconciliation, we concluded that no goodwill impairment was recognized for the year ended December 31, 2025. Changes in circumstances or assumptions — including revenue or margin underperformance, adverse market conditions, or unfavorable changes in discount rates — could cause the estimated fair value to decline below carrying amount and result in a material impairment charge in future periods.

We performed an annual qualitative impairment assessment for the goodwill relating to the Group as a whole, an impairment of US\$20.7 million was made for the year ended December 31, 2024.

See Notes 2 (k) and 13 to the consolidated financial statements for information regarding goodwill.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors as of the date of this annual report.

Directors and Executive Officers	Age	Position/Title
Jinbo Li	50	Chairman and Chief Executive Officer
Yubo Zhang	49	Director and President
Peng Shi	38	Director
Hui Duan	46	Director
Xiaosong Li	43	Director
Jenny Wenjie Wu	51	Independent Director
He Huang	48	Independent Director
Naijiang (Eric) Zhou	63	Chief Financial Officer

Mr. Jinbo Li has been our chairman and chief executive officer since April 2020. Mr. Li is a successful serial entrepreneur with more than 20 years' experience in China's internet and technology industry. Mr. Li was part of Xunlei's founding team and contributed to establishing and leading the core R&D team during the crucial early stage of Xunlei from 2004 to 2009. Mr. Li left Xunlei in January 2010 and acted as the chief executive officers of two internet ventures from 2010 to 2014. Mr. Li founded Itui International Inc., a company focusing on developing mobile applications for social networking services, in 2014 and acted as its chairman and chief executive officer since then. Mr. Li received his bachelor's degree in 1998 from Shandong University in China and master's degree in 2001 from Peking University in China.

Mr. Yubo Zhang has been serving as our president since April 2020. Prior to rejoining us in April 2020, Mr. Zhang served as the chief executive officer of Beijing Nesound International Media Corp, Ltd., or Nesound, from April 2015 to April 2020. During his tenure at Nesound, Mr. Zhang combined the respective advantages of live broadcasting and traditional film & television businesses and built a multifaceted platform incorporating self-produced exclusive content, star development plans and Internet services. Mr. Zhang joined our company for the first time in August 2005 and was one of the core founding members of our company. During his ten years with us, Mr. Zhang served various management positions including a senior vice president of our company and the president of a major subsidiary of our company from August 2005 to March 2015. Mr. Zhang received his bachelor's degree in mechanical design and manufacturing from Jilin University of Technology in China in 1999.

Mr. Peng Shi has been serving as a director of our company since April 2020. Mr. Shi has also been serving as the president of product at Beijing Itui Technology Co., Ltd since March 2018. Prior to join Beijing Itui, Mr. Shi served as the general manager at Qutoutiao Inc. Beijing branch from January 2018 to March 2018, the product director of Toutiao.com, a Chinese news and information content platform operated by Beijing Bytedance Technology Co., Ltd, from 2016 to 2017, the product vice president of Quanmin.tv, a live-streaming platform operated by Shanghai Maimiao Information Technology Co., Ltd. from 2015 to 2016, the senior product officer of UCWeb Inc from May 2014 to June 2015, a senior product manager at Baidu, Inc. from April 2013 to May 2014, and a product manager at Qihoo 360 Technology Co., Ltd. from March 2010 to April 2013. Mr. Shi received his bachelor's degree in software engineering from Beihai College of Beihang University in China in 2011.

Mr. Hui Duan had served as a director of our company from April 2020 to September 2023 and was reelected to our board in September 2024. Mr. Duan currently serves as the chief technology officer of Beijing Itui Technology Co., Ltd. Prior to that, Mr. Duan founded his own company that provided SaaS tools and services from October 2015 to 2017. From April 2008 to April 2015, Mr. Duan served in various management positions at Xunlei including vice president and the chief executive officer of a major subsidiary of Xunlei. Mr. Duan received his EMBA degree from China Europe International Business School in 2015 and his bachelor's degree in computer science from Peking University in 2001.

Mr. Xiaosong Li had served as a director of our company since September 2024. Mr. Li has been serving as the vice president of AGI Business at Xunlei since December 2023. From March 2018 to November 2023, he held the position of technology partner at Beijing Itui Technology Co., Ltd., where he was responsible for leading research and development in the field of artificial intelligence. From March 2008 to March 2018, he gained valuable experience working at Baidu Search Ads (Phoenix Nest), where he progressively advanced his career and ultimately served as the chief architect. He obtained a bachelor's degree in software engineering from Northwestern Polytechnical University in 2005 and a master's degree in computer system architecture from Chinese Academy of Sciences in 2008.

Ms. Wenjie Wu is currently the president of Approaching.AI and has been serving as our independent director since June 2014. She is currently also an independent non-executive director of Kingsoft Corporation Limited (3888.HK) and an independent non-executive Director of Dida Inc. (Stock Code: 02559). Ms. Wu served as an independent non-executive Director of Aquila Acquisition Corporation (Stock Code: 07836) from February 2024 to March 2025. Since 2003, Ms. Wu served as the chief investment officer of New Hope Group, the founding and managing partner of Baidu Capital, deputy chief financial officer, chief financial officer and chief strategy officer of Ctrip.com, a company listed on NASDAQ (ticker: CTRP), an equity research analyst covering China internet and media industries in Morgan Stanley Asia Limited and in Citigroup Global Markets Asia Limited, and Manager of Operation Department in China Merchants Holdings (International) Company Limited, a company listed on the Stock Exchange (stock code: 0144) in sequence. Ms. Wu has a Ph.D. degree in Finance from the University of Hong Kong, a master's degree in Finance from the Hong Kong University of Science and Technology, and both a master's degree and a bachelor's degree in Economics from Nankai University, China. Ms. Wu has been a Chartered Financial Analyst (CFA) since 2004.

Mr. He Huang had served as a director of our company since November 2024. Mr. Huang founded and has served as the chief executive officer of Beijing Duwo Technology Co., Ltd., an online education company operated under the brand name of Ipalfish, since 2015. He received a bachelor's degree in computer science and a master's degree in the same field from Beijing University of Technology in 2000 and 2003, respectively.

Mr. Naijiang (Eric) Zhou has been serving as our chief financial officer since September 2017. Mr. Zhou has extensive experience covering corporate finance, financial planning and analysis, and investment research and management in the U.S. and China. Prior to joining Xunlei, Mr. Zhou was an interim chief financial officer and senior vice president at ChinaCache International Holdings Limited. Previously, Mr. Zhou had served in various roles, including the chief financial officer at Sutor Technology Group Limited, an equity research analyst at Roth Capital Partners, a principal financial planner at American Electric Power and a senior research analyst at U.S. Global Investors. He obtained a bachelor's degree with honors in Petroleum Management Engineering from China Petroleum University, and both MBA in Finance and Ph.D. in Interdisciplinary Energy and Mineral Resources from the University of Texas at Austin. Mr. Zhou is a CFA charter holder.

B. Compensation

For the fiscal year ended December 31, 2025, we paid an aggregate of approximately US\$1.3 million in cash to our executive officers, and we paid approximately US\$0.2 million in cash compensation to our non-executive directors. In addition, we paid approximately US\$0.3 million in pension, housing funds, transportation subsidies and commercial insurance to our executive officers, and we did not set aside or accrued any amount to provide such benefits to our non-executive directors. For share incentive grants to our officers and directors under our share incentive plan and restricted share grants outside the share incentive plan, see “—Share Incentive Plan.”

Share Incentive Plans

On June 30, 2020, our board of directors approved the termination of the 2010 share incentive plan, the 2013 share incentive plan and the 2014 share incentive plan, or collectively, the Terminated Plans, and adopted a 2020 share incentive plan, or the 2020 Plan. The awards that were granted and outstanding under the Terminated Plans and the evidencing original award agreements survived the termination of the Terminated Plans and remain effective and binding under the 2020 Plan.

On March 13, 2023, our board of directors amended and restated the 2020 Plan to expand the award pool of 31,000,000 common shares to 46,561,200 common shares, which consist of (i) 25,228,430 common shares underlying the 5,045,686 ADSs repurchased pursuant to our repurchase programs, (ii) 10,150,313 common shares reserved for issuance, which were previously reserved but not granted under our Terminated Plans, (iii) 10,889,429 common shares, which were previously reserved but not granted under our Terminated Plans, held by Leading Advice Holding Limited, a share incentive awards holding platform, and (iv) 293,028 common shares reserved for issuance under the 2020 Plan.

On April 26, 2024, our board of directors further amended and restated its amended and restated the 2020 Plan to expand the award pool of 46,561,200 common shares to 61,525,345 shares. The 14,964,145 common shares added to the 2020 Plan were from the 2,992,829 ADS we repurchased under the share repurchase program adopted in March 2023.

As of March 31, 2026, 9,163,550 restricted share units were granted and outstanding under the 2020 Plan. The following paragraphs summarize the terms of the 2020 Plan.

Types of awards. The 2020 Plan permits the awards of option, restricted share, restricted share unit or other types of award approved by the committee or the board.

Plan administration. The 2020 Plan shall be administered by the board or the compensation committee of the board to whom the board shall delegate the authority to grant or amend awards to participants other than any of the compensation committee members and independent directors.

Award agreement. Options, restricted shares, or restricted share units granted under the Amended and Restated 2020 Plan are evidenced by an award agreement that sets forth the terms, conditions, and limitations for each grant.

Option exercise price. The exercise price per share subject to an option shall be determined by the compensation committee and set forth in the award agreement. The exercise price may be amended or adjusted in the absolute discretion of the compensation committee, the determination of which shall be final, binding and conclusive.

Eligibility. We may grant awards to our employees, consultants and all members of our board of directors, as determined by the board of directors.

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

Transfer restrictions. Except as otherwise provided by the committee or pursuant to the Amended and Restated 2020 Plan, no awards shall be assigned, transferred, or otherwise disposed of other than by will or the laws of descent and distribution.

Termination. Unless terminated earlier, the 2020 Plan will expire automatically in June 2030. At any time and from time to time, our board of directors may terminate, amend or modify the 2020 Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with applicable laws or stock exchange rules, shareholder approval is required for any amendment in such a manner and to such a degree as required, unless we decide to follow home country practice, and (b) unless we decide to follow home country practice, shareholder approval is required for any amendment to the 2020 Plan that (i) increases the number of shares available under the 2020 Plan, or (ii) permits the committee to extend the term of the 2020 Plan or the exercise period for an option beyond ten years from the date of grant.

The following table summarizes the awards granted to our executive officers and directors under our stock incentive plans that are outstanding and excludes awards that were forfeited or canceled as of March 31, 2026.

Name	Number of restricted share units awarded ⁽¹⁾	Exercise price (US\$/share)	Date of grant	Date of expiration
Jinbo Li	6,693,040	—	May 25, 2021	—
Yubo Zhang	6,693,040	—	May 25, 2021	—
	9,725,750	—	March 13, 2023	—
Naijiang (Eric) Zhou	800,000	—	March 1, 2018	—
Jenny Wenjie Wu	40,000	—	June 23, 2014	—
	20,000	—	April 13, 2018	—
	45,000	—	April 29, 2021	—
Peng Shi	600,000	—	August 1, 2021	—
	1,800,000	—	August 6, 2025	—
Xiaosong Li	500,000	—	January 1, 2024	—
	1,300,000	—	August 6, 2025	—

(1) The number in this column does not include the common shares issued to the grantee upon vesting of restricted shares.

As of March 31, 2026, our employees other than directors and executive officers as a group held 6,196,885 outstanding restricted shares and restricted share units that remain unvested. These restricted shares and restricted share units were granted on various dates between June 2023 and March 2026.

Employment Agreements

We have entered into employment agreements with each of our senior executive officers. We may terminate a senior executive officer's employment for cause at any time by giving written notice for certain acts of the officer, including: (i) conviction of a felony or act of fraud, misappropriation or embezzlement; (ii) gross negligence or dishonest to the detriment of our company; and (iii) material breach of the employment agreement. We may also terminate a senior executive officer's employment upon at least two months' prior written notice. A senior executive officer may terminate his or her employment by giving two-month or three-month prior notice.

Each senior executive officer has agreed that he or she shall not, at any time during the period of employment or after the termination of the period of employment, except for the benefit of our company, use or disclose any confidential information to any person, corporation or other entity without our written consent. Upon termination of the employment or at any other time when requested by us, the officer should promptly deliver to our company all documents and materials of any nature pertaining to his or her work with us and should provide written certification of his or her compliance with the employment agreement. Under no circumstances can the officer, following his or her termination, in his or her possession any property of our company, or any documents or materials containing any confidential information. The officer should not, during the employment term, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the officer has a duty to keep in confidence information acquired by such officer, if any, or (ii) bring into the premises of our company any document or confidential or proprietary information belonging to the former employer unless consented to in writing by such employer. The officer will indemnify us and hold us harmless from and against all claims, liabilities, damages and expenses.

Each officer also agrees that during the term of employment and within one year of termination of employment, he or she will not approach clients, customers or contacts of our company or other persons or entities introduced to such officer in his/her capacity as a representative of our company for the purposes of doing business with such persons or entities which will harm the business relationship between our company and such persons or entities. Unless consented to by us, the officer should not assume employment with or provide services as a director or otherwise for any of our competitors, or engage in any competitor as a principal, partner, licensor or otherwise. The officer will not seek, directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any of our employees as at or after the date of the termination of such officer's employment, or in the year preceding such termination.

C. Board Practices

Board of Directors

Our board of directors consists of seven directors. A director is not required to hold any shares in our company to qualify to serve as a director. All the powers of our company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures, debenture stock and other securities whenever money is borrowed or as a security for any debt, liability or obligation of our company or any third party, may only be carried out jointly by our chief executive officer and chief financial officer.

Committees of the Board of Directors

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

Audit committee

Our audit committee consists of Ms. Jenny Wenjie Wu and Mr. He Huang, and is chaired by Ms. Jenny Wenjie Wu. Our board of directors has determined that each of Ms. Jenny Wenjie Wu and Mr. He Huang satisfies the "independence" requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended, and Rule 5605(a)(2) of the Nasdaq Listing Rules. 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 significant matters or difficulties encountered by the external auditors during the course of their audits 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 significant matters as to the adequacy of our internal controls and any special procedures adopted by the external auditors in light of material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter; and
- meeting separately and periodically with management and the independent registered public accounting firm.

Compensation committee

Our compensation committee consists of Ms. Jenny Wenjie Wu, Mr. He Huang and Mr. Jinbo Li, and is chaired by Mr. Jinbo Li. Our board of directors has determined that each of Ms. Jenny Wenjie Wu and Mr. He Huang satisfies the “independence” requirements of Rule 5605(a)(2) of the Nasdaq Listing Rules. 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 chief executive officer may not be present at any committee meeting during which his compensation is deliberated upon. The compensation committee is responsible for, among other things:

- reporting regularly to the board;
- reviewing the total compensation package for our two most senior executives and making recommendations to the board with respect to it;
- approving and overseeing the total compensation package for our executives other than the two most senior executives;
- reviewing the compensation of our directors and making recommendations to the board with respect to it; and
- 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.

Nominating and corporate governance committee

Our nominating and corporate governance committee consists of Ms. Jenny Wenjie Wu, Mr. He Huang and Mr. Yubo Zhang, and is chaired by Mr. Yubo Zhang. Our board of directors has determined that each of Ms. Jenny Wenjie Wu and Mr. He Huang satisfies the “independence” requirements of Rule 5605(a)(2) of the Nasdaq Listing Rules. The nominating and corporate governance committee assists the board in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance 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 nominating and corporate governance committee itself;
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

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 must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than what 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, as amended from time to time. Our company may have the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain circumstances have rights to damages if a duty owed by the directors is breached.

Terms of Directors and Executive Officers

Our directors may be elected by an ordinary resolution of our shareholders, or by the affirmative vote of a simple majority of our directors (which should include one non-independent director) present and voting at a meeting of our board of directors, and shall hold office until the expiration of his term and until his successor has been elected and qualified, or until such time as they are removed from office by ordinary resolution or the unanimous written resolution of all shareholders. A director will be removed from office automatically (i) if a simple majority of all directors determine at a duly called and constituted board meeting that such director has been guilty of actual fraud or willful neglect in performing his duties as a director, or (ii) if a director is notified of, and fails to attend, an aggregate of three duly called and constituted board meetings within any 365-day period. In addition, the office of a director will be vacated if such director (a) dies, becomes bankrupt or makes any arrangement or composition with his creditors, (b) is found to be or becomes of unsound mind, or (c) resigns his office by notice in writing to us.

D. Employees

As of December 31, 2023, 2024 and 2025, we had 1,215, 1,216 and 1,306 employees, respectively. The following table sets forth the number of our employees by function as of December 31, 2025:

Function	Number
Research and development	855
Sales and marketing	332
General administration	194
Total	1,306

As required by PRC regulations, we participate in employee benefit plans organized by government authorities, including pensions, work-related injury benefits, medical benefits, maternity benefits, unemployment benefit and housing fund plans. We have granted stock options and restricted shares to management and key employees in order to reward their services and provide them with equity incentives. We maintain good employee relations.

E. Share Ownership

For information regarding the share ownership of our directors and officers, see “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.” For information as to stock options granted to our directors, executive officers and other employees, see “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan.”

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

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our shares as of March 31, 2026 held by:

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

Percentage of beneficial ownership is based on 318,268,921 total outstanding common shares as of March 31, 2026, excluding (i) 45,843,590 common shares that are reserved for bulk issuance upon the exercise or vesting of awards granted under our share incentive plan, or repurchased by our company but not yet canceled, and (ii) 10,889,429 common shares, consisting of 2,177,885 ADSs (representing 10,889,425 common shares) and 4 common shares held by Leading Advice Holding Limited, a share incentive awards holding platform).

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting of securities, or to dispose or direct the disposition of securities or has the right to acquire such powers within 60 days. 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 within 60 days of March 31, 2026, including through the exercise of any option, warrant or other right or the conversion of any other security, in both the numerator and the denominator. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Common Shares Beneficially Owned	
	Number	%†
Directors and executive officers**:		
Jinbo Li ⁽¹⁾	139,711,519	43.9 %
Yubo Zhang ⁽²⁾	16,506,460	5.2 %
Peng Shi	900,000	0.3 %
Jenny Wenjie Wu	94,870	0.0 %
Hui Duan	—	—
Xiaosong Li	333,335	0.1 %
He Huang	—	—
Naijiang (Eric) Zhou	598,110	0.2 %
All directors and executive officers as group	158,144,294	49.7 %
Principal shareholders:		
Itui International Inc. ⁽³⁾	133,018,479	41.8 %
Sean Shenglong Zou ⁽⁴⁾	17,156,036	5.4 %

Notes:

* The business addresses of Mr. Jinbo Li, Mr. Yubo Zhang, Mr. Naijiang (Eric) Zhou, Mr. Peng Shi, Ms. Jenny Wenjie Wu, Mr. Hui Duan and Mr. Xiaosong Li are 3709 Baishi Road, Nanshan District, Shenzhen, 518000, the People's Republic of China. The business address of Mr. He Huang is Room 601, Jianxiang Building, 8 Qijiahuozi, Chaoyang District, Beijing, 100029, the People's Republic of China.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of 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, by the sum of (i) the total number of outstanding common shares as of March 31, 2026, and (ii) the number of common shares underlying share options, restricted shares, restricted share units and warrants held by such person or group that are exercisable within 60 days of March 31, 2026.

- (1) Mr. Jinbo Li, through his holding vehicle, owns 14.4% of the total outstanding shares (equal to 45.7% of the total voting power of all outstanding shares) of Itui International Inc., which in turn owns 101,820,239 common shares and 6,239,648 ADSs of our company. In addition, 6,693,040 common shares are beneficially owned by Mr. Li. By virtue of his controlling interest in Itui International Inc. and the common shares directly held by him in our company, Mr. Jinbo Li is deemed to beneficial own 139,711,519 common shares of our company.
- (2) Represents 16,506,460 common shares in the form of 3,301,292 ADSs directly held by Mr. Yubo Zhang.
- (3) Represents 101,820,239 common shares and 6,239,648 ADSs held by Itui International Inc., a limited liability company incorporated under the laws of the Cayman Islands. Mr. Jinbo Li, our chairman and chief executive officer, through his holding vehicle, owns 14.4% of the total outstanding shares (equal to 45.7% of the total voting power of all outstanding shares) of Itui International Inc. Best Ventures Limited, formerly known as Xiaomi Ventures Limited, owns 16.3% of the total outstanding shares of Itui International Inc. and has a veto right in determining how the voting power of Itui International Inc. should be exercised when Itui International Inc. votes as a shareholder of our company on certain matters in relation to our company. As a result, Mr. Jinbo Li and Best Ventures Limited are deemed to be beneficial owners of, and share voting and dispositive power over, 101,820,239 common shares and 6,239,648 ADSs held by Itui International Inc. Best Ventures Limited is wholly owned by Xiaomi Corporation, a limited liability company organized under the laws of the Cayman Islands and listed on the Hong Kong Stock Exchange (Stock Code: 1810). The business address of Best Ventures Limited is Start Chambers, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands. The business address of Itui International Inc. is Room 407, 4/F, Taixing Building, 11 Huayuan East Road, Haidian District, Beijing, the People's Republic of China.
- (4) Represents (i) 7,929,106 common shares (1,585,821 of which are represented by ADSs) directly held by Vantage Point Global Limited, a British Virgin Islands company, and (ii) 9,226,930 common shares (1,845,386 of which are represented by ADSs) directly held by Eagle Spirit LLC, a Delaware limited liability company. Vantage Point Global Limited is wholly owned by Choice & Chance Limited, which is wholly owned by Mr. Zou with Mr. Zou as a director. Mr. Zou indirectly holds all voting and investment powers of Vantage Point Global Limited and its assets. Eagle Spirit LLC is wholly owned by a United States irrevocable trust with Mr. Zou as the settlor and Mr. Zou is the sole director of Eagle Spirit LLC. Mr. Zou indirectly holds the voting power and investment power of all of the common shares held by Eagle Spirit LLC.

To our knowledge, as of March 31, 2026, 273,181,664 of our outstanding common shares were held by two record holders in the United States including 273,181,660 common shares held by JPMorgan Chase Bank, N.A., the depositary of our ADS program. The number of our common shares held by JPMorgan Chase Bank, N.A. include 10,889,425 common shares representing 2,177,885 ADSs held for purposes of our share incentive plan and 45,843,590 common shares (i) reserved for bulk issuance of ADSs for future issuance upon the exercise or vesting of awards granted under our share incentive plan, and (ii) repurchased by our company but not yet canceled. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

B. Related Party Transactions

Contractual arrangements with the variable interest entities and their respective shareholders

Due to current legal restrictions on foreign ownership and investment in value-added telecommunications services in China, we conduct our primarily operations in China principally through a series of contractual arrangements with the variable interest entities and their respective shareholders in China. For a description of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure."

Employment agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Employment agreements."

Share incentive plans

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Share incentive plans."

Intellectual property framework agreement between Shenzhen Xunlei and Xunlei Computer

On December 24, 2013, Shenzhen Xunlei and Xunlei Computer entered into a technology development and software license framework agreement. The term of the agreement is two years from the date of its execution.

Under this framework agreement, Xunlei Computer provides Shenzhen Xunlei with technology development services according to Shenzhen Xunlei's business needs. Any new intellectual property resulting from the technology development services is owned by Xunlei Computer, and cannot be substituted or sub-licensed to any third party by Shenzhen Xunlei without the prior written consent of Xunlei Computer. During the term of the framework agreement, with respect to each technology development project, Shenzhen Xunlei and Xunlei Computer will separately sign technology development (services) agreements, which set out the specific terms and amount of consideration, all subject to the terms of the framework agreement.

In addition, under the framework agreement, Xunlei Computer grants Shenzhen Xunlei a non-exclusive and limited right to use certain specified proprietary software that Xunlei Computer owns. With respect to the licensing of each software, Shenzhen Xunlei and Xunlei Computer will separately sign software licensing agreements, which will set out the specific terms and the amount of licensing fee, all subject to the terms of the framework agreement.

In relation to cooperation under the framework agreement, Xunlei Computer and Shenzhen Xunlei entered into four agreements in 2013 for Xunlei Computer's technology development services and its software license and Giganology Shenzhen has agreed to the execution of these agreements and the relevant services and licenses between Xunlei Computer and Shenzhen Xunlei.

For the years ended December 31, 2023, 2024 and 2025, the aggregate amount of the fees that have been incurred by Shenzhen Xunlei for the technology development services and the software license provided by Xunlei Computer under the framework agreement was US\$12.4 million, US\$12.2 million and US\$11.0 million, respectively.

Transactions with Xiaomi

Xunlei Accelerator Mobile Pre-installed Services Agreement. In 2014, we entered into a Xunlei Accelerator Mobile Pre-installed Services Agreement, or the Pre-installed Services Agreement, with Beijing Xiaomi Mobile Software Co., Ltd., or Beijing Xiaomi, a company controlled by one of our indirect shareholders, Best Ventures Limited. Under this agreement, Xiaomi phones were pre-installed with our mobile acceleration applications, and certain Xiaomi group companies agreed to share with us a portion of the advertising revenue generated through the pre-installed application as compensation for our technology solution services. The agreement has been renewed with different Xiaomi group companies over time and remains in effect. In 2025, we recognized a revenue of US\$0.6 million from Shenzhen Xiaomi. As of December 31, 2025, the amount of outstanding revenue from Shenzhen Xiaomi was US\$0.4 million.

Cloud Computing Service Agreement. We entered into an agreement with Xiaomi Inc., in April 2019 and renewed every year to provide cloud computing services at market prices based on the actual usage. Xiaomi Inc. is a company controlled by one of our indirect shareholders, Best Ventures Limited. In 2025, our total cloud computing service revenue was US\$5.4 million from Xiaomi Inc. As of December 31, 2025, the amount of outstanding cloud computing service revenue was US\$1.6 million from Xiaomi Inc.

Xiaomi Mobile Terminal Pre-installation and Software License Agreement. In 2025, we entered into a terminal pre-installation and software license agreement with Shenzhen Xiaomi Information Technology Co., Ltd. ("Shenzhen Xiaomi"), a subsidiary of Xiaomi Corporation, pursuant to which we will pay Shenzhen Xiaomi a fee for each effective pre-installation of our software on certain Redmi device models. In 2025, we recognized pre-installation expenses of US\$1.9 million from Shenzhen Xiaomi. As of December 31, 2025, no outstanding balance remained.

Transactions with Itui International Inc.

Advertising Services Agreement. In May 2020, we entered into a user traffic monetization agreement with Itui Online, a company controlled by Itui, our largest shareholder. Pursuant to the agreement, Itui Online will be responsible for operating our advertising services and share a portion of revenue generated from placing advertisements on our PC websites and mobile platform. The agreement has a term of one year and is renewable on a yearly basis. In 2025, we recognized a net revenue of US\$10.0 million from placing advertisements on our PC websites and mobile platform from Itui Online. As of December 31, 2025, the amount of outstanding advertising services revenue from Itui was US\$10.4 million.

Cloud Computing Service Agreement. We entered into an agreement with Beijing Itui Technology Co., Ltd. (“Beijing Itui”), a company controlled by Itui, our largest shareholder, in July 2019 to provide cloud computing services at market prices. The agreement is renewed every year and the price may be adjusted semi-annually. In 2025, we generated cloud computing services revenue of US\$93.1 thousand from Beijing Itui. As of December 31, 2025, the amount of outstanding cloud computing service revenue from Beijing Itui was US\$86.5 thousand.

Term Loan Agreement. In September 2021, we approved to provide a term loan in the amount of US\$20.0 million to CHIZZ (HK) LIMITED, a company controlled by Itui, our largest shareholder. The loan has a term of two years and the interest of the loan is 3% per annum. In September 2023, the loan was extended for another two years and the interest of the loan is 5.1% per annum. Our audit committee had also approved the transaction. In September 2025, we approved a further extension of maturity date of the loan by additional two years, during which the annual interest rate will remain at 5.1%. Our audit committee had also approved the transaction. As of December 31, 2025, the term loan remained unpaid.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

We have been involved in legal proceedings related to our business from time to time and expect to continue to be involved in such proceedings in the future. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Internet services and content providers such as ours are frequently involved in litigation based on intellectual property-related claims. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—The intellectual property protection mechanism we have implemented may not always be effective or sufficient. Certain services we provide to our users have exposed us to and may continue to expose us to copyright infringement claims and other related claims. Any damage awards, injunctive relief and/or court orders could materially and adversely affect our existing business model, divert our management’s attention and adversely impact our business and reputation.”

Dividend Policy

We have not previously declared or paid cash dividends. Subject to our ongoing financial performance, cash position, budget and business plan and market conditions, we may consider paying special dividends. However, we do not plan to pay dividends in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See “Item 4. Information on the Company—B. Business Overview—Regulation—PRC regulation on dividend distributions.”

Our board of directors has discretion as to whether to distribute dividends, subject to applicable laws. In addition, our shareholders may by ordinary resolution declare dividends, but no dividend may exceed the amount recommended by our board of directors. 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. Under Cayman Islands law, we may declare and pay dividends on our shares only out of our profit or our share premium account, provided always that even if our company has sufficient profit or share premium, we may not pay a dividend if this would result in our company being unable to pay our debts as they fall due in the ordinary course of business. If we pay any dividends on our common shares, we will pay those dividends which are payable in respect of the underlying common shares represented by our ADSs to the depositary, as the registered holder of such common shares, and the depositary then will pay such amounts to our ADS holders in proportion to the common shares underlying the ADSs held by such ADS holders, 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 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

Our ADSs have been listed on The Nasdaq Global Select Market since June 24, 2014. Our ADSs currently trade on The Nasdaq Global Select Market under the symbol “XNET.” One ADS represents five common shares.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been listed on Nasdaq Global Select Market since June 24, 2014 under the symbol “XNET.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issues

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following are summaries of material provisions of our eighth amended and restated memorandum and seventh amended and restated articles of association, as well as the Companies Act (As Revised) insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our amended and restated memorandum and articles of association, the objects for which our company is established are unrestricted, and we have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

Common Shares. Our common shares are issued in registered form. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Dividends. The holders of our common shares are entitled to such dividends as may be declared by our board of directors or declared by our shareholders by ordinary resolution (provided that no dividend may be declared by our shareholders which exceeds the amount recommended by our directors). Our amended and restated memorandum and articles of association provide that our directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors be applicable for meeting contingencies, or for equalizing dividends or for any other purpose to which those funds be properly applied. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Voting at any meeting of shareholders is by show of hands unless a poll (before or on the declaration of the result of the show of hands) is demanded. A poll may be demanded by the chairperson of such meeting or any one or more shareholders present in person or by proxy entitled to vote and who together hold not less than 10 per cent of the paid up voting share capital of our company.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the outstanding and issued ordinary shares cast at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our amended and restated memorandum and articles of association. Our shareholders may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our amended and restated memorandum and articles of association provide that we may in each year hold a general meeting as our annual general meeting in which case we should specify the meeting as such in the notices calling it, and the annual general meeting should be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by our chairman or by a simple majority of our board of directors (which shall include one non-independent director). Advance notice of at least seven calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of one or more shareholders present in person or by proxy, representing not less than an aggregate of fifty (50) per cent of the total voting power of our company in issue and entitled to vote at the general meeting.

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. However, these rights may be provided in a company's articles of association. Our amended and restated memorandum and articles of association provide that upon the requisition of any one or more of our shareholders who together hold shares which carry in aggregate not less than one-third of all votes of the aggregate voting power of our company as at the date of the deposit carries the right of voting at our general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our amended and restated memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Shares of our company are transferable; provided that our board of directors may, in its sole discretion, decline to register any transfer of any share which is not fully paid up or on which we have a lien.

Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the shares transferred are free of any lien in favor of us; and
- a fee of such maximum sum as Nasdaq 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 should, within two 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, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine.

Liquidation. On the winding up of our company, the liquidator may, with the sanction of an ordinary resolution of the shareholders, divide amongst the shareholders in specie or in kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or note) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 calendar days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors before the issue of such shares. We may also repurchase any of our shares (including any redeemable shares) provided that the shareholders shall have approved the manner of repurchase by ordinary resolutions unless:

- if the number of shares being repurchased is less than 3% of our issued shares, then we may repurchase such shares in such manner our board of directors may, by a simple majority of the entire board of directors (which shall include one non-independent director), approve and on such terms as the board of directors may agree with the relevant shareholder; and
- if the number of shares being repurchased is more than 3% but less than 5% of our issued shares, then we may repurchase such shares in such manner our board of directors may, by a majority of two-thirds (2/3rds) of the entire board of directors (which shall include one non-independent director), approve and on such terms as the board of directors may agree with the relevant shareholder.

Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares issued and outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variation of Rights of Shares. If at any time, our share capital is divided into different classes of shares, the rights attached to any class may, subject to any rights or restrictions for the time being attached to any class, only be varied or abrogated with the consent in writing of the holders of a majority of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not be deemed to be varied by the creation or issue of further shares ranking in priority or *pari passu* therewith.

Issuance of Additional Shares. Our amended and restated memorandum and articles of association authorize our board of directors to issue additional shares from time to time as our board of directors determines, without approval of the existing shareholders, to the extent out of available authorized but unissued ordinary shares, provided however that:

- if such issued shares account for 3% or less of the total issued shares upon the completion of the issuance of shares, such issuance may only be approved by a simple majority of the entire board of directors (which shall include one non-independent director);
- if such issued shares account for more than 3% and not exceeding 5% of the total issued shares upon the completion of the issuance of shares, such issuance may only be approved by at least two-thirds of the entire board of directors (which shall include one non-independent director);
- if such issued shares account for more than 5% and not exceeding 10% of the total issued shares upon the completion of the issuance of shares, such issuance may only be approved by a unanimous resolution of the entire board of directors; and
- if such issued shares account for more than 10% of the total issued shares upon the completion of the issuance of shares, such issuance may only be approved by (i) a unanimous resolution of the entire board of directors, and (ii) an ordinary resolution of the shareholders of the company.

Save for the foregoing, all other matters relating to our shares, including granting rights over existing shares, or issuing other securities in one or more series and determining designations, powers, preferences, privileges and other rights, including dividend rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers and rights associates with the shares held by existing shareholders, may be approved only by an ordinary resolution of the shareholders.

Inspection of Books and Records. Holders of our ordinary shares 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, any special resolutions, and our register of mortgages and charges). However, we will provide our shareholders with annual audited financial statements.

Anti-Takeover Provisions. Some provisions of our amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue certain additional shares (up to 10% of our total issued shares) without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

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

Exempted Company. We are an exempted company incorporated with limited liability under the Companies Act. The Companies Act 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 that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are given for up to 30 years);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- 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 the 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).

Differences in Corporate Law

The Companies Act (As Revised) is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Act (As Revised) and the current Companies Act of England.

In addition, the Companies Act (As Revised) differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act (As Revised) applicable to us and the laws applicable to United States corporations and companies incorporated in the State of Delaware.

Mergers and Similar Arrangements

The Companies Act (As Revised) permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (1) “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 (2) 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 in 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 (1) a special resolution of the shareholders of each constituent company, and (2) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies 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. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. 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 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 (As Revised) 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 Grand 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 (As Revised) 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% in value of the shares for which the offer has been made, the offeror may, within a two-month period after the approval by the said holders, 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, the dissenting shareholder would have no rights comparable to appraisal rights, 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, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of our company to challenge actions where:

- an act which is ultra vires or illegal and is therefore incapable of ratification by the shareholders;
- 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
- an act which constitute a fraud against the minority where the wrongdoer are themselves in control of the company.

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 provides that every director and officer of our company for the time being and from time to time shall be indemnified and secured harmless out of the assets and funds of the company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him, otherwise than by reason of his own dishonesty, actual fraud or willful default, in connection with the execution or discharge of his duties, powers, authorities or discretions as a director or officer of the company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the company or its affairs in any court whether in Cayman Islands or elsewhere. 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.

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 or she reasonably believes to be in the best interests of the corporation. He or she 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 or she owes the following duties to the company:

- a duty to act in good faith in the best interests of the company,
- a duty not to make a personal profit based on his or her position as director (unless the company permits him or her to do so),
- a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party, and
- a duty to exercise powers for the purpose for which such powers were intended.

A director of a Cayman Islands company owes to the company a duty of care, diligence and skill. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her 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. Cayman Islands law and our currently effective memorandum and articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of all shareholders who would have been entitled to vote on such matter at a general meeting without a meeting being held.

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 (As Revised) does not provide shareholders with an express right to put forth any proposal before a general meeting of the shareholders. However, the Companies Act (As Revised) may provide shareholders with limited rights to requisition a general meeting but such rights must be stipulated in the articles of association of the company.

Under our amended and restated memorandum and articles of association, any one or more shareholders holding not less than one-third of the aggregate voting power of the company as at the date of deposit of the requisition carrying the right to vote at general meetings of the company shall have the right, by written requisition to the company, to require an extraordinary general meeting to be called by the board of directors for the transaction of any business specified in such requisition.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for election 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.

There are no prohibitions relating to cumulative voting under the laws of the Cayman Islands, but our memorandum and articles of association do not provide for cumulative voting. 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 issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders at any time before the expiration of his term of office notwithstanding anything in our memorandum and articles of association or in any agreement between our company and such director (but without prejudice to any claim for damages under any such agreement).

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public 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 shares within the past three years.

This statute 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, 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 for a proper purpose 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 Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the consent in writing of the holders of a majority of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class.

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.

Under Cayman Islands law, 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 non-resident 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 governing the ownership threshold above which shareholder ownership must be disclosed.

Inspection of Books and Records

Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Shareholders of Cayman Islands exempted companies like us have no general right under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association, the register of mortgages and charges and any special resolutions passed by our shareholders) or obtain copies of the list of shareholders of these companies. Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies. However, we intend to provide our shareholders with annual reports containing 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 in "Item 4. Information on the Company" or elsewhere in this annual report on Form 20-F during the two years immediately preceding the date of this annual report.

D. Exchange Controls

See “Item 4. Information on the Company—Business Overview—Regulation— PRC regulation on foreign exchange control and administration.”

E. Taxation

Cayman Islands Taxation

According to Maples and Calder (Hong Kong) LLP, our Cayman Islands legal counsel, 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 holders of our ADSs or common shares 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. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the Shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation tax.

People’s Republic of China Taxation

Under the PRC Enterprise Income Tax Law, an enterprise established outside the PRC with “de facto management bodies” within the PRC is considered a “resident enterprise” of the PRC. A circular issued by the SAT on April 22, 2009 clarified that dividends and other income paid by such resident enterprises will be considered PRC-source income and subject to PRC withholding tax, currently at a rate of 10%, when paid to non-PRC enterprise shareholders. Under the implementation regulations to the PRC Enterprise Income Tax Law, a “de facto management body” is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise. In addition, the circular mentioned above specifies that certain offshore enterprises controlled by PRC resident enterprises will be classified as PRC resident enterprises if the following are located or resident in the PRC: senior management personnel and departments that are responsible for daily production, operation and management; financial and personnel decision making bodies; key properties, accounting books, the company seal, and minutes of board meetings and shareholders’ meetings; and half or more of the senior management or directors having voting rights. We do not believe we would be treated as a “resident enterprise” for PRC tax purposes even if the criteria for “de facto management body” as set forth in the circular mentioned above were deemed applicable to us. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our global income may be subject to PRC taxes under the PRC Enterprise Income Tax Law, which may have a material adverse effect on our results of operations.” However, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our non-resident enterprise shareholders, including the holders of our ADSs and nonresident enterprise holders may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or common shares. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% (unless a reduced rate is available under an applicable tax treaty).

If we are deemed to be a PRC resident enterprise and our non-resident enterprise shareholders (including our ADS holders) are subject to PRC tax as described above, the withholding agent will be required to withhold enterprise income tax on payments of dividends to such investors. The withholding agent must obtain a tax withholding registration and withhold the enterprise income tax from each payment made to non-resident enterprise shareholders and file a report to the competent tax authorities. Where the withholding agent fails or is unable to perform its withholding obligation, the non-resident enterprise shareholders must pay the tax due to the applicable tax authorities within seven days after the payment is made or due. We, as the withholding agent, will be required to obtain a tax withholding registration and withhold the applicable enterprise income tax in order to comply with the above requirements. It is not clear who the withholding agent would be if tax is due on capital gains. In the event that we or our non-resident enterprise shareholders (including our ADS holders) fail to comply with the above procedures, we or our non-resident enterprise shareholders (including our ADS holders) may be ordered to rectify the non-compliance or be subject to a fine of no more than RMB10,000. Failure by us to withhold the income tax fully and timely may result in a fine of 50% to three times of the unpaid tax and failure by our ADS holders to pay the tax fully and timely may result in late payment penalties, or a fine of 50% to five times of the unpaid tax.

In addition, if we are treated as a PRC resident enterprise for enterprise income tax purposes, we may be eligible for the benefits of the income tax treaty between the PRC and other jurisdictions in which we may derive income, such as the United States. However, if we are treated as a PRC resident enterprise, we do not expect to withhold at treaty rates if any withholding is required on dividends we pay to our non-resident shareholders (including our ADS holders) notwithstanding such holders may be eligible for the income tax treaty between their resident jurisdictions and the PRC. The United States—PRC tax treaty generally limits PRC withholding on dividends to a rate of 10%. Investors should consult their tax advisors regarding the availability of treaty benefits and the procedure for claiming a refund, if any.

If we are not deemed a PRC resident enterprise, no PRC income tax will be withheld from dividends distributed by us and no PRC income tax will be payable on gains realized from the sale or other disposition of our shares or ADSs by the non-resident holders of our shares or ADSs. SAT Circular 7 further clarifies that, where a non-resident enterprise derives income by acquiring and selling shares in an offshore listed enterprise in the public market, such income shall not be subject to PRC tax. However, given the uncertainty concerning the application of SAT Public Notice 37 and SAT Circular 7, we and our non-PRC resident investors may be at risk of being required to file a return and being taxed under SAT Public Notice 37 and SAT Circular 7, and we may be required to expend valuable resources to comply with SAT Public Notice 37 and SAT Circular 7 or to establish that we should not be taxed under SAT Public Notice 37 and SAT Circular 7 in the future.

United States Federal Income Tax Considerations

The following discussion is a summary of the United States federal income tax considerations generally applicable to the ownership and disposition of our ADSs or common shares by a U.S. Holder (as defined below) that holds our ADSs as “capital assets” (generally, property held for investment) under Section 1221 of the United States Internal Revenue Code of 1986, as amended (the “Code”). This discussion 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 discussion, moreover, does not address the U.S. federal estate, gift, any minimum tax considerations, the Medicare tax on net investment income, or any state, local or non-U.S. tax considerations relating to the ownership or disposition of the ADSs or common shares. The following summary does not address all aspects of United States federal income taxation that may be important to particular investors in light of their individual investment circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- persons liable for any minimum tax;
- holders who acquire their ADSs or common shares pursuant to any employee share option or otherwise as compensation;

- investors that will hold their ADSs or common shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of our stock (by vote or value); or
- partnerships or other entities or arrangements taxable as partnerships for U.S. federal income tax purposes, or persons holding common stock through such entities or arrangements;

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the United States federal, state, local, and non-U.S. income and other tax considerations of the ownership and disposition of our ADSs or common shares.

General

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our ADSs or common shares that is, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or
- 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 validly elected to be treated as a United States person under the Code, or applicable U.S. Treasury Regulations.

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 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 common shares and partners in such partnerships are urged to consult their tax advisors regarding the ownership and disposition of our ADSs or common shares.

It is generally expected that a U.S. Holder of ADSs should be treated, for United States federal income tax purposes, as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a holder of ADSs will be treated in this manner. Accordingly, deposits or withdrawals of common shares for ADSs will generally not be subject to United States federal income tax.

Passive Foreign Investment Company Considerations

Based upon the nature and composition of our assets (in particular, the retention of substantial amounts of cash and investments), and the market price of our ADSs, 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 very likely be classified as 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 non-passive income. A non-United States corporation, such as our company, will be classified as PFIC, for United States federal income tax purposes, if, in the case of any particular taxable year, 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 the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, cash is categorized as a passive asset and the company’s unbooked intangibles associated with active business activities may generally be classified as non-passive assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a 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 (including their subsidiaries) as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operations of such entity, but also because we are entitled to substantially all of its economic benefits, and, as a result, we consolidate its results of operations in our consolidated financial statements.

If we are classified as a PFIC for any year during which a U.S. Holder holds our ADSs or 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 common shares, even if we cease to be a PFIC. However, if we cease to be a PFIC; provided that a U.S. Holder has not made a mark-to-market election, as described below, such U.S. Holder may avoid some of the adverse effects of the PFIC regime by making a “deemed sale” election with respect to the ADSs or common shares, as applicable. If such election is made, such U.S. Holder will be deemed to have sold our ADSs or common shares such U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below under “Passive Foreign Investment Company Rules.” After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the ADSs or common shares with respect to which such election was made will not be treated as shares in a PFIC and such U.S. Holder will not be subject to the rules described below with respect to any “excess distribution” such U.S. Holder receives from us or any gain from an actual sale or other disposition of the ADSs or common shares. The rules dealing with deemed sale elections are very complex. Each U.S. Holder should consult its tax advisors regarding the possibility and considerations of making a deemed sale election.

Dividends

Subject to the discussion below under “Passive Foreign Investment Company Rules,” the gross amount of any distributions (including the amount of any PRC tax withheld) paid on our ADSs or 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. Dividends received on our ADSs or common shares will not be eligible for the dividends received deduction allowed to corporations.

A non-corporate recipient of dividend income will generally be subject to tax on dividend income from a “qualified foreign corporation” at a lower applicable capital gains 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) generally will be considered to be a qualified foreign corporation (i) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information program, or (ii) 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. Our ADSs are currently listed on Nasdaq Global Select Market. We believe that the ADSs will be readily tradable on an established securities market in the United States for so long as our ADSs continue to be listed on the Nasdaq Global Select Market. Since we do not expect that our common shares will be listed on established securities markets, it is unclear whether dividends that we pay on our common shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years. Furthermore, as mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2025, and we will very likely be classified as a PFIC for our current taxable year. In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law (see “Item 10. Additional Information—E. Taxation—People’s Republic of China Taxation”), we may be eligible for the benefits of the U.S.-PRC income tax treaty, or the Treaty. If we are eligible for such benefits, dividends we pay on our common shares, regardless of whether such shares are represented by the ADSs, and regardless of whether our ADSs are readily tradable on an established securities market in the United States, would potentially be eligible for the reduced rate of taxation described above in this paragraph. Each non-corporate U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or common shares.

Dividends will generally be treated as passive income from foreign sources for United States foreign tax credit purposes. In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, a U.S. Holder may be subject to PRC withholding taxes on dividends paid on our ADSs or common shares (see “Item 10. Additional Information—E. Taxation—People’s Republic of China Taxation”). 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 our ADSs or 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 withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2025, and we will very 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 rate of taxation on dividends with respect to our ADSs or common shares 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 will generally recognize capital gain or loss upon the sale or other disposition of ADSs or common shares in an amount equal to the difference between the amount realized upon the disposition and the holder’s adjusted tax basis in such ADSs or common shares. Any capital gain or loss will be long-term if the ADSs or 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 gain of non-corporate U.S. Holders is generally eligible for a reduced rate of taxation. The deductibility of a capital loss is subject to limitations.

As described in “Item 10. Additional Information—E. Taxation—People’s Republic of China Taxation,” if we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, gains from the disposition of the ADSs or common shares may be subject to PRC income tax and will generally be U.S.-source, which may limit the ability to receive a foreign tax credit. If a U.S. Holder is eligible for the benefits of the Treaty, such holder may be able to elect to treat such gain as PRC-source income under the Treaty. Pursuant to the U.S. Treasury Regulations (the applicability of which has been postponed until further guidance is issued), however, if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such holder may not be able to claim a foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or common shares. The rules regarding foreign tax credits and deduction of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit or deduction in light of their particular circumstances, including their eligibility for benefits under the Treaty, and the potential impact of the U.S. Treasury Regulations.

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2025, and we will very 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 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 very 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 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 United States federal income 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 percent 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 common shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstance, a pledge, of ADSs or common shares. Under the PFIC rules:

- the excess distribution and/or gain will be allocated ratably over the U.S. Holder’s holding period for the ADSs or common shares;
- the amount allocated to the current taxable year 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 a pre-PFIC year, will be taxable as ordinary income;
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to the U.S. Holder for that year; and
- an interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or common shares and any of our non-United States subsidiaries or variable interest entities 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 for purposes of the application of these rules. U.S. Holders are advised to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries or variable interest entities.

As an alternative to the foregoing rules, a U.S. Holder of “marketable stock” in a PFIC may make a mark-to-market election with respect to our ADSs; *provided* that the ADSs are regularly traded on a national securities exchange that is registered with the SEC, or on a foreign exchange or market that the IRS determines is a qualified exchange that has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. Our ADSs are listed on the Nasdaq Global Select Market, which is an established securities market in the United States. Our ADSs may be regularly traded, but no assurances may be given in this regard. 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 holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. If a U.S. Holder makes an effective mark-to-market election, in each year that we are a PFIC, any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. Holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer treated as marketable stock or the IRS consents to the revocation of the election. It is intended that only the ADSs and not the common shares will be listed on the Nasdaq Global Select Market. Consequently, if a U.S. Holder holds common shares that are not represented by ADSs, such holder will generally not be eligible to make a mark-to-market election if we are or were to become a PFIC.

Because a mark-to-market election cannot technically be made for any lower-tier PFICs that we may own, a U.S. Holder that makes a mark-to-market election with respect to our ADSs may continue to be subject to the general PFIC rules with respect to such U.S. Holder’s 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.

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 common shares during any taxable year that we are a PFIC, the holder generally will be required to file annual reports with the IRS. U.S. Holders are advised to consult their tax advisors regarding the reporting requirements that may apply and the United States federal income tax consequences of holding and disposing ADSs or common shares if we are or become classified as a PFIC, including the possibility of making a mark-to-market election and the unavailability of the election to treat us as a qualified electing fund.

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 Exchange Act as applicable to foreign private issuers. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the internet at the SEC’s website at www.sec.gov. As a foreign private issuer, (i) we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, (ii) our officers and directors are exempt from the short-swing rules contained in Section 16 of the Exchange Act, and (iii) our principal shareholders are exempt from the reporting and short-swing rules contained in Section 16 of the Exchange Act.

We will furnish JPMorgan Chase Bank, N.A., the depositary of our ADS program, 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 depositary 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 depositary from us.

In accordance with Nasdaq Stock Market Rule 5250(d), we will post this annual report on Form 20-F on our website at <http://ir.xunlei.com>. In addition, we will provide hard copies of our annual report free of charge to shareholders and ADS holders upon request.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Foreign exchange risk

Renminbi is not freely convertible into foreign currencies. Remittances of foreign currencies into the PRC and conversion of foreign currencies into Renminbi 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 Renminbi into other currencies. A majority of our revenues and expenses of our subsidiaries, and the consolidated variable interest entities and their subsidiaries are generally denominated in Renminbi and their assets and liabilities are denominated in Renminbi. In addition, our financing activities have been denominated mainly in U.S. dollars while the interest bearing loan we borrowed for the construction of our headquarters building is denominated in Renminbi. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge our exposure to such risk. Although in general, our exposure to foreign exchange risks should be limited, the value of your investment in our ADSs will be affected by the exchange rate between the U.S. dollar and the Renminbi because the value of our business is effectively denominated in Renminbi, while the ADSs will be traded in U.S. dollars.

The conversion of Renminbi into other currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against other currencies, at times significantly and unpredictably. The value of Renminbi against other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. It is difficult to predict how market forces or government policies may impact the exchange rate between Renminbi and other currencies in the future.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the amount of Renminbi we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our common shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amounts available to us.

As of December 31, 2025, we had RMB-denominated cash and cash equivalents and short-term investments of RMB1,130.2 million, HKD-denominated cash and cash equivalents of HKD0.1 million, USD-denominated cash, cash equivalents and short-term investments of US\$140.4 million, SGD-denominated cash and cash equivalents of SGD4.8 million, PHP-denominated cash and cash equivalents of 8.2 million, and INR-denominated cash and cash equivalents of INR62.9 million, JPY-denominated cash and cash equivalents of 340.0 thousand, MYR-denominated cash and cash equivalents of 46.3 thousand and TRY-denominated cash and cash equivalents of 4.8 thousand. We also had RMB-denominated restricted cash of RMB5.7 million. Assuming we had converted RMB1,135.9 million into U.S. dollars at the exchange rate of RMB7.0288 for US\$1.00 on December 31, 2025 released by the State Administration of Foreign Exchange of the PRC, our U.S. dollar cash balance would have had a US\$161.6 million increase. If the Renminbi had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have had a US\$146.9 million increases instead. Assuming we had converted US\$140.4 million into Renminbi at the exchange rate of RMB7.0288 for US\$1.00 on December 31, 2025 released by the State Administration of Foreign Exchange of the PRC, our Renminbi cash balance would have had a RMB986.8 million increase. If the Renminbi had depreciated by 10% against the U.S. dollar, our Renminbi cash balance would have had a RMB1,085.4 million increase instead.

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. Further, our interest-bearing bank loan is in Renminbi with a flexible interest rate. We have not used derivative financial instruments in our investment portfolio. 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.

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

We appointed JPMorgan Chase Bank, N.A. as the successor depositary for our ADS program, effective from December 31, 2024, replacing The Bank of New York Mellon.

Fees and Charges Our ADS Holders May Have to Pay

The depositary 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 declared by us 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, \$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, canceled or surrendered, as the case may be. The depositary 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 and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us 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\$5.00 for each 100 ADSs (or 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);

- a fee of up to US\$0.05 per ADS for any cash distribution made pursuant to the deposit agreement;
- a fee of up to US\$0.05 per ADS held for the direct or indirect distribution of securities or the net cash proceeds from the public or private sale of any such securities, regardless of whether any such distribution and/or sale is made by, for, or received from, or (in each case) on behalf of, the depositary, the company and/or any third party (which fee may be assessed against holders as of a record date set by the depositary),
- an aggregate fee of up to US\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary 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 "Disclosures" page (or successor page) of www.adr.com (as updated by the depositary from time to time, "[ADR.com](http://www.adr.com)") and any applicable delivery expenses (which are payable by such persons or holders);
- transfer or registration expenses for the registration or transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities (which are payable by persons depositing shares or holders withdrawing deposited securities);
- in connection with the conversion of foreign currency into U.S. dollars, by the depositary shall deduct out of such foreign currency the fees, expenses and other charges charged by it and/or its agent (which may be a division, branch or affiliate) so appointed in connection with such conversion; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to reimburse us for our expenses incurred in connection with the establishment of our ADS facility including, investor relations expenses, roadshow expenses, legal fees, stock exchange listing fees or any direct or indirect expenses incurred in connection with the establishment of the facility. The depositary has also agreed to provide additional reimbursements to us based on the applicable performance indicators relating to our ADS facility, including ADS issuance and cancellation fees, cash dividend fees and depositary servicing fees. In addition, the depositary has agreed to waive the issuance fees for ADSs issued (i) in connection with our follow-on equity offerings, (ii) to our founders and senior management, and (iii) in connection with our employee incentive plans. In 2025, reimbursement from JPMorgan Chase Bank, N.A. was US\$0.5 million (after withholding tax).

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management, with the participation of our chief executive officer and chief financial officer, has concluded that as of December 31, 2025, our disclosure controls and procedures 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 chief financial officer, as appropriate, 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 such term is defined in Rule 13a-15(f) under the Exchange Act, for our company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with generally accepted accounting principles, including 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 a company's assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of a company's management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of a company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance with respect to consolidated financial statement preparation and presentation and 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.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules promulgated by the SEC, our management, including our chief executive officer and chief financial officer, assessed the effectiveness of internal control over financial reporting as of December 31, 2025 using the criteria set forth in the report "Internal Control—Integrated Framework (2013)" published 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 Registered Public Accounting Firm

Our independent registered public accounting firm, PricewaterhouseCoopers Zhong Tian LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2025 as stated in its report, which appears on page F-1 of this annual report on Form 20-F.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. Reserved

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Ms. Jenny Wenjie Wu, our independent director (under the standards set forth in Rule 5605(a)(2) of the Nasdaq Listing Rules and Rule 10A-3 under the Securities Exchange Act of 1934), is an audit committee financial expert.

Item 16B. Code of Ethics

In 2014, our board of directors adopted a code of business conduct and ethics that applies to our directors, officers and employees, including certain provisions that specifically apply to our chief executive officer, chief financial officer, other executive officers as defined under Rule 405 under the Securities Act of 1933, as amended, senior finance officer, controller, senior vice presidents and any other persons who perform similar functions for us. The code is also available on our official website under the corporate governance section at our investor relations website <http://ir.xunlei.com>.

Our chairman and chief executive officer, Mr. Jinbo Li, currently also serves as the chairman and chief executive officer of Itui International Inc., our shareholder holding approximately 41.8% of our outstanding share capital as of March 31, 2026. Mr. Jinbo Li is the founder and a shareholder of Itui International Inc. Section III of our code of business conduct and ethics provides that no employee shall serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of our company. Employees must obtain prior approval from the board of directors before accepting any such board or committee position. Our company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate. Section III also provides that no employee may have any financial interest (ownership or otherwise) in any other business or entity if such interest requires the employee to devote time to it during such employee's working hours at our company. On April 11, 2020, our board of directors granted Mr. Jinbo Li a waiver from compliance with the above provisions of our code of business conduct and ethics so that Mr. Jinbo Li is able to simultaneously serve as the chairman and the chief executive officer at both our company and Itui International Inc.

Item 16C. Principal Accountant Fees and Services

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by PricewaterhouseCoopers Zhong Tian LLP, our principal external auditors, for the periods indicated.

	2024	2025
Audit fees ⁽¹⁾	US\$ 742,690	US\$ 879,508
Audit-related fees ⁽²⁾	US\$ 2,813	—
All other fees ⁽³⁾	—	—

Notes:

- (1) “Audit fees” represents the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal accountant for the audit or review of our annual financial statements or quarterly financial information and review of documents filed with the SEC.
- (2) “Audit-related fees” represents the aggregate fees incurred in each of the fiscal years listed as a result of our principal auditors’ issuance of consent letter related to our registration of securities on Form S-8.
- (3) “All other fees” represents the aggregate fees billed in each of the fiscal years listed for products and services provided by our principal accountant, other than the services reported in “audit fees” and “audit-related fees” above.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our independent auditor as described above.

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 June 4, 2024, our board of directors authorized a share repurchase program, under which we may repurchase up to US\$20 million of our shares until June 2025. The table below is a summary of the shares repurchased by us in 2025 under this share repurchase program, all of which were repurchased in the open market.

Period	Total Number of ADSs Purchased	Average Price Paid Per ADS	Total Number of ADSs Purchased as Part of the Publicly Announced Plan	Approximate Dollar Value of ADSs that May Yet Be Purchased Under the Plan
January 2, 2025 - January 31, 2025	430,262	2.18	3,261,267	13,505,048
February 1, 2025 - February 28, 2025	4,677	2.51	3,265,944	13,493,292
Total	434,939	2.19	3,265,944	13,493,292

Item 16F. Change 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 corporate governance standards under the Nasdaq Stock Market Rules. Under Nasdaq Stock Market Rule 5615(a)(3), a foreign private issuer such as us may follow its home-country corporate governance practices in lieu of certain of the Nasdaq Stock Market Rules corporate governance requirements. We strive to comply with most of the Nasdaq corporate governance practices to ensure a high standard of corporate governance. However, our current corporate governance practices differ from Nasdaq corporate governance requirements for U.S. companies in certain respects, as summarized below:

Nasdaq Marketplace Rule 5620(a) requires each issuer to hold an annual meeting of shareholders no later than one year after the end of the issuer's fiscal year-end. The practices of our home country, the Cayman Islands, do not require us to hold annual shareholders meetings every year. We have elected to adopt this practice and did not hold an annual meeting of shareholders for fiscal year 2025. We have not decided whether or not to hold annual shareholders meetings in the future.

Nasdaq Stock Market Rule 5605(b)(1) requires a Nasdaq-listed company to have a board of directors composed of at least a majority of independent directors. The practices of our home country, the Cayman Islands, do not require us to have a majority of the board of directors composed of independent directors at this time. We have elected to adopt this practice and do not have a board of directors composed of at least a majority of independent directors.

Nasdaq Stock Market Rule 5605(c)(2) requires a Nasdaq-listed company to have an audit committee composed of at least three independent members. The practices of our home country, the Cayman Islands, do not require us to have a three-member audit committee at this time. We have elected to adopt this practice and have an audit committee composed of two independent members.

Nasdaq Stock Market Rule 5605(e)(1) requires a Nasdaq-listed company to have a nominations committee composed solely of independent directors to select or recommend for selection director nominees. The practices of our home country, the Cayman Islands, do not require that any of the members of a company's nominations committee be independent directors. We have elected to adopt this practice in order to utilize the experience of Mr. Yubo Zhang and our nominating and corporate governance committee is not composed solely of independent directors.

Nasdaq Stock Market Rule 5605(d)(2) requires a Nasdaq-listed company to have a compensation committee composed solely of independent directors. The practices of our home country, the Cayman Islands, do not require that any of the members of a company's compensation committee be independent directors. We have elected to adopt this practice in order to utilize the experience of Mr. Jinbo Li and our compensation committee is not composed solely of independent directors.

Nasdaq Stock Market Rule 5635(c) requires that a Nasdaq-listed company seek shareholder approval when it establishes or materially amends a stock option or purchase plan or other arrangement pursuant to which stock may be acquired by officers, directors, employees or consultants. The practices of our home country, the Cayman Islands, do not require that our shareholder approve the establishment or material amendment to a stock option or purchase plan or other arrangement pursuant to which stock may be acquired by officers, directors, employees or consultants. We have elected to adopt this practice and have adopted the Second Amended and Restated 2020 Share Incentive Plan without seeking the approval of our shareholders.

Maples and Calder (Hong Kong) LLP, our Cayman Islands counsel, has provided a letter to the Nasdaq Stock Market certifying that under Cayman Islands law, we are not required to follow the above corporate governance standards.

Other than the above, there are no significant differences between our corporate governance practices and those followed by U.S. domestic companies under Nasdaq Stock Market Rules.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions 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 other relevant persons, with the goal of promoting compliance with applicable insider trading laws, rules and regulations, and the listing standards of Nasdaq.

The Amended and Restated Statement of Policies Governing Material, Non-Public Information and the Prevention of Insider Trading 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 threats. We strive to manage cybersecurity risks and protect sensitive information through various means, such as technical safeguards, procedural requirements, an intensive program of monitoring on our corporate network, continuous testing of aspects of our security posture internally and with outside vendors, a robust incident response program and regular cybersecurity awareness training for employees. Our IT department regularly monitors the performance of our platforms, apps and infrastructure to enable us to respond quickly to potential problems, including potential cybersecurity threats.

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 the cybersecurity risk management and be informed on risks from cybersecurity threats. The chief executive officer, the chief financial officer and the principal officer in charge of the cybersecurity matters, who have extensive experience in working in the field of cybersecurity, with expertise in cybersecurity risk management and compliance, are responsible for discussing material cybersecurity incidents or threats with specific constituencies before sign - off, ensuring thorough review of information and disclosures. This involves our disclosure committee (comprising of our chief financial officer, the investor relations officer, the principal officer in charge of the cybersecurity matters and appropriate business unit heads of our company), as a whole, and the board of directors of our company; and other members of senior management and external legal counsel, to the extent appropriate. The chief executive officer, the chief financial officer and the principal officer in charge of the cybersecurity matters are also 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 incident, maintaining oversight of the disclosure in Form 6-K for material cybersecurity incidents (if any) and meeting with our board of directors in connection with (i) each quarterly earnings release, update the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, if any, and the relevant disclosure issues and (ii) each annual report, present the disclosure concerning cybersecurity matters in Form 20-F, along with a report highlighting particular disclosure issues, if any, and hold a Q&A session. Our board of directors is responsible for maintaining oversight of the disclosure related to cybersecurity matters in the periodic reports of our company.

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 Xunlei Limited, its subsidiaries and the variable interest entities and their subsidiaries are included at the end of this annual report.

Item 19. Exhibits

Exhibit Number	Description of Document
1.1	Eighth amended and restated memorandum and seventh amended and restated articles of association of the Registrant (incorporated by reference to Exhibit 3.2 of our registration statement on Form F-1, as amended (file no. 333-196221), filed with the SEC on June 12, 2014)
2.1	Registrant's specimen American depositary receipt (included in Exhibit 2.3)
2.2	Registrant's specimen certificate for common shares (incorporated by reference to Exhibit 4.2 of our registration statement on Form F-1, as amended (file no. 333-196221), filed with the SEC on June 12, 2014)
2.3	Amended and restated deposit agreement among the Registrant, the depositary and holders of American depositary receipts, dated December 31, 2024 (incorporated by reference to Exhibit 99(a) of the registration statement on Form F-6 (file no. 333-283769), filed with the SEC on December 12, 2024)
2.4*	Description of securities
4.1	Second Amended and Restated 2020 Share Incentive Plan (incorporated by reference to Exhibit 10.1 of our registration statement on Form S-8 (file no. 333-281272) filed with the SEC on August 6, 2024)
4.2	Form of indemnification agreement with the Registrant's directors and officers (incorporated by reference to Exhibit 10.7 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on June 12, 2014)
4.3	Form of employment agreement between the Registrant and Executive Officers of the Registrant (incorporated by reference to Exhibit 10.8 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on June 12, 2014)
4.4	English translation of business operation agreement among Giganology Shenzhen, Shenzhen Xunlei and the shareholders of Shenzhen Xunlei, dated November 15, 2006, as amended on March 1, 2012 and further amended on September 29, 2016 (incorporated by reference to Exhibit 4.15 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 20, 2017)
4.5	English translation of equity pledge agreement among Giganology Shenzhen and the shareholders of Shenzhen Xunlei dated November 15, 2006, as amended on May 10, 2011, March 1, 2012 and March 10, 2014 (incorporated by reference to Exhibit 10.10 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.6	English translation of power of attorney between Giganology Shenzhen and Shenglong Zou, dated May 10, 2011 (incorporated by reference to Exhibit 10.11 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.7	English translation of power of attorney between Giganology Shenzhen and Hao Cheng, dated May 10, 2011 (incorporated by reference to Exhibit 10.12 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.8	English translation of power of attorney between Giganology Shenzhen and Fang Wang, dated May 10, 2011 (incorporated by reference to Exhibit 10.13 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.9	English translation of power of attorney between Giganology Shenzhen and Jianming Shi, dated May 10, 2011 (incorporated by reference to Exhibit 10.14 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.10	English translation of power of attorney between Giganology Shenzhen and Guangzhou Shulian Information Investment Co., Ltd., dated May 10, 2011 (incorporated by reference to Exhibit 10.15 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.11*	English translation of exclusive technical support and services agreement between Giganology Shenzhen and Shenzhen Xunlei, dated September 16, 2005, as amended on November 15, 2006, March 10, 2014 and September 15, 2025
4.12*	English translation of exclusive technology consulting and training agreement between Giganology Shenzhen and Shenzhen Xunlei, dated September 16, 2005, as amended on November 15, 2006, March 10, 2014 and September 15, 2025
4.13	English translation of proprietary technology license contract between Giganology Shenzhen and Shenzhen Xunlei, dated March 1, 2012 (incorporated by reference to Exhibit 10.18 of our registration statement on Form F-1 (file no. 333 - 196221) filed with the SEC on May 23, 2014)

Exhibit Number	Description of Document
4.14	English translation of intellectual properties purchase option agreement between Giganology Shenzhen and Shenzhen Xunlei dated March 1, 2012, as amended on March 10, 2014 (incorporated by reference to Exhibit 10.19 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.15	English translation of loan agreement among Giganology Shenzhen, Guangzhou Shulian Information Investment Co., Ltd., Sean Shenglong Zou, Hao Cheng, Fang Wang and Jianming Shi, dated December 22, 2010, as amended on March 1, 2012 and March 10, 2014 (incorporated by reference to Exhibit 10.20 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.16	English translation of loan agreement between Giganology Shenzhen and Sean Shenglong Zou, dated May 10, 2011, as amended on March 1, 2012 (incorporated by reference to Exhibit 10.21 of our registration statement on Form F-1 (file no. 333-196221) filed with the SEC on May 23, 2014)
4.17	English translation of the Facility Agreement dated September 9, 2021 between CHIZZ (HK) LIMITED and Xunlei Network Technologies Limited (incorporated by reference to Exhibit 4.44 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.18	English translation of the Supplementary Agreement to Proprietary Technology License Agreement dated March 1, 2022 between Giganology (Shenzhen) Ltd. and Shenzhen Xunlei Networking Technologies Co., Ltd. (incorporated by reference to Exhibit 4.45 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.19	English translation of Power of Attorney between Giganology Shenzhen and Shenglong Zou, dated May 11, 2021 (incorporated by reference to Exhibit 4.46 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.20	English translation of Power of Attorney between Giganology Shenzhen and Hao Cheng, dated May 10, 2021 (incorporated by reference to Exhibit 4.47 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.21	English translation of Power of Attorney between Giganology Shenzhen and Fang Wang, dated May 10, 2021 (incorporated by reference to Exhibit 4.48 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.22	English translation of Power of Attorney between Giganology Shenzhen and Jianming Shi, dated May 10, 2021 (incorporated by reference to Exhibit 4.49 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.23	English translation of Power of Attorney between Giganology Shenzhen and Guangzhou Shulian Information Investment Co., Ltd., dated May 10, 2021 (incorporated by reference to Exhibit 4.50 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.24	English translation of technology development and software license framework agreement between Shenzhen Xunlei and Xunlei Computer dated January 1, 2020 (incorporated by reference to Exhibit 4.51 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 28, 2022)
4.25	Supplemental Facility Agreement dated September 14, 2023 between CHIZZ (HK) LIMITED and Xunlei Network Technologies Limited (incorporated by reference to Exhibit 4.25 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 23, 2024)
4.26	English translation of the merger agreement dated January 26, 2025 among by and among Shenzhen Suqu Network Technology Co., Ltd., Shanghai Kuanghui Network Technology Co., Ltd., and the shareholders of Shanghai Kuanghui Network Technology Co., Ltd. (incorporated by reference to Exhibit 4.28 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 24, 2025)
4.27	English translation of the credit agreement dated July 9, 2024 between Shenzhen Xunlei Network Technology Co., Ltd. and China Merchants Bank Shenzhen Branch (incorporated by reference to Exhibit 4.30 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 24, 2025)
4.28	English translation of the Technology Development and Software License Framework Agreement dated January 1, 2025 between Xunlei Computer (Shenzhen) Co., Ltd. and Shenzhen Xunlei Networking Technologies Co., Ltd. (incorporated by reference to Exhibit 4.31 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 24, 2025)
4.29*	English translation of the Certificate of Credit Line dated April 27, 2025 between Bank of Ningbo Co., Ltd. and Shenzhen Xunlei Networking Technologies Co., Ltd.

Exhibit Number	Description of Document
4.30*	English translation of the Credit Agreement dated August 13, 2025 between China Merchants Bank Shenzhen Branch and Shenzhen Xunlei Networking Technologies Co., Ltd.
4.31*	English translation of the Credit Line Agreement dated May 12, 2025 between Shenzhen Xunlei Networking Technologies Co., Ltd. and Shanghai Pudong Development Bank Co., Ltd., Shenzhen Branch
4.32*	Equity Transfer Agreement entered into by and among Shenzhen Onething Technology Co., Ltd., Shenzhen Xunlei Networking Technologies Co., Ltd., Wuhan Kingsoft Cloud Information Technology Co., Ltd. and Shenzhen Xinghan Zhilian Technology Co., Ltd., among others, dated March 3, 2026
4.33*	Shareholders' Agreement entered into by and among Shenzhen Onething Technology Co., Ltd., Shenzhen Xunlei Networking Technologies Co., Ltd., Wuhan Kingsoft Cloud Information Technology Co., Ltd. and Shenzhen Xinghan Zhilian Technology Co., Ltd., among others, dated March 3, 2026
4.34*	English translation of loan agreement between Xunlei Computer (Shenzhen) Co., Ltd. and Mr. Kening Wu dated February 27, 2025
4.35*	English translation of loan agreement between Xunlei Computer (Shenzhen) Co., Ltd. and Mr. Xiaosong Li dated February 27, 2025
4.36*	English translation of loan agreement between Xunlei Computer (Shenzhen) Co., Ltd. and Mr. Kening Wu dated February 20, 2025
4.37*	English translation of the exclusive option agreement by and among Xunlei Computer (Shenzhen) Co., Ltd., Mr. Xiaosong Li and Shenzhen Zhilue Xinsi Consulting Co., Ltd. dated February 27, 2025
4.38*	English translation of the exclusive option agreement by and among Xunlei Computer (Shenzhen) Co., Ltd., Mr. Kening Wu and Shenzhen Zhilue Xinsi Consulting Co., Ltd. dated February 27, 2025
4.39*	English translation of the exclusive option agreement by and among Xunlei Computer (Shenzhen) Co., Ltd., Mr. Kening Wu and Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) dated February 20, 2022
4.40*	English translation of the exclusive business cooperation agreement by and between Xunlei Computer (Shenzhen) Co., Ltd. and Shenzhen Suqu Network Technology Co., Ltd. dated May 1, 2022
4.41*	English translation of the exclusive business cooperation agreement by and between Xunlei Computer (Shenzhen) Co., Ltd. and Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) dated May 1, 2022
4.42*	English translation of the exclusive business cooperation agreement by and between Xunlei Computer (Shenzhen) Co., Ltd. and Shenzhen Zhilue Xinsi Consulting Co., Ltd. dated May 1, 2022
4.43*	English translation of the equity pledge agreement by and among Xunlei Computer (Shenzhen) Co., Ltd., Mr. Xiaosong Li and Shenzhen Zhilue Xinsi Consulting Co., Ltd. dated February 27, 2025
4.44*	English translation of the equity pledge agreement by and among Xunlei Computer (Shenzhen) Co., Ltd., Mr. Kening Wu and Shenzhen Zhilue Xinsi Consulting Co., Ltd. dated February 27, 2025
4.45*	English translation of the partnership interest pledge agreement by and among Xunlei Computer (Shenzhen) Co., Ltd., Mr. Kening Wu and Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) dated February 20, 2025
4.46*	English translation of the power of attorney by Mr. Kening Wu dated February 27, 2025
4.47*	English translation of the power of attorney by Mr. Xiaosong Li dated February 27, 2025
4.48*	English translation of the power of attorney by Mr. Kening Wu dated February 20, 2025
8.1*	List of principal subsidiaries, the VIEs and principal subsidiaries of the VIEs of the Registrant
11.1	Code of business conduct and ethics of the Registrant (incorporated by reference to Exhibit 99.1 of our Registration Statement on Form F-1 (file no. 333-196221) filed with the SEC on June 12, 2014)
11.2	Amended and Restated Statement of Policies Governing Material, Non-Public Information and the Prevention of Insider Trading of the Registrant (incorporated by reference to Exhibit 11.2 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 24, 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 Kewei Law Firm
15.3*	Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm

Exhibit Number	Description of Document
97.1	Clawback Policy of the Registrant (incorporated by reference to Exhibit 97.1 of our annual report on Form 20-F (file no. 001-35224) filed with the SEC on April 23, 2024)
101.INS*	Inline XBRL Instance 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 (embedded within the Inline XBRL document)
*	Filed herewith
**	Furnished herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Xunlei Limited

By: /s/ Jinbo Li

Name: Jinbo Li

Title: Chairman of the Board and Chief Executive Officer

Date: April 28, 2026

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Xunlei Limited

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Xunlei Limited and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income/(loss), 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 matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of intangible assets acquired in connection with the acquisition of Hupu

As described in Note 3 to the consolidated financial statements, in May 2025, the Company completed the acquisition of Shanghai Kuanghui Network Technology Co., Ltd., which operates Hupu, a sports media and data platform in China, it resulted in the recognition of identifiable intangible assets comprised of: customer relationships of approximately US\$17.4 million, brand name of approximately US\$10.0 million, and technology of approximately US\$2.3 million. Management applied significant judgment in determining the fair values of the acquired intangible assets, including the selection of appropriate valuation methods and the use of significant assumptions. The significant assumptions used in the fair value estimates included, among others, forecasted revenue growth rates and customer attrition rate for the customer relationships intangible asset, forecasted revenue growth rates and royalty rates for the brand name and technology intangible assets, and the discount rates applied to all intangible assets. Management engaged an independent valuation firm to assist with the determination of the fair values of the intangible assets acquired.

The principal considerations for our determination that performing procedures relating to the valuation of intangible assets acquired in connection with the acquisition of Hupu is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of the acquired intangible assets, including the selection of valuation methods and the significant assumptions used in the valuation models, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's estimates; and (ii) 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 the acquisition accounting in connection with the business combination, including controls over management's identification and valuation of the intangible assets and controls over the development of the significant assumptions used in the valuation models. These procedures also included, among others, (i) reading the purchase agreement; (ii) evaluating the competence, capability and objectivity of the independent valuation expert engaged by management; (iii) evaluating the appropriateness of the valuation methods used; (iv) testing the completeness, accuracy and relevance of the underlying data used in the valuations; and (v) evaluating the reasonableness of the significant assumptions used by management, including the forecasted revenue growth rates, customer attrition rate and discount rate for the customer relationships intangible asset, and forecasted revenue growth rates, royalty rates and discount rate for the brand and technology intangible assets, by considering the past performance of Hupu, the consistency with external market and industry data, and the current and expected conditions in the digital advertising and sports media markets in China. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the valuation methods and the reasonableness of certain significant assumptions, including the royalty rates and discount rates used by management in estimating the fair values of the acquired intangible assets as of the acquisition date.

Hupu goodwill impairment assessment

As described in Notes 3 and 13 to the consolidated financial statements, the Company's consolidated goodwill balance relating to the acquisition of Hupu was approximately US\$39.2 million as of December 31, 2025. Management performed a goodwill impairment test to compare the estimated fair value of the Hupu reporting unit to its carrying value, using a discounted cash flow ("DCF") model as of December 31, 2025. The DCF model is derived from long-term cash flow projections prepared by management which include significant judgments and assumptions relating to revenue forecast, operating margins, the discount rate, and the terminal growth rate. As described in Note 13 to the consolidated financial statements, the Company's market capitalization, based on the public trading price of its equity securities, was below its consolidated net book value as of December 31, 2025, and management performed a reconciliation of the aggregate estimated fair values of the Company's reporting units to the Company's market capitalization. As a result of the impairment test and related reconciliation, management determined that the estimated fair value of the Hupu reporting unit exceeded carrying value and therefore no goodwill impairment was recognized for the year ended December 31, 2025.

The principal considerations for our determination that performing procedures relating to Hupu goodwill impairment assessment is a critical audit matter are (i) the significant judgment by management when developing the fair value measurement of the Hupu reporting unit and market capitalization reconciling items; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions and the market capitalization reconciliation; and (iii) 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 goodwill impairment assessment, including controls over the valuation of the Hupu reporting unit and the reconciliation to market capitalization. These procedures also included, among others, (i) testing management's process for developing the fair value estimate; (ii) evaluating the appropriateness of the DCF model and the reconciliation; (iii) testing the completeness, accuracy, and relevance of underlying data used in the DCF model and the reconciliation; (iv) evaluating the reasonableness of significant assumptions used by management related to revenue forecast, operating margins, the discount rate, and the terminal growth rate; and (v) evaluating the reasonableness of the items used in management's reconciliation of the DCF-based fair value estimate to the Company's market capitalization. Evaluating management's significant assumptions involved evaluating whether the assumptions used by management were reasonable considering (i) the historical performance of Hupu; (ii) the consistency with relevant 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 appropriateness of the Company's DCF model and reasonableness of certain significant assumptions, including the discount rate and the terminal growth rate, and the reasonableness of management's market capitalization reconciliation.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shenzhen, the People's Republic of China
April 28, 2026

We have served as the Company's auditor since 2014.

Xunlei Limited
Consolidated Balance Sheets

(Amounts expressed in thousands of United States dollars (“US\$”),
except for number of shares and per share data)

	Note	As of December 31, 2024	As of December 31, 2025
Assets			
Current assets:			
Cash and cash equivalents	4	177,329	157,020
Short-term investments	5	110,209	148,155
Accounts receivable, net (Allowance for current expected credit losses of US\$1,258 and US\$1,471 as of December 31, 2024 and 2025, respectively)	6	32,662	68,413
Inventories	7	1,255	403
Due from related parties (Allowance for current expected credit losses of US\$691 and US\$334 as of December 31, 2024 and 2025, respectively)	24	31,519	12,832
Prepayments and other current assets (Allowance for current expected credit losses and impairment of US\$6,223 and US\$5,516 as of December 31, 2024 and 2025, respectively)	8	10,058	12,850
Total current assets		363,032	399,673
Non-current assets:			
Long-term investments	9	30,599	1,070,596
Deferred tax assets	22	10,528	10,083
Property and equipment, net	10	55,430	54,784
Operating lease assets	11	450	1,943
Intangible assets, net	12	8,310	32,722
Goodwill	2(k), 13	—	39,164
Due from a related party (Allowance for current expected credit losses of nil and US\$174 as of December 31, 2024 and 2025, respectively)	24	—	19,826
Long-term prepayments and other assets	8	5,334	2,326
Restricted cash	2(e)	218	806
Total assets		473,901	1,631,923
Liabilities			
Current liabilities (including amounts of the consolidated variable interest entity and its subsidiaries (“VIEs”) without recourse to the Company of US\$185,762 and US\$256,407 as of December 31, 2024 and 2025, respectively)			
Accounts payable		22,964	41,965
Due to related parties	24	17	8
Contract liabilities, current portion	14	39,936	43,107
Income tax payable		9,386	4,340
Accrued liabilities and other payables	15	52,093	81,334
Short-term borrowings and current portion of long-term borrowings	16	2,087	37,209
Lease liabilities	11	253	487
Total current liabilities.		126,736	208,450

Xunlei Limited
Consolidated Balance Sheets (Continued)

(Amounts expressed in thousands of United States dollars (“US\$”),
except for number of shares and per share data)

	Note	As of December 31, 2024	As of December 31, 2025
Non-current liabilities (including amounts of the consolidated VIEs without recourse to the Company of US\$97,997 and US\$119,707 as of December 31, 2024 and 2025, respectively)			
Contract liabilities	14	458	1,624
Deferred tax liabilities	22	1,154	6,138
Long-term borrowings	16	27,127	38,413
Other long-term payables	15	480	3,530
Lease liabilities	11	161	1,251
Total liabilities		156,116	259,406
Commitments and contingencies	26		
Equity			
Common shares (375,001,940 shares issued and 307,351,196 shares outstanding as of December 31, 2024; 375,001,940 shares issued and 314,277,001 shares outstanding as of December 31, 2025)	17	77	78
Treasury shares (67,650,744 shares and 60,724,939 shares as of December 31, 2024 and 2025, respectively)		16	15
Additional paid-in-capital		477,244	480,133
Statutory reserves		8,718	9,687
Accumulated other comprehensive loss		(21,694)	(17,413)
(Accumulated deficits)/retained earnings		(146,305)	900,991
Total Xunlei Limited’s shareholders’ equity		318,056	1,373,491
Non-controlling interests		(271)	(974)
Total liabilities and shareholders’ equity		473,901	1,631,923

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

Xunlei Limited
Consolidated Statements of Comprehensive Income/(Loss)

(Amounts expressed in thousands of US\$, except for number of shares and per share data)		Years ended December 31,		
	Note	2023	2024	2025
Net revenues				
Total revenues, net of rebates and discounts (including transactions with related parties of US\$17,270, US\$15,963 and US\$16,309 for the years ended December 31, 2023, 2024 and 2025, respectively)	2(p), 2(x)	364,911	324,405	462,410
Taxes and surcharges		(1,189)	(1,265)	(1,982)
Net revenues		363,722	323,140	460,428
Costs of revenues (including transactions with related parties of US\$39, nil and nil for the years ended December 31, 2023, 2024 and 2025, respectively)	20	(200,649)	(155,567)	(242,886)
Gross profit		163,073	167,573	217,542
Operating expenses				
Research and development expenses		(74,201)	(71,572)	(80,040)
Sales and marketing expenses		(43,509)	(44,842)	(86,260)
General and administrative expenses		(46,875)	(45,827)	(44,874)
Impairment of goodwill		—	(20,748)	—
Credit loss (expenses)/write-back, net		(100)	(288)	262
Total operating expenses		(164,685)	(183,277)	(210,912)
Operating (loss)/income		(1,612)	(15,704)	6,630
Interest income		4,619	4,892	3,262
Interest expense		(1,514)	(728)	(1,698)
Other income, net	21	16,904	9,183	1,038,131
Income/(loss) before income taxes		18,397	(2,357)	1,046,325
Income tax (expenses)/benefits	22	(4,131)	3,020	1,285
Net income for the year		14,266	663	1,047,610
Less: net income/(loss) attributable to the non-controlling interests		41	(552)	(655)
Net income attributable to Xunlei Limited		14,225	1,215	1,048,265
Net income for the year		14,266	663	1,047,610
Other comprehensive (loss)/income: Currency translation adjustments, net of tax		(4,203)	(2,749)	4,233
Comprehensive income/(loss)		10,063	(2,086)	1,051,843
Less: comprehensive income/(loss) attributable to non-controlling interests		83	(520)	(703)
Comprehensive income/(loss) attributable to Xunlei Limited		9,980	(1,566)	1,052,546
Income per share for common shares				
Basic	23	0.0436	0.0038	3.3659
Diluted	23	0.0435	0.0038	3.3125
Weighted average number of common shares used in calculating				
Basic	23	326,390,687	318,758,374	311,440,748
Diluted	23	326,849,502	319,146,281	316,458,713

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

Xunlei Limited
Consolidated Statements of Changes in Shareholders' Equity

(Amounts expressed in thousands of US\$, except for number of shares and per share data)	Common shares		Treasury stock		Additional paid-in capital	Statutory reserves	Accumulated other comprehensive loss	(Accumulated deficits)/ retained earnings	Total Xunlei Limited's equity	Non-controlling interest	Total equity
	Shares	Amount	Shares	Amount							
Balance at January 1, 2023	325,047,736	81	49,954,204	12	477,495	7,036	(14,668)	(160,063)	309,893	(1,472)	308,421
Repurchase of common shares	(13,037,345)	(3)	13,037,345	3	(4,687)	—	—	—	(4,687)	—	(4,687)
Share-based compensation	—	—	—	—	9,676	—	—	—	9,676	—	9,676
Restricted shares vested	11,515,165	3	(11,515,165)	(3)	—	—	—	—	—	—	—
Appropriation of statutory reserves	—	—	—	—	—	1,106	—	(1,106)	—	—	—
Net income	—	—	—	—	—	—	—	14,225	14,225	41	14,266
Currency translation adjustments	—	—	—	—	—	—	(4,245)	—	(4,245)	42	(4,203)
Balance at December 31, 2023	323,525,556	81	51,476,384	12	482,484	8,142	(18,913)	(146,944)	324,862	(1,389)	323,473
Repurchase of common shares	(20,858,895)	(5)	20,858,895	5	(7,693)	—	—	—	(7,693)	—	(7,693)
Share-based compensation	—	—	—	—	2,453	—	—	—	2,453	—	2,453
Restricted shares vested	4,684,535	1	(4,684,535)	(1)	—	—	—	—	—	—	—
Appropriation of statutory reserves	—	—	—	—	—	576	—	(576)	—	—	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	1,638	1,638
Net income	—	—	—	—	—	—	—	1,215	1,215	(552)	663
Currency translation adjustments	—	—	—	—	—	—	(2,781)	—	(2,781)	32	(2,749)
Balance at December 31, 2024	307,351,196	77	67,650,744	16	477,244	8,718	(21,694)	(146,305)	318,056	(271)	317,785
Repurchase of common shares	(2,174,695)	(1)	2,174,695	1	(951)	—	—	—	(951)	—	(951)
Share-based compensation	—	—	—	—	3,840	—	—	—	3,840	—	3,840
Restricted shares vested	9,100,500	2	(9,100,500)	(2)	—	—	—	—	—	—	—
Appropriation of statutory reserves	—	—	—	—	—	969	—	(969)	—	—	—
Net income	—	—	—	—	—	—	—	1,048,265	1,048,265	(655)	1,047,610
Currency translation adjustments	—	—	—	—	—	—	4,281	—	4,281	(48)	4,233
Others	—	—	—	—	—*	—	—	—	—*	—	—*
Balance at December 31, 2025	314,277,001	78	60,724,939	15	480,133	9,687	(17,413)	900,991	1,373,491	(974)	1,372,517

* Absolute value is less than US\$1 thousand.

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

Xunlei Limited
Consolidated Statements of Cash Flows

(Amounts expressed in thousands of US\$ except for number of shares and per share data)

	Years ended December 31,		
	2023	2024	2025
Cash flows from operating activities			
Net income for the year	14,266	663	1,047,610
Adjustments to reconcile net income to net cash generated from operating activities			
— Depreciation of property and equipment	4,427	4,686	4,970
— Amortization of intangible assets	1,101	1,808	3,519
— Amortization of operating lease assets	551	434	1,046
— Credit loss expenses/(write-back), net	100	288	(262)
— Losses/(gains) on disposal of property and equipment	1	(82)	74
— Gains on modification of operating leases	(33)	—	(30)
— Share-based compensation expenses	9,676	2,453	3,840
— Net unrealized investment income from short-term investments	(1,390)	(1,078)	(378)
— Impairment of property and equipment	1,146	—	—
— Impairment of intangible assets	—	—	2,515
— Write-downs of inventories	—	25	470
— Impairment of goodwill	—	20,748	—
— Impairment on long-term investments	—	1,407	996
— Fair value changes on long-term investments	—	—	(1,032,989)
— Gains from disposal of long-term investments and subsidiaries	(24)	(861)	(1,128)
— Interest expense accrued on long-term payables	93	93	93
— Deferred income taxes	(428)	(10,068)	(2,876)
Changes in operating assets and liabilities:			
— Accounts receivable	(1,997)	(2,037)	(27,371)
— Prepayments and other assets	(408)	290	(3,945)
— Due from/to related parties	(1,665)	734	(464)
— Accounts payable	(598)	(1,519)	15,596
— Inventories	(1,804)	925	387
— Contract liabilities	(1,954)	3,575	3,564
— Income tax payable	904	3,080	(5,706)
— Accrued liabilities and other payables	3,134	5,437	22,781
— Lease liabilities	618	(25)	167
Net cash generated from operating activities	25,716	30,976	32,479
Cash flows from investing activities			
Purchase of short-term investments	(378,162)	(479,453)	(601,847)
Proceeds from collection upon maturities of short-term investments	360,735	470,245	566,297
Purchase of property and equipment	(3,992)	(8,026)	(5,349)
Purchase of intangible assets	(499)	(322)	(447)
Payments for long-term investments	(1,418)	(3,103)	(3,225)
Cash paid for a business combination, net of cash acquired	—	(2,125)	(52,134)
Proceeds from disposal of property and equipment	15	114	155
Proceeds from disposal of long-term investments	22	2,300	—
Repayment/(payment) of loans to employees	(599)	(978)	396
Loan to third parties	—	(565)	—
Payments for disposal of subsidiaries	—	—	(2,942)
Net cash used in investing activities	(23,898)	(21,913)	(99,096)
Cash flows from financing activities			
Repurchase of common shares	(4,687)	(7,693)	(951)
Proceeds from bank borrowings	4,254	33,387	62,537
Repayment of bank borrowings	(13,091)	(26,619)	(16,106)
Net cash (used in)/generated from financing activities	(13,524)	(925)	45,480
Net (decrease)/increase in cash, cash equivalents and restricted cash	(11,706)	8,138	(21,137)
Effect of exchange rates on cash and cash equivalents, and restricted cash	(2,300)	(1,393)	1,416
Cash and cash equivalents at beginning of the year	177,154	170,802	177,329
Restricted cash at beginning of the year	7,654	—	218
Cash, cash equivalents and restricted cash at beginning of the year	184,808	170,802	177,547
Cash and cash equivalents at end of the year	170,802	177,329	157,020
Restricted cash at end of year	—	218	806
Cash, cash equivalents and restricted cash at end of the year	170,802	177,547	157,826
Supplemental disclosure of cash flow information			
Income tax paid	2,532	4,200	4,221
Interest paid	1,376	578	1,178
Non-cash investing and financing activities			
— Purchase of property and equipment in form of other payables	148	32	130
— Acquisition of operating lease assets	275	324	1,586
— Addition of long-term investments in form of other payables	—	696	2,350
— Unpaid cash consideration for acquisition	—	—	12,733

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

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

1. Organization and nature of operations

Xunlei Limited, previously known as Giganology Limited, (the “Company”) was incorporated under the law of the Cayman Islands as a limited liability company on February 3, 2005. The Company completed its initial public offering on June 24, 2014 on the NASDAQ Global Market. Each American Depositary Shares (“ADSs”) of the Company represents five common shares.

These consolidated financial statements include the financial statements of the Company, its subsidiaries, the variable interest entities (“VIEs”) and VIEs’ subsidiaries (collectively referred to as the “Group”). As of December 31, 2025, the Company’s major subsidiaries, VIEs and VIEs’ subsidiaries are as follows:

Name of entities	Place of incorporation	Period of incorporation	Relationship	% of direct or indirect economic ownership	Principal activities
Xunlei Network Technologies Limited	British Virgin Islands	February 2011	Subsidiary	100 %	Investment holding
Xunlei Network Technologies Limited	Hong Kong	March 2011	Subsidiary	100 %	Investment holding
Giganology (Shenzhen) Co., Ltd. (“Giganology Shenzhen”)	PRC	June 2005	Subsidiary	100 %	Investment holding
Xunlei Computer (Shenzhen) Co., Ltd. (“Xunlei Computer”)	PRC	November 2011	Subsidiary	100 %	Investment holding
Shenzhen Xunlei Networking Technologies Co., Ltd. (“Shenzhen Xunlei”)	People’s Republic of China (“PRC”)	January 2003	VIE	100 %	Membership subscription and investment holding
Shenzhen Suqu Network Technology Co., Ltd. (“Shenzhen Suqu”)	PRC	October 2021	VIE	100 %	Investment holding
Shenzhen Onething Technologies Co., Ltd. (“Shenzhen Onething”)	PRC	September 2013	VIE’s subsidiary	70 % (Note b, 28)	Cloud computing services
Jiangxi Node Technology Service Co., Ltd. (“Jiangxi Node”)	PRC	July 2020	VIE’s subsidiary	100 %	Cloud computing services
Shanghai Kuanghui Network Technology Co., Ltd. (“Shanghai Kuanghui”) (Note 3)	PRC	June 2013	VIE’s subsidiary	100 %	Online advertising
Hupu (Shanghai) Information Technology Co., Ltd. (“Hupu Information”)	PRC	September 2021	VIE’s subsidiary	100 %	Online advertising
Funi. Pte. Ltd.	Singapore	April 2021	Subsidiary	100 %	Live streaming
Fuconnect. Pte. Ltd.	Singapore	February 2022	Subsidiary	100 %	Live streaming

Note:

- (a) The English names of the PRC companies represent management’s translation of the Chinese names of these companies as they have not adopted formal English names.
- (b) As of December 31, 2025, the remaining 30% of the equity interest was owned by certain plan participants or share incentive awards holding platforms under the employee share incentive plan, see Note 19 for details.

The Group engages primarily in the provision of premium downloading services to its members, sales of bandwidth, platforms for live streaming services and other services.

To comply with the PRC laws and regulations that prohibit or restrict foreign ownership of companies that provide online services and hold Internet Content Provider (“ICP”) license, the Group mainly conducts its business through the VIEs and their subsidiaries in the PRC.

Through the various contractual agreements, the Company as the primary beneficiary received all of the economic benefits and residual interest and absorbed all of the risks and expected losses from VIEs. As such, the Company consolidates the financial statements of these VIEs. Consequently, the financial results of the VIEs were included in the Group’s consolidated financial statements in accordance with the presentation as stated in Note 2(b).

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

1. Organization and nature of operations (Continued)

The following is a summary of the contractual agreements entered into by and among the Company, Shenzhen Xunlei and legal registered shareholders of Shenzhen Xunlei:

—**Loan Agreements** between Giganology Shenzhen and the shareholders of Shenzhen Xunlei: Giganology Shenzhen provided interest-free loans of RMB9 million to the legal shareholders of Shenzhen Xunlei for them to make contributions as registered capital into Shenzhen Xunlei. The terms of these agreements last for two years from the date it was signed, and will be automatically extended afterwards on a yearly basis until each legal shareholder of Shenzhen Xunlei has repaid the loans in its entirety in accordance with the loan agreement. The legal shareholders would not be allowed to transfer their interests in Shenzhen Xunlei without prior consent of Giganology Shenzhen. According to the loan agreements, the loans can only be repaid in the form of common shares of Shenzhen Xunlei. At any time during the term of the loan agreements, Giganology Shenzhen may, at their sole discretion, requires any of the legal shareholders of Shenzhen Xunlei to repay all or any portion of their outstanding loan under the agreement.

Under a separate loan agreement between Giganology Shenzhen and Mr. Sean Shenglong Zou as a legal registered shareholder of Shenzhen Xunlei, Giganology Shenzhen made an additional interest-free loan of RMB20 million to Mr. Sean Shenglong Zou, the entire amount of which was contributed to the registered capital of Shenzhen Xunlei, increasing the registered capital of Shenzhen Xunlei to RMB30 million. The term of this agreement lasts for two years from the date it was signed, and will be automatically extended afterwards on a yearly basis until Mr. Zou has repaid the loan in its entirety in accordance with the loan agreement. This loan will be deemed to be repaid when all equity interest held by the shareholders in Shenzhen Xunlei has been transferred to Giganology Shenzhen or its designated parties. At any time during the term of this loan agreement, the Company may, at their sole discretion, require all or any portion of the outstanding loan under the agreement to be repaid.

—**Business Operation Agreements** between Giganology Shenzhen and Shenzhen Xunlei: Under these agreements, Giganology Shenzhen has the rights to direct the operating activities of Shenzhen Xunlei, including the appointment of senior management. The legal shareholders of Shenzhen Xunlei also transferred all their shareholders' rights to Giganology Shenzhen. The term of this agreement may be extended with Giganology Shenzhen's confirmation prior to the expiration date. The agreement became expired in November 2016 and has been extended to November 2026.

—**Equity Pledge Agreement** between Giganology Shenzhen and the legal shareholders of Shenzhen Xunlei: Under this agreement, the legal shareholders of Shenzhen Xunlei pledged all of their equity interests in Shenzhen Xunlei to Giganology Shenzhen. If Shenzhen Xunlei and/or its legal shareholders breach their contractual obligations under this agreement, Giganology Shenzhen, as pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests.

—**Power of Attorney**: Each legal shareholder of Shenzhen Xunlei appointed Giganology Shenzhen as its attorney-in-fact to exercise their shareholders' rights in Shenzhen Xunlei, including shareholders' voting rights. Each power of attorney will remain in force for 10 years starting from May 2011 unless the business operation agreement among Giganology Shenzhen, Shenzhen Xunlei and the legal shareholders of Shenzhen Xunlei is terminated in advance. This period may be extended at Giganology Shenzhen's discretion. The agreement became expired in May 2021 and has been extended to May 2031.

—**Service Agreements** between Giganology Shenzhen and Shenzhen Xunlei: Under various service agreements, Giganology Shenzhen will provide services including technical support, training, as well as consulting services to Shenzhen Xunlei in exchange for a service fee. These service agreements include the Exclusive Technology Support and Services Agreement, the Exclusive Technology Consulting and Training Agreement and the Software and Proprietary Technology License Contract. Giganology Shenzhen is entitled to service fees equal to 20%, 20% and 40% of the pre-tax operating profit of Shenzhen Xunlei according to the terms and provisions of these agreements, respectively (in aggregate 80% of pre-tax operating profit of Shenzhen Xunlei). In addition, these agreements also allow both parties to review and adjust the above mentioned percentage every six months according to the business operation and income of Shenzhen Xunlei so as to enable Giganology Shenzhen to extract substantially all the after tax operating profit of Shenzhen Xunlei.

Xunlei Limited
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(Amounts in US dollars unless otherwise stated)

1. Organization and nature of operations (Continued)

For the Exclusive Technology Support and Services Agreement and the Exclusive Technology Consulting and Training Agreement, as provided in the supplemental agreements, the term of these agreements will expire in September 2035 and will be automatically renewed for a further period of ten years thereafter. Giganology Shenzhen is entitled to terminate the agreement at any time by providing 30 days' prior written notice to Shenzhen Xunlei.

For the Proprietary Technology License Contract, the term of this contract became expired in March 2022 and has been extended with Giganology Shenzhen to March 2032. Giganology Shenzhen grants Shenzhen Xunlei a non-exclusive and non-transferable right to use Giganology Shenzhen's proprietary technology. Shenzhen Xunlei can only use the proprietary technology to conduct business according to its authorized business scope. Giganology Shenzhen or its designated representative(s) owns the rights to any new technology developed due to implementation of this contract.

—**Intellectual Properties Purchase Option Agreement** between Giganology Shenzhen and Shenzhen Xunlei: Giganology Shenzhen has an option to acquire Shenzhen Xunlei's intellectual properties at the lowest price permissible by the then-applicable PRC laws and regulation. The term of this contract became expired in March 2022 and had been automatically extended for an additional 10 years at Giganology Shenzhen's discretion to March 2032.

—**Call Option Agreement**: Giganology Shenzhen has an option to acquire all of the outstanding shares of Shenzhen Xunlei at a purchase price equal to RMB1 or the lowest price permissible by the then-applicable PRC laws and regulation. The term of the agreement became expired in March 2022 and had been automatically extended for an additional 10 years at Giganology Shenzhen's discretion to March 2032.

The principal agreements amongst the Shenzhen Suqu, the relevant subsidiaries and VIE shareholders that provide the Company with the power to direct the activities that most significantly impact the economic performance of Shenzhen Suqu and its subsidiaries and provide the Company with economic benefits of Shenzhen Suqu and its subsidiaries contains substantially the same terms as described above other than (i) the agreements that enable the Company to direct the activities most significantly affect Shenzhen Suqu's economic performance is limited to the Equity Pledge Agreement, and (ii) the agreements that transfer economic benefits from Shenzhen Suqu to the Company is limited to the Exclusive Business Cooperation Agreement.

Risks related to VIE structure

A significant part of the Group's business is conducted through VIEs, of which the Company is the primary beneficiary. In the opinion of management, the contractual arrangements with the VIEs and the nominee shareholders are in compliance with PRC laws and regulations and are legally binding and enforceable. The nominee shareholders indicate they will not act contrary to the contractual arrangements. 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.

If a finding was made by PRC authorities under existing laws and regulations and becomes effective, the Group's operation of certain of its operations and businesses through VIEs, regulatory authorities with jurisdiction over the licensing and operation of such operations and businesses would have broad discretion in dealing with such a violation, including levying fines, confiscating the Group's income, revoking the business or operating licenses of the affected businesses, requiring the Group to restructure its ownership structure or operations, or requiring the Group to discontinue all or any portion of its operations. Any of these actions could cause significant disruption to the Group's business operations, and have a severe adverse impact on the Group's cash flows, financial position and operating performance.

Xunlei Limited
Notes to the consolidated financial statements
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1. Organization and nature of operations (Continued)

Risks related to VIE structure (Continued)

In addition, it is possible that the contracts among the Company's subsidiaries, the VIEs and shareholders of VIEs would not be enforceable in China if PRC government authorities or courts were to find that such contracts contravene PRC law and regulations or are otherwise not enforceable for public policy reasons. The Group's operations also depend on the VIEs and their nominee shareholders to honor their contractual arrangements with the Group. In the event that the Group was unable to enforce these contractual arrangements, the Group would not be able to exert effective control over the affected VIEs. Consequently, such VIEs' results of operations, assets and liabilities would not be included in the Group's consolidated financial statements. If such were the case, the Group's cash flows, financial position and operating performance would be severely adversely affected. The Group's contractual arrangements with respect to VIEs are approved and in place. The Group's management believes that such contracts constitute valid and legally binding obligations of each party to such contractual arrangements under the PRC laws, and considers the possibility remote that PRC regulatory authorities with jurisdiction over the Group's operations and contractual relationships would find the contracts to be unenforceable.

The following financial information of the consolidated VIEs was included in the accompanying consolidated financial statements, before elimination of balances with the Company and its subsidiaries, as of and for the years ended:

(In thousands)	As of December 31,	
	2024	2025
Current assets:		
Cash and cash equivalents	42,514	38,892
Short-term investments	14,484	18,229
Accounts receivable, net	27,221	59,970
Amount due from group companies	5,500	3,941
Due from related parties	11,532	12,531
Inventories	1,251	401
Prepayments and other current assets	3,810	6,912
Total current assets	106,312	140,876
Non-current assets:		
Long-term investments	6,570	7,104
Property and equipment, net	55,307	54,579
Operating lease assets	450	1,943
Intangible assets, net	4,901	32,722
Deferred tax assets	9,873	8,666
Goodwill	—	39,164
Long-term prepayments and other assets	2,532	2,317
Restricted cash	218	806
Total assets	186,163	288,177
Current liabilities:		
Accounts payable	19,330	37,365
Due to related parties	17	8
Amount due to group companies	84,476	83,918
Contract liabilities	36,827	41,662
Income tax payable	6,430	815
Accrued liabilities and other payables	36,342	54,943
Short-term borrowings and current portion of long-term borrowings	2,087	37,209
Lease liabilities, current portion	253	487
Total current liabilities	185,762	256,407
Non-current liabilities:		
Contract liabilities	458	1,624
Deferred tax liabilities	870	5,991
Amount due to group companies	68,901	68,898
Long-term borrowings	27,127	38,413
Lease liabilities	161	1,251
Other long-term payables	480	3,530
Total liabilities	283,759	376,114

Xunlei Limited
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1. Organization and nature of operations (Continued)

Risks related to VIE structure (Continued)

(In thousands)	Years ended December 31,		
	2023	2024	2025
Inter-company revenues	—	294	2,416
Third-party revenues	330,860	256,150	336,047
Third-party costs of revenues	(177,060)	(113,684)	(161,678)
Inter-company operating expenses	(12,896)	(12,695)	(11,558)
Third-party operating expenses	(139,613)	(146,261)	(161,111)
Net income/(loss) attributable to Xunlei Limited	6,995	(8,532)	7,658

(In thousands)	Years ended December 31,		
	2023	2024	2025
Purchases of goods and services from group companies	—	—	(29,486)
Sales of goods and services to group companies	217	504	2,913
Other operating activities with external parties	27,634	29,803	28,942
Net cash generated from operating activities	27,851	30,307	2,369
Repayment of loans from group companies	—	342	—
Other investing activities with external parties	(21,985)	(10,433)	(70,526)
Net cash used in investing activities	(21,985)	(10,091)	(70,526)
Loans from group companies	437	7,003	60,248
Repayment of loans to group companies	(19,285)	(28,028)	(42,164)
Other financing activities with external parties	(8,837)	6,768	46,431
Net cash (used in)/generated financing activities	(27,685)	(14,257)	64,515

2. Summary of significant accounting policies

(a) Basis of presentation and use of estimates

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Significant accounting policies followed by the Group in the preparation of the accompanying consolidated financial statements are summarized below.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying consolidated financial statements and related disclosures. Actual results could differ materially from these estimates. Significant accounting estimates reflected in the Group’s consolidated financial statements mainly include allowance for credit losses, valuation allowance of deferred tax assets, impairment assessment of goodwill and valuation of intangible assets acquired in business combination.

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.

(b) Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, VIEs for which the Company is the primary beneficiary and its subsidiaries. All transactions and balances among the Company, its subsidiaries, the VIEs and VIEs’ subsidiaries have been eliminated upon consolidation.

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

2. Summary of significant accounting policies (Continued)

(b) Consolidation (Continued)

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one-half of the voting power, or has the power to appoint or remove the majority of the members of the board of directors to cast majority of votes at meetings of the board of directors or to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

An entity is considered to be a VIE if the entity's equity holders do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties.

The Group consolidates entities for which the Company is the primary beneficiary if the entity's other equity holders do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties.

Non-controlling interests represent the portion of the net assets of a subsidiary attributable to interests that are not owned by the Company. The non-controlling interests are presented in the consolidated balance sheets, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statements of comprehensive income/(loss) as an allocation of the total income or loss for the year between non-controlling shareholders and the shareholders of the Company.

(c) Business combinations

The Group accounts for acquisitions of entities that include inputs and processes and have the ability to generate economic benefit as business combinations. The Group allocates the purchase price of the acquisition to the tangible assets and identifiable intangible assets acquired based on their estimated fair values as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of the purchase price over those fair values is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of operations and comprehensive loss. During the measurement period, which can be up to one year from the acquisition date, the Group may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded on the consolidated statements of operations and comprehensive income/(loss). Acquisition-related costs are expensed as incurred.

(d) Foreign currency translation

The Company's reporting and functional currency is the United States Dollar ("US\$"). The functional currency of other subsidiaries, the VIEs and VIEs' subsidiaries located in the Mainland China is the Renminbi ("RMB"), and the functional currency of other subsidiaries located outside the Mainland China is the US\$. Transactions denominated in foreign currencies are remeasured into the functional currency at the exchange rates prevailing on the transaction dates. Financial assets and liabilities denominated in foreign currencies are remeasured into the functional currency using the applicable exchange rates prevailing at the balance sheet date. The resulting exchange gains and losses from foreign currency transactions are included in "Other income, net" within the consolidated statements of comprehensive income/(loss).

The Company uses the monthly average exchange rate for the year and the exchange rates at the balance sheet date to translate the operating results and financial position, respectively, of its subsidiaries whose functional currency is other than the US\$. The resulting translation differences are recorded in cumulated translation adjustments, a component of shareholders' equity.

The exchange rate used is based on the rates released by Chinese State Administration of Foreign Exchange.

Xunlei Limited
Notes to the consolidated financial statements
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2. Summary of significant accounting policies (Continued)

(e) Cash and cash equivalents and restricted cash

Cash and cash equivalents include cash on hand, cash in bank and time deposits placed with banks or other financial institutions, which have original maturities of three months or less and are readily convertible to known amounts of cash.

Cash that is restricted as to withdrawal or for use or pledged as security is reported separately on the face of the consolidated balance sheets, and is included in the total cash, cash equivalents, and restricted cash in the consolidated statements of cash flows. The Group's restricted cash represented the cash balance on deposit as required by the court for ongoing litigations as of December 31, 2025.

(f) Short-term investments

Short-term investments include deposits placed with banks with original maturities of more than three months but within one year and investments in wealth management products.

Wealth management products are certain deposits with variable interest rates or principal not guaranteed with certain financial institutions. In accordance with *ASC 825 Financial Instruments*, for investments in financial instruments with a variable interest rate indexed to 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 the fair value are reflected in the consolidated statements of comprehensive income/(loss). Interest generated from short-term investments are recorded when interest payments are received at the maturity date. It is recorded as "Other income, net" on the consolidated statements of comprehensive income/(loss) and measured based on the actual amount of interest the Group received.

(g) Allowance for expected credit losses

The current expected credit losses methodology requires that the full amount of expected credit losses for the lifetime of the financial instrument be recorded at the time it is originated or acquired, considering relevant historical experience, current conditions and reasonable and supportable macroeconomic forecasts that affect the collectability of financial assets, and adjusted for changes in expected lifetime credit losses subsequently, which may require earlier recognition of credit losses. The Group's accounts receivable, due from related parties and other current assets (including other receivables) and other non-current assets (including other long-term receivables) are within the scope of ASC Topic 326.

Accounts receivable consist primarily of receivables from cloud computing customers, third-party payment channels and advertising customers. To estimate expected credit losses, the Group has identified the relevant risk characteristics of its customers and the related receivables and other receivables which include size, type of the services or the products the Group provides, or a combination of these characteristics. Receivables with similar risk characteristics have been grouped into pools and assessed on a pool basis. The credit loss assessment for each pool was mainly based on past collection experience, consideration of current and future economic conditions and changes in the Group's collection trends. Other key factors that influence the expected credit loss analysis include credit rating, payment terms offered in the normal course of business to customers, and industry-specific factors that could impact the Group's receivables. Additionally, external data and macroeconomic factors are also considered.

(h) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using actual cost on a weighted average basis. Net realizable value is the amount that can be realized from the sale of the inventory in the normal course of business after allowing for the costs of realization.

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

2. Summary of significant accounting policies (Continued)

(i) Long-term investments

The Group holds investments in publicly traded companies, privately-held companies and private equity funds.

Equity investments in publicly traded companies are reported at fair value as equity investment with readily determinable fair value. Unrealized gains and losses for the years ended December 31, 2023, 2024 and 2025 are recognized in “Other income, net”.

For investments in common stock or in-substance common stock issued by privately-held companies over which the Group does not have significant influence and without readily determinable fair value, the Group has elected to record these investments at cost, less impairment, and plus or minus subsequent adjustments for observable price changes. Under this measurement alternative, changes in the carrying value of equity investments will be required to be made whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer. Management evaluates the impairment of long-term equity investments at the end of each reporting period based on performance and financial position of the investee as well as other evidence of market value. Such evaluation includes, but is not limited to, reviewing the investee’s cash position, recent financing, projected and historical financial performance, cash flow forecasts and financing needs. An impairment loss is recognized in earnings when the evaluation indicates that the investment is impaired, and the fair value is less than the carrying amount. The impairment amount equals the difference between the carrying amount and its fair value, and the fair value becomes the new cost basis of investment.

Equity investments in private equity funds, over which the Group does not have the ability to exercise significant influence, are measured using the net asset value per share based on the practical expedient in ASC Topic 820 (“NAV practical expedient”).

(j) 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 asset at the end of the estimated useful life as a percentage of the original cost. If the Group commits to a plan to abandon a long-lived asset before the end of its previous estimated useful life, depreciation shall be revised to reflect a shortened useful life.

	Estimated useful lives	Residual rate
Office building	20 years	5 %
Building decoration	10 years	5 %
Servers and network equipment	2-5 years	5 %
Computer equipment	5 years	5 %
Furniture, fixtures and office equipment	3-5 years	5 %
Motor vehicles	5 years	5 %
Leasehold improvements	Shorter of lease term or 3 years	—

Repair and maintenance costs are expensed as incurred. Expenditures that substantially increase an asset’s useful life are capitalized. Upon sale or disposal, 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/(loss), the cost and related accumulated depreciation are removed from the consolidated balance sheets.

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

2. Summary of significant accounting policies (Continued)

(k) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of net assets acquired in a business combination. Goodwill is not amortized but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that it might be impaired.

The Group first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. 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. If the Group decides, as a result of its qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is mandatory. Otherwise, no further testing is required. The quantitative impairment test consists of a comparison of the fair value of each reporting unit with its carrying amount. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss equal to the difference will be recorded. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit. The judgment in estimating the fair value of reporting units includes estimating future cash flows, determining appropriate discount rates and making other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit. The Group performs goodwill impairment testing at the reporting unit level on December 31 annually and more frequently if indicators of impairment exist.

(l) Intangible assets

Intangible assets are carried at cost less accumulated amortization with no residual value and impairment loss, if any. The Group performs valuation of the intangible assets arising from business combination to determine the fair value to be assigned to each asset acquired. The Group determines the fair value using the appropriate approach which requires management to make significant estimates and assumptions. The acquired intangible assets are recognized and measured at fair value.

Amortization of intangible assets is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Estimated useful lives
Customer relationships	10 years
Brand name	15 years
Technology	5 years
Land use rights	30 years
Audio-visual license	9 years
Acquired computer software	5 years

Land use rights represent lease prepayments to the local government authorities, which were identified as operating lease assets upon adoption of ASC 842 on January 1, 2019.

(m) Impairment of long-lived assets

Long-lived assets include property, plant and equipment, definite lived intangible assets and operating lease assets. The Group evaluates its long-lived assets for impairment whenever events or changes in circumstances 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 be received from use of the assets and their eventual disposition at the lowest level of identifiable cash flows. 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. If the Group identifies an impairment, the carrying value of the asset will be reduced to its estimated fair value based on a discounted cash flow approach or, when available and appropriate, to comparable market values.

Xunlei Limited
Notes to the consolidated financial statements
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2. Summary of significant accounting policies (Continued)

(n) Commitments and contingencies

In the normal course of business, the Group is subject to contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters. Liabilities for such contingencies are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. In regard to legal cost, the Group recorded such costs as incurred.

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Group, but which will only be resolved when one or more future events occur or fail to occur. The Group's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Group or unasserted claims that may result in such proceedings, the Group, in consultation with its legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Group's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed.

(o) Operating leases

(i) The Group as a lessee

Lessees are required to recognize an operating lease asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet under ASC Topic 842.

Lessees shall follow the requirements to classify most leases as either financing or operating using principles similar to previous lease accounting. In the statement of comprehensive income/(loss), a lessee shall present both of the following: a) for finance leases, the interest expense on the lease liability and amortization of the operating lease asset are not required to be presented as separate line items and shall be presented in a manner consistent with how the entity presents other interest expense and depreciation or amortization of similar assets, respectively; b) for operating leases, lease expense shall be included in the lessee's income from operations.

The Group have elected the short-term lease exemption for all leases with a lease term of 12 months. Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss.

The standard also requires a lessee to recognize a single lease cost related to operating lease, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis.

The Group assesses, at contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the appropriate discount rate to use in calculating the present value of contractual lease payments, management regularly evaluates the lessee's incremental borrowing rate, as the rate implicit in the lease cannot be readily determined.

(ii) The Group as a lessor

The Group leases office building. The arrangements are in the nature of operating lease which is neither a sales-type nor direct-financing lease. As such, the underlying assets remain on the Group's balance sheet at their carrying value and continue to depreciate based on the estimated useful life. Rental income is recognized on a straight-line basis over the rental period and recorded as "total revenues, net of rebates and discounts" in the consolidated statements of comprehensive income/(loss). The Group records an unbilled rent receivable, which is the amount by which straight-line rental income exceeds rents currently billed in accordance with the lease.

Xunlei Limited
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2. Summary of significant accounting policies (Continued)

(p) Revenue recognition

Revenue is recognized when or as the control of the services or goods is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the services and goods may be transferred over time or at a point in time.

A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract costs include incremental costs of obtaining a contract and costs to fulfil a contract.

The Group generates revenues from various streams. Net revenues presented in the consolidated statements of comprehensive income/(loss) represent revenues from service and product sales net off sales discounts and rebates, value-added tax and related surcharges.

(I) Subscription revenues

The Group operates a VIP membership program where VIP members can have access to high - speed online acceleration services, online streaming and other access privileges. The membership fee is time-based and is collected up-front from subscribers. The terms of time-based subscriptions range from one month to twelve months, with the subscribers having the option to renew the contract. The receipts of subscription fees are initially recorded as contract liabilities. The Group satisfies its various performance obligations by providing services throughout the subscription period and revenue is recognized rateably over the period of subscription as services are rendered. Unrecognized portion beyond 12 months from balance sheet date is classified as a long-term liability. The Group evaluated whether it acts as a principal or an agent in these transactions. The Group concluded it is the principal and accordingly presents revenue on a gross basis, as it controls the specified services before they are transferred to customers, establishes prices, bears credit risk, and is primarily responsible for fulfilling the performance obligations. Service fees levied by online system and mobile payment channels are recorded as the cost of revenues in the same period as the revenue for the membership fee is recognized.

(II) Live streaming revenues

The Group operates live streaming platforms and provides an internet infrastructure where users can access the platform, interact with the streamers, and purchase virtual items which they can reward to streamers in the live streaming platform to show support or enhance communication and interaction with streamers.

The Group designs, creates and offers various virtual items for sales to users with pre-determined selling price. The Group evaluates and determines that it is the principal to fulfill all obligations related to the sales of virtual items, and views users to be its customers. The Group shares a proportion of proceeds from sales of virtual items with streamers and talent agencies based on revenue sharing arrangements, mainly to attract user traffic on the platform. The Group recognizes revenue from sales of virtual items to the users on a gross basis when the relevant virtual items are presented to the streamers or over the duration of stated period of the time-based virtual items. The Group does not have further obligations to the users after the virtual items are consumed immediately or after the stated period for time-based virtual items. The revenue sharing with streamers and talent agencies is accounted for as costs of revenues.

(III) Cloud computing revenues

On a monthly basis, the Group records the bandwidth it delivers and recognizes revenue from customers under contractual rates applied (price per Gigabyte ("GB") of bandwidth multiplies total GBs of bandwidth per month).

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

2. Summary of significant accounting policies (Continued)

(p) Revenue recognition (Continued)

(IV) Other internet value-added services revenues

(i) Advertising revenues

The Group derives advertising revenues from online advertising. The contracts with customers may include combinations of various advertising formats to allow advertisers to place advertisements on different areas of the Group's platforms. Each format of advertisements is considered as a distinct performance obligation. Consideration is allocated to each performance obligation based on its standalone selling price. The Group recognizes revenue on a pro-rata basis for each performance obligation, ratably over the agreed period of display or upon the specified actions as requested by the customers are delivered.

When the Group has the latitude in establishing the price and is primarily responsible for delivering the advertising services by itself, the Group acts as the principal and recognizes revenue on a gross basis for the advertising contracts. Conversely, when the Group is not primarily responsible for the advertising arrangements by itself, it acts as an agent. In such cases, the Group recognizes its entitled share of the revenues in accordance with the cooperation agreements.

The Group provides sales rebates to customers, which are negotiated on a contract-by-contract basis. These sales rebates are accounted for as variable considerations and are estimated based on the most likely amount to be provided to customers.

(ii) Online games distribution services

The Group enters into cooperation agreements with third party online game operators. The Group provides the third-party online game operators with platforms, which the online game operators can host the online games and users can purchase virtual currencies that can be used in games. The third-party online game operators are the principal in the provision of games to users, and the Group is mainly responsible for the provision of platforms, payment collection and market promotion services to the game operators.

Accordingly, the Group views the game operators to be its customers, revenue from such online games distribution services are recognized on a net basis based on a pre-determined portion of proceeds earned from users purchase virtual currencies, when the performance obligations are satisfied, which is generally when the users purchase the virtual currencies.

(q) Sales and marketing expenses

Sales and marketing expenses comprise primarily salaries and benefits of sales and marketing personnel and external advertising and market promotion expenses. The external advertising and market promotion expenses from operations amounted to approximately US\$29,140,000, US\$29,783,000 and US\$63,338,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

(r) General and administrative expenses

General and administrative expenses consist primarily of salaries and benefits (including related share-based compensation), depreciation of property and equipment, professional service fees and other administrative expenses.

(s) Research and development costs

Research and development expenses consist primarily of staff costs and share-based compensation expense for research and development personnel, bandwidth and server related costs incurred by research and development functions and other expenses that are directly attributable to the development of new technologies and products for the businesses of the Company. The Group expenses all research and development expenses as incurred.

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

2. Summary of significant accounting policies (Continued)

(t) Taxation and uncertain tax positions

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax bases and tax loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the difference is expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statement of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the carrying amount of deferred tax assets if it is considered more likely than not that some portion, or all, of the deferred tax assets will not be realized. The estimation of future taxable income involves significant judgement and estimates. Based on management's estimated future taxable income, management concluded that it is more likely than not that the net operating losses carried forward cannot be utilized prior to their respective expiration dates. The Group applied the ASC 740 "Income Taxes" regarding uncertain tax positions and evaluated its open tax positions that exist in each jurisdiction for each reporting period. If an uncertain tax position is taken or expected to be taken in a tax return, the tax benefit from that uncertain position is recognized in the Group's consolidated financial statements if it is more likely than not that the position is sustainable upon examination by the relevant taxing authority. The Group did not have any significant uncertain tax position and there was no effect on its financial condition or results of operations as a result of applying the ASC 740 "Income Taxes". The Group recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense, if any.

PRC Value-added Tax ("VAT")

VAT payable on goods sold or taxable labor services provided by a general VAT taxpayer for a taxable period is the net balance of the output VAT for the period after crediting the input VAT for the period. In addition to the product revenues currently subject to VAT at a rate of 13%, the Group's revenue from subscription, live streaming, cloud computing services and other internet value-added services are subject to VAT at a rate of 6%.

According to the policy of the PRC State Tax Bureau, taxpayers in the productive service industry are entitled to claim 105% of the input tax incurred as tax credit in determining VAT payable for the year ended December 31, 2023. There was no similar policy for the years ended December 31, 2024 and 2025.

(u) Employee benefits

Full-time employees of the Company's subsidiaries, VIEs and VIEs' subsidiaries in the PRC participate in a government mandated defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the subsidiaries, VIEs and VIEs' subsidiaries of the Company make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Group has no legal obligation for the benefits beyond the contributions made. The total amounts from operations for such employee benefits, which are expensed as incurred, were US\$16,656,000, US\$16,809,000 and US\$19,505,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

(v) Share-based compensation

Share-based awards granted are measured at fair value on grant date. For share-based awards granted with service-only condition, the Group elected to recognize compensation costs net of estimated forfeitures on a straight-line basis over the requisite service period, which is generally the same as the vesting period. The amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the award that is vested at that date. For awards with performance conditions, compensation cost is recognized on an accelerated basis if it is probable that the performance condition will be achieved. 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 in 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.

Xunlei Limited
Notes to the consolidated financial statements
(Amounts in US dollars unless otherwise stated)

2. Summary of significant accounting policies (Continued)

(w) Government subsidies

The Group receives subsidies from the local PRC government for general use or purchase of equipment. General-use subsidies which are not subject to any conditions or specific use requirements are recorded as subsidy income in the consolidated statements of comprehensive income/(loss). Subsidies for purchase of equipment are recorded as deferred government grant when received, and are recorded as other income over the expected useful life of the assets after the related equipment has been purchased.

For the years ended December 31, 2023, 2024 and 2025, the Group's government grants were in the form of cash and recognized upon receipt as further performance by the Group was not required.

(x) Segment reporting

The Group's Chief Executive Officer has been identified as the chief operating decision maker ("CODM"), who reviews consolidated operating results of the Group when making decisions about allocating resources and assessing performance of the Group.

Upon completion of the acquisition of Hupu in May 2025, the Group started to report results of operations in two segments: (i) Xunlei, for the pre-existing business, and (ii) Hupu, for the newly acquired business.

The CODM changed to assess performance for each of the reportable segments and decide how to allocate resources based on segment total revenues and segment income from operations. The CODM uses segment total revenues and segment income from operations to monitor budget versus actual results and in competitive analysis by benchmarking to the Group's competitors. The competitive analysis along with the monitoring of budgeted versus actual results are used in assessing performance of each segment and in establishing management's compensation. Bandwidth costs, employee benefits expenses, advertising and market promotion expenses, revenue-sharing costs and share-based compensation expenses are significant segment expenses identified by the Group.

No asset information is provided for reportable segments as no such information is provided to the CODM to evaluate the segment performance.

The accounting policies of the segment are the same as those described in the summary of significant accounting policies.

Xunlei Limited
Notes to the consolidated financial statements
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2. Summary of significant accounting policies (Continued)

(x) Segment reporting (Continued)

The table below provides a summary of the Group's reportable segment results and the reconciliation from the segment income from operations to the consolidated income before income taxes for the year ended December 31, 2025. There were no material transactions between reportable segments for the year ended December 31, 2025.

(In thousands)	Xunlei	Hupu	Total
Subscription revenue	154,801	—	154,801
Live streaming revenue and others (Note a)	150,037	20,121	170,158
Cloud computing services and product revenue	137,451	—	137,451
Segment total revenues	442,289	20,121	462,410
Less:			
Bandwidth costs	(141,866)	(961)	(142,827)
Employee benefits expenses	(107,594)	(7,010)	(114,604)
Advertising and market promotion expenses	(63,263)	(75)	(63,338)
Revenue-sharing costs	(57,282)	—	(57,282)
Share-based compensation expenses	(3,840)	—	(3,840)
Other expenses (Note b)	(66,837)	(7,052)	(73,889)
Segment income from operations	1,607	5,023	6,630
Interest income			3,262
Interest expense			(1,698)
Other income, net			1,038,131
Income before income taxes			1,046,325

Notes:

- (a) Others mainly comprised online advertising, online games and related distribution services, technical services and rental services.
- (b) Other expenses mainly comprised payment handling charges, depreciation and amortization charges, labor outsourcing expenses and professional service fees.

Xunlei Limited
Notes to the consolidated financial statements
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2. Summary of significant accounting policies (Continued)

(x) Segment reporting (Continued)

Pursuant to ASC 280, the Company has retrospectively recast the segment financial information for the years ended December 31, 2023 and 2024 to conform to the new segment structure as below. The Group operated under a single reportable segment in prior periods, the retrospective recast primarily involves reclassifying significant segment expenses and updating usage metrics. No changes were made to consolidated financial statements.

(In thousands)	Years ended December 31,	
	2023	2024
Subscription revenue	119,343	133,680
Live streaming revenue and others (Note a)	122,157	86,141
Cloud computing services and product revenue	123,411	104,584
Segment total revenues	364,911	324,405
Less:		
Bandwidth costs	(112,522)	(101,632)
Employee benefits expenses	(101,373)	(106,541)
Advertising and market promotion expenses	(29,140)	(29,783)
Revenue-sharing costs	(67,302)	(26,797)
Share-based compensation expenses	(9,676)	(2,453)
Other expenses (Note b)	(46,510)	(52,155)
Segment income from operations	(1,612)	5,044
Impairment of goodwill	—	(20,748)
Interest income	4,619	4,892
Interest expense	(1,514)	(728)
Other income, net	16,904	9,183
Income/(loss) before income taxes	18,397	(2,357)

Notes:

- (a) Others mainly comprised online advertising, online games and related distribution services, technical services and rental services.
- (b) Other expenses mainly comprised payment handling charges, depreciation and amortization charges, labor outsourcing expenses and professional service fees.

During the years ended December 31, 2023, 2024 and 2025, around 91%, 79% and 79% of total revenues of the Group were derived from mainland China, respectively. In addition, the Group's long-lived assets are substantially located in the PRC, the amount of long-lived assets attributable to any other individual country was not material as of December 31, 2023, 2024 and 2025. Therefore, no geographical segments are presented.

(y) Net income per share

Net basic income per share is computed by dividing net income attributable to holders of common shares by the weighted - average number of common shares outstanding during the year.

Net diluted income per share is calculated by dividing net income attributable to common shareholders as adjusted for the effect of dilutive common equivalent shares, if any, by the weighted - average number of common and dilutive common equivalents shares outstanding during the year. Dilutive equivalent shares are excluded from the computation of diluted income per share if their effects would be anti-dilutive. Common share equivalents are included for the unvested stock under the treasury stock method.

Xunlei Limited
Notes to the consolidated financial statements
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2. Summary of significant accounting policies (Continued)

(z) Comprehensive income/ (loss)

Comprehensive income/ (loss) is defined as the change in equity of the Group during the period from transactions and other events and circumstances excluding transactions resulting from investments from shareholders and distributions to shareholders. Accumulated other comprehensive loss, as presented on the accompanying consolidated balance sheets, consists of cumulative translation adjustments.

(aa) Profit appropriation and statutory reserves

The Group's subsidiaries, the VIEs and VIEs' subsidiaries incorporated in the PRC are required on an annual basis to make appropriations of retained earnings set at certain percentage of after-tax profit determined in accordance with PRC accounting standards and regulations. Appropriation to the statutory general reserve should be at least 10% of the after-tax net income determined in accordance with the legal requirements in the PRC until the reserve is equal to 50% of the entities' registered capital. The Group is not required to make appropriation to other reserve funds and the Group does not have any intentions to make appropriations to any other reserve funds.

The general reserve fund can only be used for specific purposes, such as setting off the accumulated losses, enterprise expansion or increasing the registered capital. Appropriations to the general reserve funds are classified in the consolidated balance sheets as statutory reserves.

There are no legal requirements in the PRC to fund these reserves by transfer of cash to restricted accounts, and the Group does not do so.

(bb) Dividends

Dividends are recognized when declared. No dividends were declared for the years ended December 31, 2023, 2024 and 2025. The Group does not have any present plan to pay any dividends on common shares in the foreseeable future. The Group currently intends to retain the available funds and any future earnings to operate and expand its business.

(cc) Recent accounting pronouncements

Recently adopted accounting pronouncements

In December 2023, the FASB issued *ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures* to enhance the transparency and decision usefulness of income tax disclosures through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This guidance is effective for periods beginning after December 15, 2024, with early adoption permitted. The Company adopted this guidance as of January 1, 2025, and the adoption did not have a material impact on its consolidated financial statements (Note 22).

Xunlei Limited
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2. Summary of significant accounting policies (Continued)

(cc) Recent accounting pronouncements (Continued)

Recently issued accounting pronouncements not yet adopted

In November 2024, the FASB issued *ASU No. 2024-03, Income Statement (Topic 220)- Reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40)*. ASU No. 2024-03 requires publicly-traded business entities to disclose specified information about the components of certain costs and expenses that are currently disclosed in the financial statements. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted.

In May 2025, the FASB issued ASU 2025-03, “Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity,” which requires an entity involved in an acquisition transaction effected primarily by exchanging equity interests when the legal acquiree is a VIE that meets the definition of a business to consider specific factors to determine the accounting acquirer and removes the requirement that the primary beneficiary always is the acquirer for certain transactions. Under the amendments, acquisition transactions in which the legal acquiree is a VIE will, in more instances, result in the same accounting outcomes as economically similar transactions in which the legal acquiree is a voting interest entity. The amendments do not change the accounting for a transaction determined to be a reverse acquisition or a transaction in which the legal acquirer is not a business and is determined to be the accounting acquiree. The new guidance is required to be applied prospectively to any acquisition transaction that occurs after the initial application date. This guidance is effective for the Company for the year ending March 31, 2028. Early adoption is permitted.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other - Internal-Use Software (Subtopic 350-40)*. ASU No. 2025-06 modernizes the accounting for internal-use software to reflect current development practices, clarifies when to begin capitalizing costs, and enhances disclosure requirements. The guidance is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted.

In December 2025, the FASB issued ASU No. 2025-10, *Government Grants (Topic 832)*. ASU No. 2025-10 establishes guidance on the recognition, measurement, and presentation of government grants received by business entities. The guidance is effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted.

The Group is currently evaluating the impact of the above new accounting pronouncements or guidance on the consolidated financial statements.

3. Business combinations

Acquisition of Hupu in 2025

On January 26, 2025, the Group entered into a definitive agreement to acquire 100% of equity interest of Shanghai Kuanghui for a total cash consideration of RMB500.0 million (approximately US\$68,730,000).

Shanghai Kuanghui and its subsidiaries mainly focus on the operation of Hupu, which is a sports media and data platform in the PRC. The Group believes that the acquisition will enhance the Group’s long-term value by leveraging Xunlei’s user base and content transmission technology to monetize Hupu’s premium sports content and engaged community, while expanding Xunlei’s content ecosystem and diversifying revenue beyond its core content transmission business.

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3. Business combinations (Continued)

Acquisition of Hupu in 2025 (Continued)

On May 31, 2025 (the “Acquisition Date”), the acquisition was completed. From the Acquisition Date, the financial results of Shanghai Kuanghui have been included in the Company’s consolidated financial statements.

The total consideration comprised (i) cash consideration of RMB400.0 million payable at closing, and (ii) deferred cash consideration of RMB100.0 million in nominal value, payable in two installments after closing: RMB80.0 million on the first anniversary of the closing date, and RMB20.0 million on the second anniversary of the closing date. The following table summarizes the fair value of the consideration transferred as of the Acquisition Date:

(In thousands)	
Cash consideration paid at closing	55,876
Fair value of deferred consideration	12,854
Total consideration transferred	68,730

The deferred consideration is not subject to interest. The Acquisition Date fair value of the deferred consideration was estimated using the present value of expected future payments at a discount rate of 2.5%.

The deferred consideration is subject to a post-closing adjustment based on the net working capital of Shanghai Kuanghui as of the Acquisition Date. As of December 31, 2025, the carrying amount of the deferred consideration was US\$12,598,000, of which US\$9,850,000 was classified in the current portion and US\$2,748,000 in the non-current portion of “Accrued expenses and other payables” (Note 15).

The following table summarizes the allocation of the consideration to the estimated fair values of assets acquired and liabilities assumed as of the Acquisition Date:

(In thousands)	
Net assets acquired (including the cash acquired of US\$3,742,000)	6,044
Intangible assets (Note 12):	
- Customer relationships	17,379
- Brand name	10,016
- Technology	2,277
Deferred tax liabilities	(5,440)
Goodwill (Note 13)	38,454
Total purchase price	68,730

The Group used the multi-period excess earnings method to estimate the fair value of acquired customer relationships, which was determined as the present value of the excess earnings attributable to the asset at a discount rate of 19.5%. For the acquired brand name and technology, the relief-from-royalty method was applied, using royalty rates of 5.0% and 3.0%, respectively, and the fair values were estimated as the present value of the after-tax royalty savings at discount rates of 19.5%. Other key assumptions included forecasted revenue growth rates ranging from 2.0% to 6.8% and a customer attrition rate of approximately 10.0%.

Goodwill is calculated as the excess of the purchase price over the fair value of the identifiable net assets acquired. The goodwill of US\$38,454,000 was assigned to the Hupu reportable segment and is primarily attributable to expected synergies from the assembled workforce and the anticipated benefits of post-acquisition business cooperation with Xunlei. Goodwill is not expected to be deductible for income tax purposes.

Xunlei Limited
Notes to the consolidated financial statements
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3. Business combinations (Continued)

Acquisition of Hupu in 2025 (Continued)

Direct acquisition-related costs were immaterial and expensed as incurred within “General and administrative expenses” in the consolidated statements of comprehensive income for the year ended December 31, 2025.

Pro forma revenue data and pro forma earnings data were not disclosed because the impact was immaterial.

Acquisition of Billionaire Pte. Ltd. (“Billionaire”) in 2024

In April 2024, the Group acquired 55% of equity interest of Billionaire for a total consideration of USD2,156,000.

Billionaire engages primarily in the development and operation of overseas live streaming platforms in the overseas market. The purpose of this acquisition is mainly to acquire Billionaire’s technology and the assembled workforce to further enhance the Group’s overseas audio live streaming business.

Upon the acquisition, Billionaire was accounted for as a business combination and represents a consolidated subsidiary of the Company. The following table summarizes the estimated fair values of assets acquired and liabilities assumed at the date of acquisition:

(In thousands)	
Fair value of total consideration transferred:	
Cash consideration	2,156
Recognized amounts of identifiable assets acquired and liability assumed:	
Current assets	1,424
Intangible assets (Note 12)	3,869
Current liabilities	(841)
Deferred tax liabilities	(658)
Non-controlling interests	(1,638)
Total identifiable net assets acquired, net of non-controlling interests	2,156

Pro forma revenue data and pro forma earnings data were not disclosed because the impact was immaterial.

4. Cash and cash equivalents

Cash and cash equivalents represent cash on hand, cash held at bank, and time deposits placed with banks or other financial institutions, which have 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:

(In thousands)	December 31, 2024		December 31, 2025	
	Amount	US\$ equivalent	Amount	US\$ equivalent
RMB	585,376	81,434	613,776	87,323
US\$	89,514	89,514	65,847	65,847
SGD	7,327	5,437	4,769	3,704
Hong Kong Dollar	7,296	940	992	128
Others	Not applicable	4	Not applicable	18
Total	—	177,329	—	157,020

As of December 31, 2024 and 2025, included in the cash and cash equivalents are time deposits with original maturities of three months or less of US\$70,860,000 and US\$42,600,000, respectively.

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5. Short-term investments

(In thousands)	December 31, 2024	December 31, 2025
Time deposits	38,159	82,638
Investments in financial instruments	72,050	65,517
Total	110,209	148,155

6. Accounts receivable, net

(In thousands)	December 31, 2024	December 31, 2025
Accounts receivable	33,920	69,884
Less: Allowance for current expected credit losses	(1,258)	(1,471)
Accounts receivable, net	32,662	68,413

The following table presents movement in the allowance for current expected credit losses:

(In thousands)	2023	2024	2025
Balance at beginning of the year	1,429	1,022	1,258
Additions	213	261	430
Reversals	(189)	—	(19)
Write-off	(408)	(8)	(228)
Exchange difference	(23)	(17)	30
Balance at end of the year	1,022	1,258	1,471

The accounts receivable due from the top 10 customers accounted for about 68% and 64% of the balance of accounts receivable as of December 31, 2024 and 2025, respectively. The following table summarizes customers with balances of accounts receivable which was greater than 10% of the Group's total accounts receivable:

	December 31, 2024	December 31, 2025
Customer A	35 %	24 %
Customer B	*	11 %

* Less than 10%.

7. Inventories

(In thousands)	December 31, 2024	December 31, 2025
Hardware devices	1,077	995
Others	401	364
Less: Impairment	(223)	(956)
Total	1,255	403

Note: The inventories written down were US\$25,000 and US\$470,000 for the years ended December 31, 2024 and 2025, respectively.

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8. Prepayments and other assets

(In thousands)	December 31, 2024	December 31, 2025
Current:		
Advances to suppliers	2,726	3,094
Receivable related to an asset disposal in 2019	3,199	3,257
Loans to employees (Note)	2,941	2,800
Rental and other deposits	2,589	784
Rent receivables	1,841	3,297
Others	2,985	5,134
Less: Allowance for current expected credit losses and impairment	(6,223)	(5,516)
Total	10,058	12,850
Non-current:		
Loans to employees, non-current portion (Note)	2,216	1,832
Prepayments for acquisition of long-term investments	2,400	—
Advances to suppliers, non-current portion	718	494
Total	5,334	2,326

The following table presents movement in the allowance for current expected credit loss and impairment:

(In thousands)	2023	2024	2025
Balance at beginning of the year	10,667	6,186	6,223
Additions	—	299	49
Reversals	(100)	(169)	(112)
Write-off	(4,234)	(34)	(758)
Exchange difference	(147)	(59)	114
Balance at end of the year	6,186	6,223	5,516

Note: The Group entered into loan contracts with certain employees, under which the Group provided interest-free loans or low-interest loans to these employees. The loan amounts vary amongst different employees from repayable on demand to repayable in equal installments on a monthly basis over a term of 5 to 10 years. The balances classified as current represented loan amounts that are repayable on demand or repayable within the next twelve months from the balance sheet date.

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9. Long-term investments

(In thousands)	December 31, 2024	December 31, 2025
Equity investments with readily determinable fair values (Note a)	—	1,050,633
Equity investments without readily determinable fair values (Note b)	30,599	19,963
Total	30,599	1,070,596

Notes:

- (a) The balance represents the Group's equity investment in Arashi Vision Inc. ("Arashi Vision"), a company incorporated in the PRC.

Prior to the initial public offering ("IPO") of Arashi Vision, the investment did not have a readily determinable fair value and was accounted for under the measurement alternative in accordance with ASC 321, Investments — Equity Securities. As of December 31, 2024, the carrying amount of this investment was approximately US\$20,029,000.

On June 11, 2025, Arashi Vision completed its IPO on the Shanghai Stock Exchange STAR Market (the "Listing"). Following the Listing, the investment is measured at fair value on a recurring basis, with changes in fair value recognized in "other income, net" in the consolidated statements of comprehensive income/(loss). The fair value of the investment is determined based on the closing quoted market price of Arashi Vision's shares on the Shanghai Stock Exchange.

As of December 31, 2025, the Group held approximately 7.8% equity interest in Arashi Vision. As a pre-IPO shareholder of Arashi Vision, the Group is subject to a statutory lock-up obligation under the applicable PRC laws and regulations, pursuant to which it may not transfer its shares in Arashi Vision within one year from the date of the Listing. This lock-up obligation is attributable to the Group's status as a pre-IPO shareholder and is not a restriction on the transferability inherent in the shares. Accordingly, this entity-specific lock-up obligation was not considered in the determination of the fair value of the investment as of December 31, 2025.

- (b) During the years ended December 31, 2023, 2024 and 2025, the Group recognized impairment losses of nil, US\$1,407,000 and US\$996,000, respectively, due to the deterioration of the investees' operation performance, financial and liquidity position with no obvious upturn or potential financing solutions in the foreseeable future.

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10. Property and equipment, net

Property and equipment consist of the following:

(In thousands)	December 31, 2024	December 31, 2025
Office building	47,154	47,419
Servers and network equipment	15,326	16,913
Furniture, fixtures and office equipment	2,001	2,074
Computer equipment	1,966	2,951
Motor vehicles	450	468
Building decoration and leasehold improvements	9,231	9,513
Total original costs	76,128	79,338
Less: Accumulated depreciation	(19,491)	(23,320)
Less: Accumulated impairment	(1,207)	(1,234)
Total	55,430	54,784

The impairment loss recognized on property and equipment for the years ended December 31, 2023, 2024 and 2025 was US\$1,146,000, nil and nil, respectively.

Depreciation expense recognized for the years ended December 31, 2023, 2024 and 2025 are summarized as follows:

(In thousands)	Years ended December 31,		
	2023	2024	2025
Costs of revenues	740	1,346	2,064
Research and development expenses	390	158	260
Sales and marketing expenses	7	—	2
General and administrative expenses	3,290	3,182	2,644
Total	4,427	4,686	4,970

11. Operating lease assets (excluding land use rights) and lease liabilities

(a) The Group as a lessee

The operating lease assets, represented the leased offices of the Group, are amortized over the lease terms, which are greater than 1 year but less than 3 years. Operating leases are as below:

(In thousands)	Office leases
Net book amount as of January 1, 2024	575
Additions	324
Amortization	(434)
Effect of foreign currency exchange differences	(15)
Net book amount as of December 31, 2024	450
Additions	2,706
Amortization	(1,046)
Modification	(217)
Effect of foreign currency exchange differences	50
Net book amount as of December 31, 2025	1,943

The amortization expenses for long-term operating leases were US\$551,000, US\$434,000 and US\$1,046,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

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11. Operating lease assets (excluding land use rights) and lease liabilities (Continued)

(a) The Group as a lessee (Continued)

A charge of US\$1,645,000, US\$1,504,000 and US\$780,000 was recognized in relation to short-term leases for the years ended December 31, 2023, 2024 and 2025, respectively.

As of December 31, 2025, the future minimum payment under non-cancellable short-term operating leases was US\$151,000.

The weighted average discount rate related to operating leases was 5.1%, 3.7% and 3.0% as of December 31, 2023, 2024 and 2025, respectively. The weighted average remaining lease term were 2.0 years, 1.5 years and 2.0 years as of December 31, 2023, 2024 and 2025, respectively.

The total cash payments in respect of operating lease were US\$2,386,000, US\$1,407,000 and US\$2,360,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

The undiscounted cash payments for the next five years as of December 31, 2025 is:

(In thousands)	
2026	1,016
2027	696
2028	143
Total undiscounted payments	1,855
Less: effect of discounting	(117)
Discounted lease liabilities	1,738

(b) The Group as a lessor

The Group's operating lease arrangements as lessor expire at various dates through August 2040. The rental income was nil, US\$2,511,000 and US\$4,133,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

Maturities of undiscounted lease payments to be received were as follows:

(In thousands)	
2026	3,667
2027	3,865
2028	3,881
2029	4,128
2030	4,073
Thereafter	27,983
Total undiscounted payments	47,597

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12. Intangible assets, net

(In thousands)	December 31, 2024	December 31, 2025
Customer relationships	—	17,698
Brand name	—	10,201
Technology	3,869	6,189
Land use rights	4,932	5,044
Audio - visual license	5,456	5,579
Acquired computer software	3,662	3,953
Others	170	2
Total original costs	18,089	48,666
Less: Accumulated amortization	(9,779)	(13,429)
Less: Accumulated impairment	—	(2,515)
Total	8,310	32,722

During the years ended December 31, 2024 and 2025, the Company acquired intangible assets amounting to US\$3,869,000 and US\$29,672,000, respectively, in connection with a business combination, which was measured at fair value upon acquisition, details are included in Note 3.

For the year ended December 31, 2025, impairment charge of US\$2,515,000 was recorded for the technology acquired from the business combination of Billionaire (Note 3). This impairment was triggered by the failure to achieve expected user acquisition targets following the acquisition, which resulted in the asset's carrying value exceeding its recoverable amount.

Amortization expense recognized for the years ended December 31, 2023, 2024 and 2025 are summarized as follows:

(In thousands)	Years ended December 31		
	2023	2024	2025
Cost of revenues	53	781	1,161
Selling and distribution expenses	—	—	1,407
General and administrative expenses	1,048	1,027	943
Research and development expenses	—	—	8
Total	1,101	1,808	3,519

The estimated aggregate amortization expense for each of the next five years as of December 31, 2025 is:

(In thousands)	Intangible assets
2026	3,879
2027	3,324
2028	3,144
2029	3,105
2030 and thereafter	19,270

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12. Intangible assets, net (Continued)

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

(In year)	December 31, 2024	December 31, 2025
Customer relationships	—	10
Brand name	—	15
Technology	5	5
Land use rights	29	29
Audio-visual license	9	9
Acquired computer software	5	5
Others	3	3
Total weighted average amortization periods	10	11

13. Goodwill

(In thousands)	December 31, 2024	December 31, 2025
Beginning balance	20,826	—
Goodwill arising from the acquisition (Note 3)	—	38,454
Impairment of goodwill (Notes a and b)	(20,748)	—
Foreign currency translation adjustment	(78)	710
Ending balance	—	39,164

Notes:

- (a) The goodwill impairment of US\$20,748,000 was recognized for the year ended December 31, 2024, primarily because the financial performance of the Company's cloud computing business declined significantly in late 2024, which was assessed to be a sustained trend that has been reflected in the estimated future results from this business in the annual impairment test performed as of December 31, 2024.
- (b) As of December 31, 2025, the goodwill balance was entirely associated with the acquisition of Hupu (Note 3). The Group determined that Hupu constitutes a single reporting unit for purposes of goodwill impairment testing.

The Group performed a quantitative goodwill impairment assessment for the Hupu reporting unit as of December 31, 2025.

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13. Goodwill (Continued)

The fair value of the Hupu reporting unit was estimated using an income approach, specifically a discounted cash flow (“DCF”) model. The DCF model is based on management’s cash flow projections over a five-year forecast period, with cash flows beyond the forecast period extrapolated using a terminal growth rate. The significant assumptions used in the DCF model include revenue forecast, operating margins, the discount rate, and the terminal growth rate. Revenue projections were developed based on the historical operating performance of Hupu, expected trends in the online advertising market, and management’s expectations regarding user engagement initiatives and business synergies with the Group. Operating margin projections were based on Hupu’s historical cost structure and anticipated operating efficiencies over the forecast period. A weighted average cost of capital (“WACC”) of 19.0% was used as the discount rate, which was estimated using market participant data including an analysis of comparable companies in the technology, media, and telecommunications sector, and reflects the risk profile of the Hupu reporting unit’s expected cash flows. A terminal growth rate of 2.0% was applied, determined with reference to the long-term expected inflation rate in the People’s Republic of China.

Based on the quantitative assessment, the estimated fair value of the Hupu reporting unit exceeded its carrying amount by approximately 7.5% as of December 31, 2025. As the Company’s market capitalization was below its consolidated net book value as of December 31, 2025, management also performed a reconciliation of the aggregate estimated fair values of the Company’s reporting units to the Company’s market capitalization. Based on the results of the impairment test and related reconciliation, the Group concluded that the estimated fair value of the Hupu reporting unit exceeded its carrying amount and no goodwill impairment was recognized for the year ended December 31, 2025.

Given that the estimated fair value of the Hupu reporting unit is not substantially in excess of its carrying amount, the Group performed a sensitivity analysis on the key assumptions used in the DCF model. An increase in the discount rate of 1.5%, with all other assumptions held constant, would result in the estimated fair value being approximately equal to the carrying amount of the reporting unit. Similarly, a reduction in projected revenue growth rates of 2.0% across the forecast period, with all other assumptions held constant, would also result in the estimated fair value approximating the carrying amount. Because the acquisition of Hupu was completed only seven months prior to the impairment testing date, the cash flow projections are based on limited operating history under the Group’s ownership and are subject to inherent uncertainty.

The estimation of fair value requires significant management judgment. Changes in circumstances or in management’s estimates and assumptions, including but not limited to revenue or operating margin underperformance relative to projected results, or unfavorable changes in market-based discount rates, could cause the estimated fair value of the Hupu reporting unit to fall below its carrying amount, and a material goodwill impairment charge may need to be recognized in future periods.

- (c) As of December 31, 2025, the accumulated goodwill impairment was US\$20,748,000 (2024: US\$20,748,000).

14. Contract liabilities

(In thousands)	December 31, 2024	December 31, 2025
Current:		
Membership subscription	38,479	40,276
Live streaming	953	1,720
Others	504	1,111
Total	39,936	43,107
Non-current:		
Membership subscription	458	1,624
Total	458	1,624

Note: Contract liabilities were related to unsatisfied performance obligations at the end of the year. Due to the generally short-term duration of the contracts, the majority of the performance obligations are satisfied in the following period. The amount of revenue recognized that was included in contract liabilities balance at the beginning of the year was US\$38,016,000, US\$36,091,000 and US\$39,580,000 for the years ended December 31, 2023 and 2024 and 2025, respectively.

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15. Accrued liabilities and other payables

(In thousands)	December 31, 2024	December 31, 2025
Current:		
Payroll and welfare	24,821	26,951
Tax levies	9,622	17,829
Deferred consideration payable for acquisition of Hupu	—	9,850
Payables for advertisement	5,488	9,825
Payables related to share repurchase	2,867	2,961
Payables for office building	2,046	244
Professional service fees	1,235	1,492
Legal and litigation related expenses (Note 26)	671	2,723
Payables to joint membership partners	1,491	3,561
Payables for acquisition of long-term investments	696	2,350
Others	3,156	3,548
Total	52,093	81,334
Non-current:		
Deferred consideration payable for acquisition of Hupu	—	2,748
Rental deposits	480	782
Total	480	3,530

16. Bank borrowings

(In thousands)	December 31, 2024	December 31, 2025
Current:		
Short-term bank borrowings (Note a)	1,391	33,652
Long-term bank borrowings, current portion (Note b)	696	3,557
Total	2,087	37,209
Non-current:		
Long-term bank borrowings (Note b)	27,127	38,413
Total	27,127	38,413

Notes:

- (a) In April 2025, the Group entered into a short-term unsecured working capital loan facility with a bank in the PRC in the amount of RMB100,000,000. As at December 31, 2025, US\$12,311,000 (RMB86,534,600) was drawn from the facility.

In August 2025, the Group entered into a short-term working capital loan facility with a bank in the PRC in the amount of RMB100,000,000, which was guaranteed by a subsidiary of the Company. As of December 31, 2025, US\$14,227,000 (RMB100,000,000) was drawn from the facility.

In October 2024, the Group obtained a one-year term credit line up to RMB50,000,000 from a bank in the PRC. As of December 31, 2024 and 2025, US\$1,391,000 (RMB10,000,000) and US\$7,114,000 (RMB50,000,000) was drawn from the facility, respectively.

As of December 31, 2024 and 2025, the Group's had short-term borrowings from banks with interest rates of 1.7% and 1.6% to 2.2% per annum, respectively. As of December 31, 2024 and 2025, the weighted average interest rate of these borrowings was 1.7% and 2.0% per annum, respectively.

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16. Bank borrowings (Continued)

- (b) In May 2024, the Group obtained a long-term working capital loan facility from a bank in the PRC in the amount of RMB300,000,000 priced at the 1-year China LPR less 40 basis points on the drawdown date, which was pledged by the Group's land use rights and building of Xunlei Tower. This loan facility was supplemented in May 2025 to the amount of RMB365,000,000.

RMB100,000,000 were drawn down in May 2024, December 2024 and May 2025, respectively, under the loan facility with three-year term, 5% of the principal shall be repaid semi-annually commencing from the 12th month following the loan disbursement, with the remaining outstanding principal repaid in full upon expiration of the 3-year term. The undrawn amount was RMB100,000,000 and RMB65,000,000 as of December 31, 2024 and 2025, respectively.

The outstanding long-term bank borrowings were US\$27,823,000 (RMB200,000,000) and US\$41,970,000 (RMB295,000,000) as of December 31, 2024 and 2025, respectively.

The scheduled maturities of bank long-term borrowings, including the portion due within one year which were recorded in “long-term bank borrowings, current portion”, as of December 31, 2025 are as follows:

(In thousands)	Principal amounts
Within 1 year	3,557
Between 1 to 2 years	4,197
Between 2 to 3 years	34,216
Total	41,970

17. Common shares

The Company's Memorandum and Articles of Association authorizes the Company to issue 1,000,000,000 shares of US\$0.00025 par value per common share as of December 31, 2025. Each common share is entitled to one vote. The holders of common shares are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, which is subject to the approval by the holders of the common shares representing a majority of the aggregate voting power of all outstanding shares. As of December 31, 2024 and 2025, there were 307,351,196 and 314,277,001 common shares outstanding, respectively.

18. Repurchase of shares

In June 2023, the Board of Directors of the Company authorized a share repurchase program (the “2023 Share Buyback Program”), whereby the Company may repurchase up to US\$20 million of common shares or ADSs over the next twelve months through various legally permissible means, including open market purchases at prevailing prices and algorithmic trading, privately negotiated transactions, block trades, or other methods depending on market conditions and in compliance with applicable regulations. During the year ended December 31, 2024, 1,340,774 ADSs (2023: 2,037,721) were purchased at an aggregate consideration of approximately US\$2,137,000 (2023: US\$3,585,000) under the 2023 Share Buyback Program.

In June 2024, the Board of Directors of the Company authorized another share repurchase program (the “2024 Share Buyback Program”), whereby the Company may repurchase up to US\$20 million of common shares or ADSs over the next twelve months through various legally permissible means, including open market purchases at prevailing prices and algorithmic trading, privately negotiated transactions, block trades, or other methods depending on market conditions and in compliance with applicable regulations. During the year ended December 31, 2024, 2,831,005 ADSs were purchased at an aggregate consideration of approximately US\$5,556,000 under the 2024 Share Buyback Program. During the year ended December 31, 2025, 434,939 ADSs (2024: 2,831,005) were purchased at an aggregate consideration of approximately US\$951,000 (2024: US\$5,556,000) under the 2024 Share Buyback Program.

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19. Share-based compensation

2020 share incentive plan

In June 2020, the Group terminated its share incentive plan adopted in December 2010, November 2013, April 2014 (the “Terminated Plans”) and adopted a 2020 share incentive plan, which is referred to as the 2020 Share Incentive Plan (the “2020 Plan”). The awards that are granted and outstanding under the Terminated Plans remain effective under the 2020 Plan, subject to any amendment and modification to the original award agreements that the Company shall determine.

During the years ended December 31, 2023, 2024 and 2025, the number of vested shares relating to the Terminated Plans was 320,000, nil and nil, and no share was forfeited relating to the Terminated Plans. As of December 31, 2025, the number of unvested shares relating to the Terminated Plans was nil.

Under the 2020 Plan, the maximum aggregate number of shares of the Company that may be granted is 31,000,000, which consists of (i) 21,039,742 common shares reserved for issuance, which were previously reserved under the Terminated Plans but not granted under the Terminated Plans, (ii) 9,667,230 common shares repurchased pursuant to the share repurchase programs authorized by the Company, and (iii) 293,028 common shares reserved for issuance under the 2020 Plan.

In March 2023 and April 2024, the Board of Directors of the Company amended and restated the 2020 Plan, the maximum aggregate number of shares of the Company available for grant of awards was increased to 46,561,200 and 61,525,345, respectively. The number of shares available for such grants as of December 31, 2025 is 9,435,550 (2024: 16,581,260).

As of December 31, 2025, the restricted shares units (“RSUs”) granted to employees and officers (excluding those forfeited) under the 2020 Plan are only subject to service conditions, and follow various vesting schedules including: (i) one-half of the RSUs shall be vested on each anniversary of the vesting commencement date for two years thereafter; (ii) one-third of the RSUs shall be vested on each anniversary of the vesting commencement date for three years thereafter; (iii) two-third of the RSUs shall be vested on the second anniversary and one-third of the RSUs shall be vested on the third anniversary of the vesting commencement date; (iv) one-fifth of the RSUs shall be vested on each anniversary of the vesting commencement date for five years thereafter; (v) one-sixth of the RSUs shall be vested on the grant date, and the remaining RSUs shall be vested equally on each anniversary of the vesting commencement date for three years thereafter; (vi) the RSUs shall be vested immediately. Certain of the awarded shares were vested in an accelerated manner after grant.

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19. Share-based compensation (Continued)

2020 share incentive plan (Continued)

A summary of the RSU activities under the 2020 Plan for the years ended December 31, 2023, 2024 and 2025 is presented below:

	Number of restricted shares	Weighted-average grant-date fair value (US\$)
Unvested as of January 1, 2023	16,858,050	
Granted	12,485,750	0.36
Vested	(11,195,165)	
Forfeited	(491,670)	
Unvested as of December 31, 2023	17,656,965	
Expected to vest as of December 31, 2023	13,242,724	
Unvested as of January 1, 2024	17,656,965	
Granted	3,764,500	0.32
Vested	(4,684,535)	
Forfeited	(1,226,170)	
Unvested as of December 31, 2024	15,510,760	
Expected to vest as of December 31, 2024	11,633,070	
Unvested as of January 1, 2025	15,510,760	0.78
Granted	8,910,710	
Vested	(9,100,500)	
Forfeited	(1,765,000)	
Unvested as of December 31, 2025	13,555,970	
Expected to vest as of December 31, 2025	10,166,978	

Based upon the Company's historical and expected forfeitures for restricted share units granted, the directors of the Company estimated that its future forfeiture rate would be 25% for employees and management.

Shenzhen Onething 2024 share incentive plan

On April 26, 2024, the Group adopted a share incentive plan for Shenzhen Onething (the "Shenzhen Onething 2024 Plan"), in order to provide incentives for employees contributing to the Group's cloud computing business. In December 2024, 30% equity interest of Shenzhen Onething was transferred to certain plan participants or share incentive awards holding platforms established and controlled by the Group, at a nominal price, to facilitate the grant of RSUs under the Shenzhen Onething 2024 plan.

The awards granted under the Shenzhen Onething 2024 Plan are subject to both service conditions and performance conditions. Performance conditions include the occurrence of change of control of Shenzhen Onething or the successful completion of an initial public offering of Shenzhen Onething ("Liquidity Event").

For the years ended December 31, 2024 and 2025, no share-based compensation expense was recognized in connection with the Shenzhen Onething 2024 Plan, as the satisfaction of the performance conditions was not considered probable as of the reporting date.

As of December 31, 2024 and 2025, although the aforementioned 30% equity interest had been transferred to plan participants or share incentive award holding platforms, the shares remained unvested and subject to forfeiture due to the unsatisfied vesting conditions. As a result, the Group continued to fully consolidate Shenzhen Onething, and no non-controlling interest was recognized in respect of the 30% equity interest.

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19. Share-based compensation (Continued)

Shenzhen Onething 2024 share incentive plan (Continued)

Total compensation costs recognized for the years ended December 31, 2023, 2024 and 2025 are as follows:

(In thousands)	Years ended December 31,		
	2023	2024	2025
Sales and marketing expenses	48	19	—
General and administrative expenses	8,113	1,768	2,727
Research and development expenses	1,515	666	1,113
Total	9,676	2,453	3,840

Notes:

- (i) For the years ended December 31, 2023, 2024 and 2025, the compensation costs recognized in relation to the shares awarded under the Terminated Plans amounted to US\$352,000, nil and nil, respectively.
- (ii) As of December 31, 2025, the total unrecognised share-based compensation amounted to US\$18,960,000 (2024: US\$11,132,100).

20. Costs of revenues

(In thousands)	Years ended December 31,		
	2023	2024	2025
Bandwidth costs	112,522	101,632	142,827
Revenue-sharing costs	67,302	26,797	57,282
Payment handling charges	8,494	12,741	18,025
Cost of inventories sold	5,911	4,162	918
Impairment loss on intangible assets	—	—	2,515
Service fees	868	1,885	5,425
Depreciation and amortization	793	2,127	3,225
Other costs	4,759	6,223	12,669
Total	200,649	155,567	242,886

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21. Other income, net

(In thousands)	Years ended December 31,		
	2023	2024	2025
Fair value changes on long-term investments	—	—	1,032,989
Investment income from short-term investments (note)	4,354	4,413	4,133
Gains from reversal of long outstanding payables	6,831	3,549	—
Government subsidy income	2,360	1,057	1,160
Gains from the disposal of long-term investments and subsidiaries	—	862	1,128
Exchange gains/(losses), net	1,693	216	(1,206)
VAT deduction	840	—	—
Impairment on long-term investments	—	(1,407)	(996)
Others	826	493	923
Total	16,904	9,183	1,038,131

Note: For the years ended December 31, 2023, 2024 and 2025, investment income from short-term investments comprised interest income of US\$1,389,000, US\$2,247,000 and US\$1,564,000 from time deposits with original maturities of more than three months but within one year, and investment income of US\$2,965,000, US\$2,166,000 and US\$2,569,000 from investments in financial instruments, respectively.

22. Taxation

(i) Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Additionally, upon payment of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

(ii) British Virgin Islands (“BVI”)

Subsidiaries in the BVI are exempted from income tax on its foreign-derived income in the BVI. There are no withholding taxes in the BVI.

(iii) Hong Kong

Subsidiaries in Hong Kong are subject to 16.5% income tax on their taxable income generated from operations in Hong Kong for the years ended December 31, 2023, 2024 and 2025, respectively.

(iv) Singapore

Subsidiaries incorporated in Singapore were subject to 17% of their taxable income.

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22. Taxation (Continued)

(v) PRC Enterprise Income Tax (“EIT”)

The EIT is calculated based on the taxable income determined under the PRC laws and accounting standards.

Under the EIT Law, foreign invested enterprises and domestic enterprises are subject to a unified EIT rate of 25%. In accordance with the implementation rules of the EIT Law, a qualified “High and New Technology Enterprise” (“HNTE”) is eligible for a preferential tax rate of 15%.

The qualification as an HNTE is subject to annual evaluation and a three-year review by the relevant authorities in China. Shenzhen Xunlei, Shenzhen Onething, Xunlei Computer, Shenzhen Xunlei Wangwenhua Co., Ltd. and Hupu Information were qualified as an HNTE, and enjoyed the preferential tax rate of 15% for the year ended December 31, 2025.

The majority of the remaining subsidiaries of the Group or VIEs’ subsidiaries in the PRC were qualified for small scale entities and have been granted certain tax concessions by tax authorities in the PRC for the year ended December 31, 2025.

According to a policy issued by the PRC State Tax Bureau, enterprises engaged in research and development activities are entitled to claim a super deduction of 175% of eligible research and development expenses incurred in a year as tax deductible expenses when calculating taxable income (“Super Deduction”), effective from January 1, 2018. Furthermore, beginning October 1, 2022, the super deduction rate was increased to 200%, allowing qualified enterprises to deduct 200% of eligible research and development expenses from taxable income for expenses incurred on or after that date.

In addition, according to the EIT Law and its implementation rules, foreign enterprises, which have no establishment or place in the PRC but derive dividends, interest, rents, royalties and other income (including capital gains) from sources in the PRC are subject to PRC withholding tax, or WHT, at 10% (a further reduced WHT rate may be available according to the applicable double tax treaty arrangement). The 10% WHT is generally applicable to any dividends to be distributed from Giganology Shenzhen and Xunlei Computer to the Company out of any profits of Giganology Shenzhen and Xunlei Computer derived after January 1, 2008. Up to December 31, 2025, both Giganology Shenzhen and Xunlei Computer did not declare any dividend to the parent company and have determined that they have no present plan to declare and pay any dividends. The Group currently plans to continue to reinvest its subsidiaries’ undistributed earnings, if any, in its operations in China indefinitely. Accordingly, no withholding income tax was accrued or required to be accrued for the years ended December 31, 2023, 2024 and 2025.

Moreover, the current EIT Law treats enterprises established outside of China with “effective management and control” located in the PRC as PRC resident enterprises for tax purposes. The term “effective management and control” is generally defined as exercising overall management and control over the business, personnel, accounting, properties etc. of an enterprise. The Company, if considered a PRC resident enterprise for tax purposes, would be subject to the PRC EIT at the rate of 25% on its worldwide income for the period after January 1, 2008. As of December 31, 2024 and 2025, the Company has not accrued for PRC tax on such basis. The Company will continue to monitor its tax status.

The current and deferred portions of income tax expenses/(benefits) included in the consolidated statements of operations are as follows:

(In thousands)	Years ended December 31,		
	2023	2024	2025
Current income tax expenses	4,559	7,048	1,591
Deferred income tax benefits	(428)	(10,068)	(2,876)
Income tax expenses/(benefits)	4,131	(3,020)	(1,285)

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22. Taxation (Continued)

(v) PRC Enterprise Income Tax (“EIT”) (Continued)

After the prospective adoption of ASU 2023-09 for the year ended December 31, 2025, the reconciliation of the Group’s reported income tax benefits to the theoretical tax amount that would arise using the statutory tax rate of the Company against the Group’s income before income taxes is as follows.

(In thousands)	Years ended December 31,	
	2025	
Income tax expenses at PRC statutory rate	261,581	25.0 %
Foreign tax effects		
<i>Hong Kong</i>		
Statutory tax rate difference between Hong Kong and the PRC	(87,680)	(8.4)%
Unrealized gains from long-term investment	(170,050)	(16.3)%
Other	(63)	—
<i>Other tax jurisdictions</i>	664	0.1 %
Tax credits		
Effect of PRC preferential tax rates	(2,301)	(0.2)%
Effect of Super Deduction	(3,227)	(0.3)%
Nontaxable or nondeductible items	(304)	—
Change in valuation allowances	7,909	0.7 %
Other adjustments	(7,814)	(0.7)%
Income tax benefits	(1,285)	(0.1)%

The reconciliation of total tax expenses/(benefits) computed by applying the respective statutory income tax rates to pre-tax income is as follows:

(In thousands)	Years ended December 31,	
	2023	2024
Income tax expenses/(benefits) at statutory rate of 25% (based on statutory tax rate applicable to enterprises in the PRC)	3,965	(589)
Effects of different tax rates in different jurisdictions	1,615	(209)
Non-deductible expenses	306	3,239
Effect of Super Deduction	(3,609)	(3,600)
Effect of tax holidays and tax concessions on taxable income of subsidiaries incorporated in the PRC	(5,121)	(484)
Tax benefit from investment loss in a liquidating subsidiary of the VIE	—	(9,706)
Change in valuation allowance of deferred tax assets	7,170	8,190
Others	(195)	139
Income tax expenses/(benefits)	4,131	(3,020)

Xunlei Limited
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22. Taxation (Continued)

(v) PRC Enterprise Income Tax (“EIT”) (Continued)

The tax effects of temporary differences that give rise to the deferred tax assets and liabilities balances of December 31, 2024 and 2025 are as follows:

(In thousands)	December 31, 2024	December 31, 2025
Deferred tax assets:		
Net operating losses carried forward	57,516	57,572
Investment loss in a liquidating subsidiary of the VIE	9,598	—
Allowance for current expected credit losses	1,201	978
Impairment of long-term equity investments	485	443
Accruals and others	1,609	2,952
Valuation allowance	(59,421)	(51,340)
Total deferred tax assets, net of valuation allowance	10,988	10,605
Set-off provisions	(460)	(522)
Deferred tax assets, net	10,528	10,083
Deferred tax liabilities:		
Acquired intangible assets	(905)	(5,851)
Others	(709)	(809)
Total deferred tax liabilities	(1,614)	(6,660)
Set-off provisions	460	522
Deferred tax liabilities, net	(1,154)	(6,138)

Valuation allowance was provided for net operating loss carryforwards from certain subsidiaries, the VIEs and VIEs’ subsidiaries because it was more likely than not that such deferred tax assets will not be realized based on the Group’s estimate of future taxable income of those companies. Movement of valuation allowance is as follows:

(In thousands)	Years ended December 31,		
	2023	2024	2025
Beginning balance	47,223	51,868	59,421
Additions	7,406	8,487	9,323
Reversals	(236)	(297)	(1,777)
Divestment of VIE’s subsidiaries	—	—	(16,576)
Exchange difference	(2,525)	(637)	949
Ending balance	51,868	59,421	51,340

As of December 31, 2025, the accumulated net operating loss of US\$9,546,000 arising from the Group’s subsidiaries incorporated in Hong Kong can be carried forward indefinitely to offset future taxable income. The remaining accumulated net operating loss of US\$263,669,000, mainly arose from the Company’s subsidiaries, the VIEs and VIEs’ subsidiaries established in the PRC, can be carried forward to offset future taxable income and will expire during the period from 2026 to 2035.

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23. 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:

(Amounts expressed in thousands of US\$, except for number of shares and per share data)	Years ended December 31,		
	2023	2024	2025
Numerator:			
Net income	14,266	663	1,047,610
Less: Net (loss)/income attributable to the non-controlling interest	41	(552)	(655)
Net income attributable to Xunlei Limited's common shareholders for basic/dilutive net income per share calculation	14,225	1,215	1,048,265
Denominator:			
Weighted average number of common shares outstanding, basic	326,390,687	318,758,374	311,440,748
Dilutive effect of restricted share units	458,815	387,908	5,017,965
Weighted average number of common shares outstanding, diluted	326,849,502	319,146,281	316,458,713
Basic net income per share	0.0436	0.0038	3.3659
Diluted net income per share	0.0435	0.0038	3.3125

24. Related party transactions

The table below sets forth the related parties and their relationships with the Group:

Related party	Relationship with the Group
Xiaomi Inc.	(Note a)
Shenzhen Xiaomi Information Technology Co., Ltd. ("Shenzhen Xiaomi")	(Note a)
Shenzhen Xiaomi Jingming Technology Co., Ltd. ("Xiaomi Jingming")	(Note a)
Beijing Xiaomi Electronics Co., Ltd. ("Beijing Xaiomi")	(Note a)
Beijing Itui Technology Co., Ltd. ("Beijing Itui")	(Note b)
Beijing Itui Online Network Technology Co., Ltd. ("Itui Online")	(Note b)
Shenzhen Tengtao Technology Co., Ltd. ("Shenzhen Tengtao")	(Note b)
Shenzhen Changsheng Chang Technology Co., Ltd. ("Shenzhen Changsheng")	(Note b)
Chizz (HK) Limited ("Chizz")	(Note b)
Beijing Xiaobu Technology Co., Ltd. ("Beijing Xiaobu")	(Note b)

Notes:

- (a) In April 2020, Best Ventures Limited ("Best Ventures", formerly known as Xiaomi Ventures Limited) ceased to be the shareholder of the Company as Best Ventures together with certain shareholders of the Company exchanged their common shares of the Company for the shares of Itui International Inc. ("Itui"). In addition, Best Ventures is entitled to certain veto rights in determining Itui's voting on the Company. As a result, Best Ventures and the companies controlled by Best Ventures continued to be related parties of the Company.
- (b) A company controlled by Itui, the principal shareholder of the Company.

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24. Related party transactions (Continued)

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

(In thousands)	Years ended December 31,		
	2023	2024	2025
Revenue from cloud computing services			
Xiaomi Inc.	7,604	5,924	5,383
Beijing Itui	358	193	93
Revenue from advertising			
Itui Online (note)	8,941	9,037	10,010
Shenzhen Xiaomi	13	—	137
Revenue from technical services			
Shenzhen Xiaomi	354	709	635
Revenue from membership			
Beijing Xiaomi	—	—	3
Rental income			
Shenzhen Tengtao	—	48	36
Shenzhen Changsheng	—	52	12
Interest income			
Chizz	724	1,029	1,020
Distribution costs			
Beijing Xiaobu	39	—	—
Purchase of motor vehicles			
Xiaomi Jingming	—	—	44
Marketing expenses			
Shenzhen Xiaomi	—	—	2,063

Note: Itui Online has been handling a majority of the Group's advertising resources since May 2020, including negotiation and entering into contract with advertisers, matching the requirements of advertisers and dispatching the advertising content to Xunlei's platforms, accordingly advertisers or advertising agencies are considered as customers of Itui Online and Itui Online is viewed as the customer of the Group.

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24. Related party transactions (Continued)

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

(In thousands)	December 31, 2024	December 31, 2025
Amounts due from related parties - current		
Accounts receivable		
Itui Online	9,268	10,403
Shenzhen Xiaomi	577	430
Xiaomi Inc.	1,493	1,593
Beijing Itui	177	87
Beijing Xiaomi	—	4
Other receivables		
Chizz (note)	19,973	302
Other related parties (individual balance was less than US\$10)	31	13
Total	31,519	12,832
Amounts due from a related party - non-current		
Other receivables		
Chizz (note)	—	19,826
Total	—	19,826
Amounts due to related parties		
Other payables		
Other related parties (individual balance was less than US\$10)	17	8
Total	17	8

Note: In September 2021, Xunlei Network provided a loan amounted to US\$20 million to Chizz at an interest rate of 3% per annum for a term of 2 years. The loan was extended for another 2 years at an interest rate of 5.10% per annum in September 2023 and September 2025, respectively. Itui has been a co-debtor since the loan was extended in September 2025.

25. Fair value measurements

ASC 820-10 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2 — Include other inputs that are directly or indirectly observable in the marketplace or based on quoted price in markets that are not active
- Level 3 — Unobservable inputs which are supported by little or no market activity and are significant to the overall fair value measurement

ASC 820-10 describes three main approaches to measuring 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.

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25. Fair value measurements (Continued)

The following table sets forth the financial instruments, measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024 and 2025.

Fair value measurements as of December 31, 2024				
		Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(In thousands)	Total			
Short-term investments:				
Investments in structured deposits and wealth management products	72,050	—	72,050	—
Fair value measurements as of December 31, 2025				
		Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(In thousands)	Total			
Short-term investments:				
Investments in structured deposits and wealth management products	65,517	—	65,517	—
Long-term investments:				
Equity investments with readily determinable fair values	1,050,633	1,050,633	—	—

Investments in privately held companies for which the Company elected to record using the measurement alternative are re-measured on a non-recurring basis, using a market approach by adopting a back-solve method through comparison to a recent transaction and applied significant unobservable inputs and assumptions, these investments are categorized within Level 3 under the fair value hierarchy.

26. Commitments and contingencies

Bandwidth purchase commitments

The Group purchase bandwidth in the PRC under non-cancellable contract expiring on different dates. Payments under purchase of bandwidth are expensed on a straight-line basis over the duration of the respective periods.

As of December 31, 2025, future minimum payments under non-cancellable bandwidth contracts consist of the following:

(In thousands)	December 31, 2025
2026	39

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26. Commitments and contingencies (Continued)

Legal proceedings

The Group is involved in a number of cases pending in various courts and arbitrations. These cases are related to alleged infringement of intellectual property rights, labor disputes and other routine and incidental matters to its business, among others. Adverse results in these cases may include awards of damages and may also result in, or even compel, a change in the Group's business practices, which could impact the Group's future financial results. The Group has not recorded any material liabilities in this regard as of December 31, 2024 and 2025.

27. Concentration and risks

Concentration of customer risk

The top 10 customers accounted for approximately 31%, 32% and 30% of the net revenues for the years ended December 31, 2023, 2024 and 2025, respectively.

For the years ended December 31, 2023, 2024 and 2025, revenue from Customer A was US\$53,920,000, US\$46,646,000 and US\$67,129,000, accounted for approximately 15%, 14% and 15% of the Group's total revenues, respectively. Other than this, no revenue derived from transactions with any other single customer represented 10% or more of the Group's total revenues.

Foreign exchange risk

The Group's financing activities are denominated mainly in US\$ and RMB. The RMB is not freely convertible into foreign currencies. Remittances of foreign currencies into the PRC and exchange of foreign currencies into the RMB 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. The revenues and expenses of the Company's subsidiaries incorporated in the PRC, the VIEs and VIEs' subsidiaries are generally denominated in RMB and their assets and liabilities are denominated in RMB.

Credit risk

As of December 31, 2024 and 2025, substantially all of the Group's cash and cash equivalents, restricted cash and short-term investments were held at reputable financial institutions in the jurisdictions where the Company, the Company's subsidiaries, the VIEs and VIEs' subsidiaries are located. The Group believes that it is not exposed to unusual risks as these financial institutions have high credit quality. The Group has not experienced any losses on its deposits of cash and cash equivalents, restricted cash and short-term investments.

Prior to entering into sales agreements, the Group performs ongoing credit assessments of its customers, taking into account their financial position, credit history and other factors such as current market conditions. Further, the Group has not experienced any significant bad debts with respect to its accounts receivable for the years ended December 31, 2023, 2024 and 2025.

The Group is exposed to credit risk in relation to other assets comprised of due from related parties and other receivables, which are typically unsecured. In evaluating the collectability of the balances, the Group considered various factors, including the related parties and third parties' repayment history and their credit-worthiness. An allowance for credit losses is made when collection of the full amount is no longer probable.

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27. Concentration and risks (Continued)

Restricted net assets

Relevant PRC laws and regulations permit payments of dividends by the Company's subsidiaries, the VIEs and VIEs' subsidiaries in China only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. In addition, the Company's subsidiaries, the VIEs and VIEs' subsidiaries in China are required to make certain appropriation of net after-tax profits or increase in net assets to the statutory surplus fund (see note 2(aa)) prior to payment of any dividends. As a result of these and other restrictions under PRC laws and regulations, the Company's subsidiaries, the VIEs and VIEs' subsidiaries in China are restricted in their ability to transfer their net assets to the Company in terms of cash dividends, loans or advances, which restricted portion amounted to US\$174,952,000 as of December 31, 2025, or 13% of the Company's total consolidated net assets. Even though the Company currently does not require any such dividends, loans or advances from the PRC subsidiaries, the VIEs and VIEs' subsidiaries for working capital and other funding purposes, the Company may in the future require additional cash resources from the Company's subsidiaries, the VIEs and VIEs' subsidiaries in China due to changes in business conditions, to fund future acquisitions and development, or merely to declare and pay dividends to make distributions to shareholders.

Furthermore, 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 at the time of requesting such conversion may temporarily delay the ability of the PRC subsidiaries, the VIE and VIE's subsidiaries to remit sufficient foreign currency to pay dividends or other payments to the Company, or otherwise satisfy their foreign currency denominated obligations.

28. Subsequent events

Disposal of equity interest in Shenzhen Onething

On March 3, 2026, Shenzhen Xunlei entered into definitive agreements to transfer an aggregate 50% equity interest in Shenzhen Onething for total cash consideration of RMB125.0 million (approximately US\$18.1 million), comprising (i) 20% to Wuhan Kingsoft Cloud Information Technology Co., Ltd., a variable interest entity of Kingsoft Cloud Holdings Limited (Nasdaq: KC), for RMB50.0 million (approximately US\$7.2 million), and (ii) 30% to Shenzhen Xinghan Zhilian Technology Co., Ltd. ("Xinghan Zhilian"), an entity controlled by members of Shenzhen Onething's management, for RMB75.0 million (approximately US\$10.8 million). The transaction closed on March 16, 2026.

As of December 31, 2025, Shenzhen Onething had total assets of US\$74.4 million and net assets of US\$34.1 million, and net income of US\$1.9 million for the year then ended.

As a result of the transaction, the Company's equity interest in Shenzhen Onething decreased from 70% to 20%, and the Company lost its controlling financial interest. The Company deconsolidated Shenzhen Onething effective March 16, 2026.

The Company expects to recognize a gain or loss on the deconsolidation in the first quarter of 2026 in accordance with ASC 810-10-40. As of the date of issuance of these financial statements, the Company has not completed the fair value assessment of its retained 20% interest and therefore cannot reasonably estimate the gain or loss.

As disclosed in Note 19, in 2024 and 2025 the Company granted share-based awards covering 30% of Shenzhen Onething's equity to employees and management under the Shenzhen Onething 2024 Plan, subject to service conditions and performance conditions — either a liquidity event (defined as a change of control or initial public offering) or, for certain awards, solely an initial public offering. No share-based compensation expense was recognized in 2024 or 2025 as the performance conditions were not considered probable. The closing of this disposal transaction constituted a change of control and satisfied the liquidity event condition. The Company expects to recognize a cumulative catch-up adjustment of approximately US\$4.7 million in share-based compensation expense in the first quarter of 2026 for those awards whose performance condition was satisfied.

Following the disposal, the Company considers Shenzhen Onething a related party due to its retained 20% equity interest and significant influence. Xinghan Zhilian is also a related party, as it is controlled by Mr. Hao Li (70%), Mr. Yingqiao Liu (13.33%), and Mr. Lei Wu (16.67%), members of Shenzhen Onething's management.

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29. Additional information: condensed financial statements of the Company

Regulation S-X requires condensed financial information as to financial position, statements of cash flows and results of operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented when the restricted net assets of consolidated and unconsolidated subsidiaries together exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year.

The Company records its investment in its subsidiaries, the VIEs and VIEs' subsidiaries under the equity method of accounting.

Such investments are presented on the separate condensed balance sheets of the Company as "Investments in subsidiaries and consolidated VIEs".

The subsidiaries did not pay any dividends to the Company for the periods presented. Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The footnote disclosures represent supplemental information relating to the operations of the Company, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Group.

The Company did not have significant other commitments, long-term obligations, or guarantees as of December 31, 2025.

Condensed Balance Sheets

(In thousands)	December 31, 2024	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	33,275	33,556
Short-term investments	14,225	7,815
Due from group companies	12,646	14,581
Prepayments and other current assets	1,008	1,629
Total current assets	61,154	57,581
Non-current assets:		
Due from group companies	200,855	199,576
Investments in subsidiaries and consolidated VIEs	67,997	1,124,959
Total assets	330,006	1,382,116
Liabilities		
Current liabilities:		
Due to group companies	7,651	4,840
Income tax payable	35	2
Accrued liabilities and other payables	4,264	3,783
Total current liabilities	11,950	8,625
Total liabilities	11,950	8,625
Commitments and contingencies		
Shareholders' equity		
Common shares	77	78
Treasury shares	16	15
Other shareholders' equity	317,963	1,373,398
Total Xunlei Limited's shareholders' equity	318,056	1,373,491
Total liabilities and shareholders' equity	330,006	1,382,116

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29. Additional information: condensed financial statements of the Company (Continued)

Condensed Statements of Operations

(In thousands)	Years ended December 31,		
	2023	2024	2025
Operating expenses			
General and administrative expenses	(7,931)	(1,712)	(1,424)
Total operating expenses	(7,931)	(1,712)	(1,424)
Operating loss	(7,931)	(1,712)	(1,424)
Interest income	1,512	1,673	1,397
Interest expense	(93)	(93)	(93)
Other income/(loss), net	3,928	2,083	(1,689)
Income/ (loss) from subsidiaries and consolidated VIEs	16,948	(627)	1,050,119
Income before income tax	14,364	1,324	1,048,310
Income tax expenses	(139)	(109)	(45)
Net income	14,225	1,215	1,048,265
Net income attributable to Xunlei Limited's common shareholders	14,225	1,215	1,048,265

Condensed Statements of Cash Flows

(In thousands)	Years ended December 31,		
	2023	2024	2025
Other operating activities with external parties	(391)	1,143	(1,848)
Net cash (used in)/generated from operating activities	(391)	1,143	(1,848)
Loans to group companies	(188)	(7,081)	(5,710)
Repayment of loans from group companies	—	23	2,365
Other investing activities with external parties	2,031	15,464	6,425
Net cash generated from investing activities	1,843	8,406	3,080
Loans from group companies	3,150	—	—
Repayment of loans to group companies	—	(500)	—
Other financing activities with external parties	(4,687)	(7,693)	(951)
Net cash used in financing activities	(1,537)	(8,193)	(951)
Net (decrease)/increase in cash and cash equivalents	(85)	1,356	281
Cash and cash equivalents at beginning of year	32,004	31,919	33,275
Effect of exchange rates on cash and cash equivalents	—	—	—
Cash and cash equivalents at end of year	31,919	33,275	33,556

Description of Rights of Each Class of Securities Registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”)

As of December 31, 2025, Xunlei Limited (“Xunlei,” “we,” “our,” “our company,” or “us”) had the following series of securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended:

Title of each class	Name of each exchange on which registered	Ticker symbol
American depositary shares (“ADSs”), each representing five common shares Common shares, par value US\$0.00025 per share*	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market) The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)	XNET

* Not for trading, but only in connection with the listing on The Nasdaq Global Select Market of American depositary shares.

This exhibit contains a description of the rights of (i) the holders of our common shares and (ii) the holders of ADSs. Common shares underlying the ADSs are held by JPMorgan Chase Bank, N.A., as depositary, and holders of ADSs will not be treated as holders of common shares.

Shares

Preemptive Rights (Item 9.A.3 of Form 20-F)

The shareholders of Xunlei do not have preemptive rights.

Type and Class of Securities (Item 9.A.5 of Form 20-F)

The number of common shares issued and outstanding as of the last day of our company’s respective fiscal year is provided on the cover of the annual report on Form 20-F (the “Form 20-F”) of our company. Certificates representing the common shares are issued in registered form. Xunlei will issue only non-negotiable shares, and will not issue bearer or negotiable shares.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

Not applicable.

Other Rights (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of the Shares (Item 10.B.3 of Form 20-F)

See “Item 10. Additional Information—B. Memorandum and Articles of Association—Common Shares” of the Form 20-F.

Requirements for Amendments (Item 10.B.4 of Form 20-F)

See “Item 10. Additional Information—B. Memorandum and Articles of Association” of the Form 20-F.

Limitations on the Rights to Own Shares (Item 10.B.6 of Form 20-F)

There are no limitations imposed by the laws of the Cayman Islands or Xunlei’s currently effective memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on its shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

See “Item 10. Additional Information—B. Memorandum and Articles of Association” of the Form 20-F.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions in Xunlei’s currently effective memorandum and articles of association that require our company to disclose shareholder ownership above any particular ownership threshold. However, shareholders of Xunlei will be required to disclose shareholder ownership in accordance with applicable laws and regulations.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Act (As Revised) is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Act (As Revised) and the current Companies Act of England.

In addition, the Companies Act (As Revised) differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act (As Revised) applicable to us and the laws applicable to United States corporations and companies incorporated in the State of Delaware.

Mergers and Similar Arrangements

The Companies Act (As Revised) permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (1) “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 (2) 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 in 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 (1) a special resolution of the shareholders of each constituent company, and (2) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies 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. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. 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 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 (As Revised) 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 Grand 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 (As Revised) 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, the dissenting shareholder would have no rights comparable to appraisal rights, 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, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of our company to challenge actions where:

- an act which is ultra vires or illegal and is therefore incapable of ratification by the shareholders;
- 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
- an act which constitute a fraud against the minority where the wrongdoer are themselves in control of the company.

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 provides that every director and officer of our company for the time being and from time to time shall be indemnified and secured harmless out of the assets and funds of the company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him, otherwise than by reason of his own dishonesty, actual fraud or willful default, in connection with the execution or discharge of his duties, powers, authorities or discretions as a director or officer of the company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the company or its affairs in any court whether in Cayman Islands or elsewhere. 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.

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 or she reasonably believes to be in the best interests of the corporation. He or she 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 or she owes the following duties to the company:

- a duty to act in good faith in the best interests of the company,
- a duty not to make a personal profit based on his or her position as director (unless the company permits him or her to do so),
- a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party, and
- a duty to exercise powers for the purpose for which such powers were intended.

A director of a Cayman Islands company owes to the company a duty of care, diligence and skill. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her 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. Cayman Islands law and our currently effective memorandum and articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of all shareholders who would have been entitled to vote on such matter at a general meeting without a meeting being held.

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 (As Revised) does not provide shareholders with an express right to put forth any proposal before a general meeting of the shareholders. However, the Companies Act (As Revised) may provide shareholders with limited rights to requisition a general meeting but such rights must be stipulated in the articles of association of the company.

Under our amended and restated memorandum and articles of association, any one or more shareholders holding not less than one-third of the aggregate voting power of the company as at the date of deposit of the requisition carrying the right to vote at general meetings of the company shall have the right, by written requisition to the company, to require an extraordinary general meeting to be called by the board of directors for the transaction of any business specified in such requisition.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for election 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.

There are no prohibitions relating to cumulative voting under the laws of the Cayman Islands, but our memorandum and articles of association do not provide for cumulative voting. 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 issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders at any time before the expiration of his term of office notwithstanding anything in our memorandum and articles of association or in any agreement between our company and such director (but without prejudice to any claim for damages under any such agreement).

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public 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 shares within the past three years.

This statute 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, 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 for a proper purpose 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 Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the consent in writing of the holders of a majority of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class.

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.

Under Cayman Islands law, 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 non-resident 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 governing the ownership threshold above which shareholder ownership must be disclosed.

Inspection of Books and Records

Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Shareholders of Cayman Islands exempted companies like us have no general right under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association, the register of mortgages and charges and any special resolutions passed by our shareholders) or obtain copies of the list of shareholders of these companies. Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies. However, we intend to provide our shareholders with annual reports containing audited financial statements.

Changes in Capital (Item 10.B.10 of Form 20-F)

Our shareholders may by ordinary resolution:

- (a) Increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (c) sub-divide its existing shares or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; and
- (d) 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 cancelled.

Subject to certain provisions, our shareholders may by special resolution:

- (a) change its name;
- (b) alter or add to the articles of association;
- (c) alter or add to the memorandum of association with respect to any objects, powers or other matters specified therein; and
- (d) reduce its share capital and any capital redemption reserve in any manner authorized by law.

All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Other Securities (Item 12.C of Form 20-F)

Not applicable.

American Depositary Shares (Items 12.D.1 and 12.D.2 of Form 20-F)

JPMorgan Chase Bank, N.A. ("JPMorgan"), as depositary, will issue the ADSs that you will be entitled to receive in this offering. Each ADS will represent an ownership interest in a designated number or percentage of shares that we will deposit with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary, and all holders and beneficial owners from time to time of American depositary receipts issued thereunder.

The depositary's office is located at 270 Park Avenue, Floor 8, New York, New York 10017.

The ADS-to-share ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated by the form of ADR). In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you.

A beneficial owner is any person or entity having a beneficial ownership interest in ADSs. A beneficial owner need not be the holder of the ADR evidencing such ADS. If a beneficial owner is not an ADR holder, it must rely on the holder of the ADR(s) evidencing such ADSs in order to assert any rights or receive any benefits under the deposit agreement. A beneficial owner shall only be able to exercise any right or receive any benefit under the deposit agreement solely through the holder of the ADR(s) evidencing the ADSs owned by such beneficial owner. The arrangements between a beneficial owner and the holder of the corresponding ADRs may affect the beneficial owner's ability to exercise any rights it may have.

An ADR holder shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADRs registered in such ADR holder's name for all purposes under the deposit agreement and ADRs. The depositary's only notification obligations under the deposit agreement and the ADRs is to registered ADR holders. Notice to an ADR holder shall be deemed, for all purposes of the deposit agreement and the ADRs, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs.

Unless certificated ADRs are specifically requested, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive that reflect your ownership of ADSs.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder or beneficial owner, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Island law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder or of a beneficial owner. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all holders and beneficial owners from time to time of ADRs issued under the deposit agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs. The obligations of our company and the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf.

The deposit agreement, the ADRs and the ADSs are governed by the internal laws of the State of New York without giving effect to the application of the conflict of law principles thereof. Under the deposit agreement, as an ADR holder or a beneficial owner of ADSs, you agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted by you in the United States District Court for the Southern District of New York (or, in certain cases, the state courts of New York County, New York), and you irrevocably waive any objection which you may have to the laying of venue of any such proceeding and irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR that contains the terms of your ADSs. You can read a copy of the deposit agreement, which is filed as an exhibit to the registration statement (or amendment thereto) filed with the U.S. Securities and Exchange Commission (the "SEC") of which this prospectus forms a part. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room, which is currently located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at <http://www.sec.gov>.

Distributions on Deposited Securities, Sales

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan to direct, manage and/or execute any public and/or private sale of securities and/or property under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary chargeable to holders of ADSs. All sales of securities will be handled by the depositary in accordance with its then current policies. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent. In all instances where the deposit agreement or an ADR refers to a "sale" (or words of similar import) of securities or property, the depositary may, but shall not be obligated, to effect any such sale unless the securities to be sold are listed and publicly traded on a securities exchange or there is a public market for the property to be sold. To the extent the securities are not so listed and publicly traded or there is no public market for the property so distributed by us: (i) the depositary shall, in the event the deposit agreement is terminated and the depositary holds deposited securities that are not listed and publicly traded after the termination date of the deposit agreement, act in accordance with the termination provisions of the deposit agreement and form of ADR in respect of such securities and property; and (ii) in the event the depositary or its custodian receives a distribution other than cash, our shares and/or rights to acquire our shares, and such distribution consists of securities or property that are not distributed by the depositary the depositary will be deemed to have sold the aggregate number of securities and/or property so received for nominal value and shall have no obligation to distribute such securities or any proceeds from the deemed sale thereof to the ADR holders. Furthermore, in the event the depositary endeavors to make a sale of shares, other securities or property, such securities and/or property may be sold in a block sale or single lot transaction.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being permissible or practicable with respect to certain registered ADR holders, and (iii) deduction of the depositary's and/or its agents' fees and expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. To the extent that any of the deposited securities is not or shall not be entitled, by reason of its date of issuance, or otherwise, to receive the full amount of such cash dividend, distribution, or net proceeds of sales, the depositary shall make appropriate adjustments in the amounts distributed to the ADR holders issued in respect of such deposited securities. To the extent we or the depositary shall be required to withhold and do withhold from any cash dividend, distribution or net proceeds from sales in respect of any deposited securities an amount on account of taxes, the amount distributed on the ADSs issued in respect of such deposited securities shall be reduced accordingly.

To the extent the depositary determines in its discretion that it would not be permitted by applicable law, rule or regulation, or it would not otherwise be practicable, to convert foreign currency into U.S. dollars and distribute such U.S. dollars to some or all of the ADR holders entitled thereto, the depositary may in its discretion distribute some or all of the foreign currency received by the depositary as it deems permissible and practicable to, or retain and hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the ADR holders entitled to receive the same. To the extent the depositary retains and holds any cash, foreign currency, securities or other property as permitted under the deposit agreement, any and all fees, charges and expenses related to, or arising from, the holding thereof shall be paid from such cash, foreign currency, securities or other property, or the net proceeds from the sale thereof, thereby reducing the amount so held. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.*

- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares that would result in fractional ADSs will be sold and the net proceeds of the public or private sales of such will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:
 - (i) sell such rights if practicable and distribute the net proceeds of the public or private sales of such rights in the same manner as cash to the ADR holders entitled thereto; or
 - (ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse.

We have no obligation to file a registration statement under the Securities Act in order to make any rights available to ADR holders.

- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds of public or private sales in the same way it distributes cash.
- *Elective Distributions.* In the case of a dividend payable at the election of our shareholders in cash or in additional ordinary shares, we will notify the depositary at least 30 days prior to the proposed distribution stating whether or

not we wish such elective distribution to be made available to ADR holders. The depositary shall make such elective distribution available to ADR holders only if (i) we shall have timely requested that the elective distribution is available to ADR holders, (ii) the depositary shall have determined that such distribution is reasonably practicable and (iii) the depositary shall have received satisfactory documentation within the terms of the deposit agreement including any legal opinions of counsel that the depositary in its reasonable discretion may request. If the above conditions are not satisfied, the depositary shall, to the extent permitted by law, distribute to the ADR holders, on the basis of the same determination as is made in the local market in respect of the ordinary shares for which no election is made, either (x) cash or (y) additional ADSs representing such additional ordinary shares. If the above conditions are satisfied, the depositary shall establish procedures to enable ADR holders to elect the receipt of the proposed dividend in cash or in additional ADSs. There can be no assurance that ADR holders or beneficial owners of ADSs generally, or any ADR holder or beneficial owner of ADSs in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of ordinary shares.

If the depositary determines in its sole discretion that any distribution described above is not practicable with respect to any or all ADR holders, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of some or all of any cash, foreign currency, securities or other property (or appropriate documents evidencing the right to receive some or all of any such cash, foreign currency, security or other property), and/or it may retain some or all of such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items. To the extent the depositary does not reasonably believe it will be permitted by applicable law, rule or regulation to convert foreign currency into U.S. dollars and distribute such U.S. dollars to some or all of the ADR holders, the depositary may in its discretion distribute the foreign currency received by the depositary to, or hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the ADR holders entitled to receive the same. To the extent the depositary holds such foreign currency, any and all costs and expenses related to, or arising from, the holding of such foreign currency shall be paid from such foreign currency thereby reducing the amount so held.

Any U.S. dollars will be paid via wire transfer and/or distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the depositary in accordance with its then current policies, which are currently set forth on the "Disclosures" page (or successor page) of www.adr.com (as updated by the depositary from time to time, "ADR.com").

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs to be issued under this prospectus, we will arrange with the underwriters named herein to deposit such shares.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of "JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs" or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which this prospectus relates) for the account and to the order of the depositary, in each case for the benefit of ADR holders, to the extent not prohibited by law. ADR holders and beneficial owners thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities."

Deposited securities are not intended to, and shall not, constitute proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in deposited securities is intended to be, and shall at all times during the term of the deposit agreement continue to be, vested in the beneficial owners of the ADSs representing such deposited securities. Notwithstanding anything else contained herein, in the deposit agreement, in the form of ADR and/or in any outstanding ADSs, the depositary, the

custodian and their respective nominees are intended to be, and shall at all times during the term of the deposit agreement be, the record holder(s) only of the deposited securities represented by the ADSs for the benefit of the ADR holders. The depositary, on its own behalf and on behalf of the custodian and their respective nominees, disclaims any beneficial ownership interest in the deposited securities held on behalf of the ADR holders.

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary's direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such ADR holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, subject to the provisions of or governing our shares (including, without limitation, our governing documents and all applicable laws, rules and regulations), the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office (or from the custodian to the extent dematerialized). At your risk, expense and request, the depositary may deliver deposited securities (including any certificates therefor) at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of deposited securities,
- to give instructions for the exercise of voting rights,
- to pay any fees assessed by, or owing to, the depositary for administration of the ADR program and for any expenses as provided for in the ADR, or
- to receive any notice or to act or be obligated in respect of other matters,

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receipt from us of notice of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares, the depositary shall fix the ADS record date in accordance with the provisions of the deposit agreement, provided that if the depositary receives a written request from us in a timely manner and at least thirty (30) days prior to the date of such vote or meeting, the depositary shall, at our expense, distribute to the registered ADR holders a "voting notice" stating (i) final information particular to

such vote and meeting and any solicitation materials, (ii) that each ADR holder on the record date set by the depositary will, subject to any applicable provisions of the laws of the Cayman Islands, be entitled to instruct the depositary as to the exercise of the voting rights, if any, pertaining to the deposited securities represented by the ADSs evidenced by such ADR holder's ADRs and (iii) the manner in which such instructions may be given, including instructions for giving a discretionary proxy to a person designated by us. Each ADR holder shall be solely responsible for the forwarding of voting notices to the beneficial owners of ADSs registered in such ADR holder's name. There is no guarantee that ADR holders and beneficial owners generally or any holder or beneficial owner in particular will receive the notice described above with sufficient time to enable such ADR holder or beneficial owner to return any voting instructions to the depositary in a timely manner.

Following actual receipt by the ADR department responsible for proxies and voting of ADR holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for DTC), the depositary shall, in the manner and on or before the time established by the depositary for such purpose, endeavor to vote or cause to be voted the deposited securities represented by the ADSs evidenced by such ADR holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing deposited securities.

Under Cayman Islands law and our memorandum and articles of association, each as in effect as of the date of this prospectus, voting at any meeting of our shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our memorandum and articles of association, the depositary will refrain from voting and the voting instructions received by the depositary shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so.

ADR holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. For instructions to be valid, the ADR department of the depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion in respect of deposited securities. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any voting instructions are given, including instructions to give a discretionary proxy to a person designated by us, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depositary is instructed to grant a discretionary proxy pursuant to the terms of the deposit agreement, or for the effect of any such vote.

Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by any law, rule or regulation, or by the rules, regulations or requirements of any stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of or solicitation of consents or proxies from holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such ADR holders with or otherwise publicizes to such ADR holders instructions on how to retrieve such materials or receive such materials upon request (*i.e.*, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities, are available for inspection by ADR holders at the offices of the depositary in the United States, on the SEC's internet website or upon request to the depositary (which request may be refused by the depositary at its discretion).

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary 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

declared by us 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 ADSs are cancelled or reduced for any other reason, a fee of up to \$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional fees, charges and expenses shall also be incurred by the ADR holders, the beneficial owners, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us 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 U.S.\$0.05 per ADS held for any cash distribution made, or for any elective cash/stock dividend offered, pursuant to the deposit agreement;
- an aggregate fee of up to US\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- an amount 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, as well as charges and expenses incurred on behalf of ADR holders in connection with compliance with foreign exchange control regulations or any law, rule 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 ADR 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 ADR holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee of up to \$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 such securities, regardless of whether any such distribution and/or sale is made by, for, or received from, or (in each case) on behalf of, the depositary, us and/or any third party (which fee may be assessed against ADR holders as of a record date set by the depositary);
- 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 "Disclosures" page (or successor page) of www.adr.com (as updated by the depositary from time to time, "ADR.com") and any applicable delivery expenses (which are payable by such persons or ADR holders);
- 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; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the depositary may engage the foreign exchange desk within the banking division of JPMorgan (the "Bank") and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars. For certain currencies, foreign exchange transactions are entered into with the Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, foreign exchange transactions are routed directly to and managed by an unaffiliated local custodian (or other third party local liquidity provider), and neither the Bank nor any of its affiliates is a party to such foreign exchange transactions.

The foreign exchange rate applied to a foreign exchange transaction will be either (a) a published benchmark rate, or (b) a rate determined by a third party local liquidity provider, in each case plus or minus a spread, as applicable. The depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosures" page (or successor page) of

ADR.com. Such applicable foreign exchange rate and spread may (and neither the depositary, the Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the foreign exchange transaction. Additionally, the timing of execution of a foreign exchange transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on the depositary, us, ADR holders or beneficial owners. *The spread applied does not reflect any gains or losses that may be earned or incurred by the Bank and its affiliates as a result of risk management or other hedging related activity.*

Notwithstanding the foregoing, to the extent we provide U.S. dollars to the depositary, neither the Bank nor any of its affiliates will execute a foreign exchange transaction as set forth herein. In such case, the depositary will distribute the U.S. dollars received from us.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of foreign exchange transactions will be provided by the depositary on ADR.com. Each holder and beneficial owner by holding or owning an ADR or ADS or an interest therein, and we, each acknowledge and agree that the terms applicable to foreign exchange transactions disclosed from time to time on ADR.com will apply to any foreign exchange transaction executed pursuant to the deposit agreement.

We will pay all other fees, charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary.

The right of the depositary to charge and receive payment of fees, charges and expenses survives the termination of the deposit agreement, and shall extend for those fees, charges and expenses incurred prior to the effectiveness of any resignation or removal of the depositary.

The fees and charges described above may be amended from time to time by agreement between us and the depositary.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. Under certain limited circumstances the depositary may also agree to reduce or waive certain fees that would normally be charged on ADSs issued to or at the direction of, or otherwise held by, us and/or certain holders and beneficial owners and holders and beneficial owners of shares of ours. 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. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to ADR holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

Payment of Taxes

ADR holders and/or beneficial owners must pay any tax or other governmental charge payable by the custodian or the depositary on any ADS or ADR, deposited security or distribution. If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, including, without limitation, any Chinese enterprise income tax owed if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation (SAT) or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise such tax or other governmental charge shall be paid by the ADR holder thereof to the depositary and by holding or owning, or having held or owned, an ADR or any ADSs evidenced thereby, the ADR holder and all beneficial owners thereof, and all prior ADR holders and beneficial owners thereof, jointly and severally, agree to indemnify, defend and save harmless each of us, the depositary, each's respective agents in respect of such tax or other governmental charge. Notwithstanding the depositary's right to seek payment from current or former ADR holders and beneficial owners, each ADR holder and beneficial owner, and each prior ADR holder and beneficial owner, by holding or owning, or having held or owned, an ADR or an interest in ADSs acknowledges and agrees that the depositary has no obligation to seek payment of amounts owing from any current or prior beneficial owner. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case, the ADR holder remains liable for any shortfall. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of

transfer, split-up or combination of ADRs or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto. Neither we nor the depositary nor any of our or its respective agents, shall be liable to ADR holders or beneficial owners of the ADSs for failure of any of them to comply with applicable tax laws, rules and/or regulations.

As an ADR holder or beneficial owner, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained, which obligations shall survive any transfer or surrender of ADSs or the termination of the deposit agreement.

To the extent not prohibited by law, rule, regulation, fiduciary duty, contractual or confidential obligation or otherwise, the depositary will forward to us such information actually in the depositary's possession from the transfer records maintained by the depositary in accordance with its policies and procedures as we may reasonably request in writing to enable us to file any reports required to be filed by us with governmental authorities or agencies to comply with applicable law; provided, however, for the avoidance of doubt, the depositary shall have no liability for the accuracy of any such information and shall not be required to incur or become subject to any risk, liability, cost or expense and shall be indemnified by us in connection with the foregoing.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to, and shall if reasonably requested by us:

- amend the form of ADR;
- distribute additional or amended ADRs;
- distribute cash, securities or other property it has received in connection with such actions;
- sell by public or private sale any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least thirty (30) days' notice of any amendment that imposes or increases any fees on a per ADS basis, charges or expenses (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, a transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication), applicable delivery expenses or other such fees, charges or expenses), or otherwise prejudices any substantial existing right of ADR holders or beneficial owners. Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders and beneficial owners a means to access the text of such amendment. If an ADR holder or beneficial owner continues to hold an ADR or ADRs, or an interest therein, after being so notified, such ADR holder and any beneficial owner are deemed to agree to such amendment and to be bound by the deposit agreement as so amended. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements that (i) are reasonably necessary (as agreed by us and the depositary) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act or (b) the ADSs or shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by ADR holders, shall be deemed not to

prejudice any substantial rights of ADR holders or beneficial owners. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations that would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the form of ADR (and all outstanding ADRs) at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the deposit agreement in such circumstances may become effective before a notice of such amendment or supplement is given to ADR holders or within any other period of time as required for compliance.

Notice of any amendment to the deposit agreement or form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the ADR holders identifies a means for ADR holders and beneficial owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the SEC's, the depositary's or our website or upon request from the depositary).

How may the deposit agreement be terminated?

The depositary may at any time, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least thirty (30) days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered ADR holders unless a successor depositary shall not be operating under the deposit agreement within sixty (60) days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 60th day after our notice of removal was first provided to the depositary. Notwithstanding anything to the contrary in the deposit agreement, the depositary may terminate the deposit agreement (a) without notifying us, but subject to giving thirty (30) days' notice to the ADR holders, under the following circumstances: (i) in the event of our bankruptcy, liquidation proceedings or insolvency, (ii) if the ADSs are delisted from a "national securities exchange" (that has registered with the Commission under Section 6 of the Securities Exchange Act of 1934), (iii) if we effect (or will effect) a redemption of all or substantially all of the deposited securities, or a cash or share distribution representing a return of all or substantially all of the value of the deposited securities, (iv) there are no deposited securities with respect to ADSs remaining, including if the deposited securities are cancelled, or the deposit securities have been deemed to have no value, or (v) there occurs a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of deposited securities, and (b) immediately without prior notice to the Company, any ADR holder or beneficial owner or any other person if (i) required by any law, rule or regulation relating to sanctions by any governmental authority or body, (ii) the depositary would be subject to liability under or pursuant to any law, rule or regulation that can be reasonably expected to apply to the depositary or any of its agents in connection with, arising from, or otherwise related to its or their roles and/or performance under the deposit agreement, or (iii) required by any governmental authority or body, in each case under (b) as determined by the depositary in its reasonable discretion.

If our shares are not listed and publicly traded on a stock exchange or in a securities market as of the date so fixed for termination or if, for any reason, the depositary does not sell the deposited securities, then after such date fixed for termination, the depositary shall use its reasonable efforts to ensure that the ADSs cease to be eligible for settlement within The Depository Trust Company (DTC) and that neither DTC nor any of its nominees shall thereafter be an ADR holder. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is an ADR holder, to the extent we are not, to the depositary's knowledge, insolvent or in bankruptcy or liquidation, the depositary shall (A) cancel all outstanding ADRs; (B) request DTC to provide the depositary with information on those holding ADSs through DTC and, upon receipt thereof, revise the ADR register to reflect the information provided by DTC; (C) instruct its custodian to deliver all deposited securities to us, a subsidiary or affiliate of ours (the company representative) or an independent trust company engaged by us (the trustee) to hold those deposited securities in trust for the beneficial owners of the ADRs if we are not permitted to hold any of the deposited securities under applicable law and/or we have directed the depositary to deliver such deposited securities to the company representative or trustee along with a stock transfer form and/or such other instruments of transfer covering such deposited securities as are needed under applicable law, in either case referring to the names set forth on the ADR register and (D) provide us with a copy of the ADR register.

Upon receipt of any instrument of transfer covering such deposited securities, any applicable share certificate or indemnity for lost share certificate and the ADR Register, we have agreed that we will, approve the transfer of the deposited securities previously represented by the ADSs evidenced by their ADRs the persons listed on the ADR register (as applicable), procure the relevant updates to the register of members of the Company to reflect the transfer of the deposited securities previously represented by their ADRs to the persons listed on the ADR register (as applicable) and provide the depositary with a certified copy of the updated register of our shareholders.

To the extent the depositary reasonably believes that we are insolvent, or if we are in receivership, have filed for bankruptcy and/or are otherwise in restructuring, administration or liquidation, and in any such case the deposited securities are not listed and

publicly traded on a securities exchange after the termination date, or if, for any reason, the depositary believes it is not able to or cannot practicably sell the deposited securities promptly and without undue effort, the deposited securities shall be deemed to have no value (and such holder shall be deemed to have instructed the depositary that the deposited securities have no value). The depositary may (and, by holding an ADR or an interest therein, all holders irrevocably consent and agree that the depositary may) instruct its custodian to deliver all deposited securities to us (acting, as applicable by an administrator, receiver, administrative receiver, liquidator, provisional liquidator, restructuring officer, interim restructuring officer, trustee, controller or other entity overseeing the bankruptcy, insolvency, administration, restructuring or liquidation process) and notify us that the deposited shares are surrendered for no consideration. The deposit agreement requires us, subject to applicable law, to promptly accept the surrender of the deposited shares for no consideration and deliver to the depositary a written notice confirming (A) the acceptance of the surrender of the deposited securities for no consideration and (B) the cancellation of such deposited shares. Promptly after notifying us that the deposited shares are surrendered for no consideration and irrespective of whether we have complied with the immediately preceding sentence, the depositary shall notify ADR holders that their ADSs have been cancelled with no consideration being payable to such ADR holders.

Upon the depositary's compliance with the provisions of any of the above three paragraphs, the depositary and its agents shall be discharged from all, and cease to have any, obligations under the deposit agreement and the ADRs.

If our shares are listed and publicly traded on a securities exchange and the depositary believes that it is able, permissible and practicable to sell the deposited securities without undue effort, then the depositary may endeavor to publicly or privately sell (as long as it may lawfully do so) the deposited securities, which sale may be effected in a block sale/single lot transaction and, after the settlement of such sale(s), to the extent legally permissible and practicable, distribute or hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sale(s), less any amounts owing to the depositary (including, without limitation, cancellation fees), together with any other cash then held by it under the deposit agreement, in trust, without liability for interest, for the pro rata benefit of the holders entitled thereto. After making such sale, the depositary shall be discharged from all obligations in respect of the deposit agreement and the ADRs, except to account for such net proceeds and other cash.

Notwithstanding anything to the contrary, in connection with any such termination, the depositary may, in its sole discretion and without notice to us, establish an unsponsored American depositary share program (on such terms as the depositary may determine) for our shares and make available to ADR holders a means to withdraw the shares represented by the ADSs issued under the deposit agreement and to direct the deposit of such shares into such unsponsored American depositary share program, subject, in each case, to receipt by the depositary, at its discretion, of the fees, charges and expenses provided for under the deposit agreement and the fees, charges and expenses applicable to the unsponsored American depositary share program.

Limitations on Obligations and Liability

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders, beneficial owners and others

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement or as the depositary believes are required, necessary or advisable in order to comply with applicable laws, rules and regulations.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed required, necessary or advisable by the depositary for any reason provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders'

meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities. The depositary may close the ADR register (and/or any portion thereof) at any time or from time to time when deemed expedient by it.

The deposit agreement expressly limits the obligations and liability of the depositary, the depositary's custodian or ourselves and each of our and their respective directors, officers, employees, agents and affiliates, provided, however, that no provision of the deposit agreement is intended to constitute a waiver or limitation of any rights that ADR holders or beneficial owners may have under the Securities Act or the Securities Exchange Act of 1934, to the extent applicable. The deposit agreement provides that each of us, the depositary and our respective directors, officers, employees, agents and affiliates will:

- incur or assume no liability (including, without limitation, to ADR holders or beneficial owners) if any present or future law, rule, regulation, fiat, order or decree of the United States, the Cayman Islands, Hong Kong, the People's Republic of China or any other country or jurisdiction, or of any governmental or regulatory authority or any securities exchange or market or automated quotation system, the provisions of or governing any Deposited Securities, any present or future provision of the Company's charter, any act of God, war, terrorism, epidemic, pandemic, nationalization, expropriation, currency restrictions, extraordinary market conditions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, cyber, ransomware or malware attack, computer failure or circumstance over which the depositary or our respective directors, officers, employees, agents or affiliates have no direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by any such party (including, without limitation, voting);
- incur or assume no liability (including, without limitation, to ADR holders or beneficial owners) by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the deposit agreement it is provided shall or may be done or performed or any exercise or failure to exercise discretion under the deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- incur or assume no liability (including, without limitation, to holders or beneficial owners) if it performs its obligations specifically set forth in the deposit agreement and ADRs without gross negligence or willful misconduct;
- in the case of the depositary and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs;
- in the case of us and our agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs, which in our or our agents' opinion, as the case may be, may involve us in expense or liability, unless indemnity satisfactory to us or our agent, as the case may be against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be requested;
- not be liable (including, without limitation, to ADR holders or beneficial owners) for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information and/or, in the case of the depositary, from us; or
- may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

The depositary shall not be a fiduciary or have any fiduciary duty to ADR holders or beneficial owners.

The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depositary, clearing agency or settlement system. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that any registered ADR holder has incurred liability directly as a result of the custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the

depository or (ii) failed to use reasonable care in the provision of custodial services to the depository as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depository and the custodian(s) may use third party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders of issuers. Although the depository and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third-party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services.

The depository has no obligation to inform ADR holders or beneficial owners about the requirements of the laws, rules or regulations or any changes therein or thereto of the Cayman Islands, Hong Kong, the People's Republic of China, the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

Additionally, none of the depository, the custodian or us, or any of their or our respective directors, officers, employees, agents or affiliates shall be liable for the failure by any registered holder of ADRs or beneficial owner to obtain the benefits of credits or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability. The depository is under no obligation to provide the ADR holders and beneficial owners, or any of them, with any information about our tax status. None of us, the depository, the custodian or any of our or their respective directors, officers, employees, agents or affiliates shall incur any liability for any tax or tax consequences that may be incurred by registered ADR holders or beneficial owners on account of their ownership or disposition of ADRs or ADSs.

Neither the depository nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any voting instructions are given, including instructions to give a discretionary proxy to a person designated by us, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depository is instructed to grant a discretionary proxy pursuant to the terms of the deposit agreement, or for the effect of any such vote. The depository shall endeavor to effect any sale of securities or other property and any conversion of currency, securities or other property, in each case as is referred to or contemplated in the deposit agreement or the form of ADR, in accordance with the depository's normal practices and procedures under the circumstances applicable to such sale or conversion, but shall have no liability (in the absence of its own willful default or gross negligence or that of its agents, officers, directors or employees) with respect to the terms of any such sale or conversion, including the price at which such sale or conversion is effected, or if such sale or conversion shall not be practicable, or shall not be believed, deemed or determined to be practicable by the depository. Specifically, the depository shall not have any liability for the price received in connection with any public or private sale of securities (including, without limitation, for any sale made at a nominal price), the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale. The depository shall not incur any liability in connection with or arising from any failure, inability or refusal by us or any other party, including any share registrar, transfer agent or other agent appointed by us, the depository or any other party, to process any transfer, delivery or distribution of cash, shares, other securities or other property, including without limitation upon the termination of the deposit agreement, or otherwise to comply with any provisions of the deposit agreement that are applicable to it. The depository may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depository shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depository shall not be liable for any acts or omissions made by a successor depository whether in connection with a previous act or omission of the depository or in connection with any matter arising wholly after the removal or resignation of the depository. Neither we nor the depository nor any of our or their respective agents shall be liable for any indirect, special, punitive or consequential damages, or fees or expenses of counsel in connection therewith, or lost profits, in each case of any form incurred by any person or entity (including, without limitation ADR holders or beneficial owners), whether or not foreseeable and regardless of the type of action in which such a claim may be brought; provided, however, that (i) notwithstanding the foregoing and, for the avoidance of doubt, the depository and its agents shall be entitled to legal fees and expenses in defending against any claim for such damages and (ii) to the extent such damages arise from or out of a claim brought by a third party (including, without limitation, ADR holders and beneficial owners) against the depository or any of its agents, the depository and its agents shall be entitled to full indemnification from us for all such damages, and reasonable fees and expenses of counsel in connection therewith, unless such damages are found to have been a direct result of the gross negligence or willful misconduct of the depository.

In the deposit agreement each party thereto (including, for avoidance of doubt, each ADR holder and beneficial owner) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depository and/or us directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on

contract, tort, common law or any other theory). No provision of the deposit agreement or the ADRs is intended to constitute a waiver or limitation of any rights which an ADR holder or any beneficial owner may have under the Securities Act or the Securities Exchange Act of 1934, to the extent applicable.

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADSs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of, or interest in, deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you as ADR holders or beneficial owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. In the deposit agreement we reserve the right to instruct ADR holders (and through them beneficial owners of ADSs) to deliver their ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal directly with such ADR holder and/or beneficial Owner thereof as a holder of Shares and, by holding an ADSs or interest therein, ADR holders and beneficial owners are agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. Registered holders of ADRs may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other ADR holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register (and/or any portion thereof) may be closed at any time or from time to time, when deemed expedient by the depositary.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Appointment

In the deposit agreement, each registered holder of ADRs and each beneficial owner, upon acceptance of any ADSs or ADRs (or any interest in any of them) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs,
- appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof; and
- acknowledge and agree that (i) nothing in the deposit agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the depositary, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about us, ADR holders, beneficial owners and/or their respective affiliates, (iii) the depositary and its divisions, branches and affiliates may at any time have multiple banking relationships with us, ADR holders, beneficial owners and/or the affiliates of any of them, (iv) the depositary and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to us, ADR holders, or beneficial owners may have interests, (v) nothing contained in the deposit agreement or any ADR(s) shall (A) preclude the depositary or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the depositary or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the depositary shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the depositary and (vii) notice to an ADR holder shall be deemed, for all purposes of the deposit agreement and the ADRs, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs. For all purposes under the deposit agreement and the ADRs, the ADR holders thereof shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by such ADRs.

Consent to Jurisdiction

In the deposit agreement, we have submitted to the non-exclusive jurisdiction of the state and federal courts in New York, New York and appointed an agent for service of process on our behalf. Any action based on the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby may also be instituted by the depositary against us in any competent court in Cayman Islands, the United States and/or any other court of competent jurisdiction, or, subject to certain exceptions, by the depositary through the commencement of an arbitration pursuant to the provisions of the deposit agreement.

Under the deposit agreement, by holding or owning an ADR or ADS or an interest therein, holders and beneficial owners each irrevocably agree that (i) any legal suit, action or proceeding against or involving holders or beneficial owners brought by us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby, may be instituted in a state or federal court in New York, New York, and by holding or owning an ADR or ADS or an interest therein each irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding and (ii) any legal suit, action or proceeding against or involving us and/or the depositary brought by holders or beneficial owners, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby, including, without limitation, claims under the Securities Act of 1933, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (a) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (b) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable). In the deposit agreement each holder and beneficial owner irrevocably waives any objection which it may at any time have to the laying of venue of any such proceeding, and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding.

Notwithstanding anything in the deposit agreement to the contrary, by directly or indirectly holding or owing an ADR or ADS or an interest therein, holders and beneficial owners each agree that: (i) the depositary may, in its sole discretion, elect to institute any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination against any other party or parties, by having such dispute referred to and finally resolved by an arbitration; provided, however, to the extent there are specific federal securities law violation aspects to any claims against us and/or the depositary brought by any ADR holder or beneficial owner, such specific, and only such specific federal securities law violation aspects of such claims may be brought by any holder or beneficial owner in the United States District Court for the Southern District of New York (or if such court lacks subject matter jurisdiction, in the state courts of New York County in New York, New York) and all other aspects, claims, disputes, legal suits, actions and/or proceedings brought by such holder or beneficial owner, including those brought along with, or in addition to, federal securities law violation claims, would be referred to, or remain in arbitration. Any such arbitration shall, at the depositary's election, be conducted either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) with the Hong Kong International Arbitration Centre serving as the appointing authority and the language of any such arbitration shall be English. In all cases, the fees of the arbitrators and other costs incurred by the parties in connection with such arbitration shall be paid by the party (or parties) that is (or are) unsuccessful in such arbitration. Holders and beneficial owners shall not be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or act in any arbitration in the interest of the general public or in a private attorney general capacity.

Jury Trial Waiver

In the deposit agreement, each party thereto (including, for the avoidance of doubt, each holder and beneficial owner of, and/or holder of interests in, ADSs or ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or us directly or indirectly arising out of, based on or relating in any way to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory), including any claim under the U.S. federal securities laws.

If we or the depositary were to oppose a jury trial demand based on such waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable state and federal law, including whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. The waiver to right to a jury trial in the deposit agreement is not intended to be deemed a waiver by any holder or beneficial owner of our or the depositary's compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

Contract No:

**3rd Supplementary Agreement to the Exclusive Technical
Support and Technical Service Agreement**

Party A : Giganology (Shenzhen) Co., Ltd.

Party B : Shenzhen Xunlei Networking Techonologies Co., Ltd

CONFIDENTIAL

This Supplementary Agreement is entered into by the following two parties on September 15, 2025 in Shenzhen:

Party A : Giganology (Shenzhen) Co., Ltd.

Legal Representative : Kening Wu

Address : Xunlei Headquarters Building, 3709 Baishi Road, Nanshan, Shenzhen

Party B : Shenzhen Xunlei Networking Technologies Co., Ltd

Legal Representative : Kening Wu

Address : Xunlei Headquarters Building, 3709 Baishi Road, Nanshan, Shenzhen

On September 16, 2005, Party A and Party B jointly signed the “Exclusive Technical Consultation and Training Agreement”. On November 15, 2006, they executed the “Supplementary Agreement to the Exclusive Technical Support and Technical Service Agreement”. On March 10, 2014, they executed the “Supplementary Agreement II to the Exclusive Technical Support and Technical Service Agreement”. The aforementioned agreements are hereinafter collectively referred to as the “Original Agreement”. After amicable consultations between the two parties, the following supplementary clarifications are provided for the Original Agreement.

Supplementary Agreement Terms:

1. Both Party A and Party B agree to extend the validity period of the original agreement by ten years, that is, until September 15, 2035. Both Party A and Party B agree that upon the expiration of the aforementioned validity period, if Party A does not raise any written objection, the validity period of the original agreement will be automatically extended for another ten years, and so on, until Party A gives a written notice of termination.
2. This supplementary agreement shall come into effect as of the date when both parties affix their official seals or contract-specific seals, and it shall have the same legal effect as the original agreement. Matters not stipulated in this supplementary agreement shall be subject to the provisions of the original agreement. In case of any conflict between this supplementary agreement and the original agreement, the provisions of this supplementary agreement shall prevail.
3. This supplementary agreement is made in duplicate, with each party holding one copy. Each copy has the same legal effect.

Party A:

Date: September 15, 2025

Party B:

Date: September 15, 2025



CONFIDENTIAL

Contract No:

**3rd Supplementary Agreement to the Exclusive Technical
Consultancy and Training Agreement**

Party A : Giganology (Shenzhen) Co., Ltd.

Party B : Shenzhen Xunlei Networking Technologies Co., Ltd

CONFIDENTIAL

This Supplementary Agreement is entered into by the following two parties on September 15, 2025 in Shenzhen:

Party A : Giganology (Shenzhen) Co., Ltd.

Legal Representative : Kening Wu

Address : Xunlei Headquarters Building, 3709 Baishi Road, Nanshan, Shenzhen

Party B : Shenzhen Xunlei Networking Technologies Co., Ltd

Legal Representative : Kening Wu

Address : Xunlei Headquarters Building, 3709 Baishi Road, Nanshan, Shenzhen

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3. This supplementary agreement is made in duplicate, with each party holding one copy. Each copy has the same legal effect.

Party A:

Date: September 15, 2025

Party B:

Date: September 15, 2025

Certificate of Credit Line

To: Shenzhen Xunlei Networking Technologies Co., Ltd.

This is to certify that Bank of Ningbo Co., Ltd. Shenzhen Branch (“the Bank”) has approved an unsecured general credit line of RMB 100 million for your company in April 2025, within a validity period of 1 year, including but not limited to revolving loans, acceptance bills, guaranteed discount for commercial bills, and domestic letters of credit, for meeting your company’s working capital needs in day-to-day operations.

Supplementary notes to this Certificate are set out below:

1. The business under this Certificate shall comply with applicable laws and regulations such as the *Commercial Bank Law*, the *Civil Code*, and the *General Rules on Loans*, as well as the Bank’s relevant rules.
2. This Certificate shall not be transferred to others, nor be used as a supporting document for security, financing or disguised financing.
3. This Certificate is only a certificate of the general credit line, and does not represent any specific business commitments, and the relevant business under the credit line is subject to the necessary approval by the Bank. The credit line does not constitute a firm commitment to loan disbursement by the Bank, and the Bank reserves the right to terminate the credit line at any time. The specific loan disbursement operations shall be subject to the Bank’s requirements and policies on credit facilities, and both parties’ rights and obligations shall be subject to the specific contract.

/s/ Seal of Bank of Ningbo Co., Ltd. Shenzhen Branch

/s/ Seal of person in charge

Person in charge (Signature & Seal):

April 27, 2025

**Important Notice:**

Dear customer, to protect your rights and interests, please read this Contract carefully before signing, especially the terms in boldface. In case of any doubt, please promptly ask for our clarification. If you still have questions or doubts, please consult your attorney and relevant professionals.

Credit Agreement

(Applicable to working capital loan not requiring a separate loan contract)

No.: 755XY250701T000033

Credit Provider: China Merchants Bank Shenzhen Branch (hereinafter “Party A”)

Credit Applicant: Shenzhen Xunlei Network Technology Co., Ltd. (hereinafter “Party B”)

Upon Party B’s application, Party A hereby agrees to provide a credit line for Party B. Now therefore, in accordance with applicable laws and regulations, Party A and Party B (hereinafter “the Parties”), through adequate negotiation, hereby make and enter into this Credit Agreement (hereinafter “this Agreement”), subject to the following terms and conditions.

1. Credit Line

1.1 Under this Agreement, Party A will extend a credit line of One Hundred Million RMB (including revolving credit line and/or one-time credit line) (hereinafter “the Credit Line”). Party B may apply for specific business in other currencies within the credit line (the exchange rate shall be converted based on the foreign exchange quotation published by Party A at the time when business occurs).

If there is an outstanding balance of any credit services under the previous Credit Agreement (No.: 755XY2024016972, this is applicable to the situation in which a loan for working capital does not necessitate a separate loan agreement.) (insert the name of the agreement here) between Party A (or its affiliate) and Party B, it shall be automatically included under this Agreement and directly occupy the Credit Line under this Agreement.

1.2 The Credit Extending Period is 12 months from August 1, 2025 to July 31, 2026. **If Party B needs to use the Credit Line to handle the specific credit services, Party B shall submit an application for the utilization of the Credit Line to Party A within this period, and Party A shall not accept Party B’s application for the utilization of the credit limit beyond the expiry date of the Credit Extending Period, except as otherwise stipulated in this Agreement.**

1.3 Credit products and services offered under the Credit Line include without limitation one or more credit products or services of: loan/order loan, trade financing, bills discount, commercial bills

acceptance, commercial acceptance bills confirmation/ reimbursement, international/domestic guarantee, customs payment guarantee, legal-person account overdraft, derivative transaction, gold lease, etc. (hereinafter "Credit Services").

"Trade financing" includes without limitation such service types as international/domestic letter of credit, import bill advance, delivery guarantee, advance against import documentary collection, packing finance, export bill advance, export negotiation, advance against export documentary collection, import/export remittance financing, credit insurance financing, factoring, commercial paper guarantee, etc.

1.4 Revolving credit line is the maximum balance sum of principals of one or more foregoing Credit Services offered by Party A to Party B during the Credit Extending Period, which can be used by Party B on a continuous and revolving basis.

One-time credit line is the one-time credit line approved by Party A which the cumulative amount of all foregoing Credit Products offered by Party A to Party B cannot exceed. Party B shall not the one-time credit line on a revolving basis, and the corresponding amounts of several credit services utilized by Party B shall occupy the one-time credit line until the cumulative amount is used up.

2. Credit Line Occupation Arrangements

2.1 The specific credit services applied by Party B and approved by Party A during the Credit Extending Period shall be automatically included under this Agreement and occupy the Credit Line under this Agreement.

2.2 If Party A provides import factoring with Party B as the payer, the accounts receivable debt against Party B that Party A has acquired from a third party under the service or the debt it holds based on the debt instrument/payment commitment issued by Party B will occupy the foregoing Credit Line; if Party B applies for the provision of domestic seller factoring or export factoring service from Party A with Party B as payee (accounts receivable creditor / creditor under the debt instrument or payment commitment), the payment made by Party A with its own funds or other funds of lawful sources to Party B for the accounts receivable debt or acquisition/purchase payment of creditor under the debt instrument or payment commitment held by Party B will occupy the foregoing Credit Line.

2.3 If Party A entrusts other branches of China Merchants Bank to issue back-to-back letter of credit to the beneficiary according to its internal procedures after issuing the letter of credit, such letters of credit and documentary credits and delivery guarantees arising thereunder will occupy amounts of the Credit Line.

Under the import letter of credit service, if any subsequent import bill advance is made under the same letter of credit, the letter of credit and import bill advance will occupy the same amount of the Credit Line at different stage. That is to say, when an import bill advance is made, amount recovered after payment by the letter of credit will be reused to make import bill advance, and will be deemed to occupy the same amount as the original import letter of credit.

2.4 Party B applies to Party A for the issuance of a guarantee in which a third party is the

guaranteed party. This will occupy the foregoing Credit Line. Meanwhile, Party B acknowledges that it assumes primary repayment responsibility for the principal balance of advances made by Party A in fulfilling compensation obligations under the guarantee, as well as for interest, penalty interest, compound interest, liquidated damages, and late performance fees.

3. Approval and Utilization of Credit Line

3.1 The type of Credit Line hereunder (revolving credit line or one-time credit line) and applicable types of Credit Services, credit amounts extended for different types of Credit Services, whether different types of Credit Services can be swapped, and specific conditions for utilizing the Credit Line are subject to approval of Party A. If Party A makes any adjustment to its original approval according to Party B's application during the Credit Extending Period, any subsequent approvals issued by Party A will constitute supplements and modifications to the original approval, and so on.

3.2 Party B shall apply for utilization of the Credit Line one by one by submitting the required documentation to Party A, and the credit service shall be carried out on a case-by-case basis only upon approval. Party A shall have the right to decide whether to approve each application based on its internal management requirements, Party B's operation status and other relevant conditions, and may reject Party B's application at its sole discretion without assuming any legal liability to Party B. Where there is any inconsistency between this provision with any other provisions hereof, this provision shall prevail.

3.3 When a specific credit service is carried out upon approval of Party A, the specific texts signed by Party A and Party B on the specific credit service (including but not limited to single-transaction agreement/application, framework agreement, or specific business contract) shall constitute an integral part of the *Credit Agreement*. The amount, interest rate, term, purpose, fee and other transaction elements of each loan or other credit services will be subject to separate service agreements, transaction vouchers (including but not limited to drawdown application, certificate of indebtedness (if any)) confirmed by Party A and the transaction records in Party A's system. The interest rate hereunder shall be calculated by simple interest, unless otherwise specified by separate service agreements, transaction vouchers (including without limitation certificate of indebtedness) confirmed by Party A and the transaction records in Party A's system.

If Party B applies for a working capital loan within the credit line, Party A and Party B shall not sign the *Loan Contract* separately. Party B shall submit an application for each drawdown, and Party A shall review and approve the same one by one.

3.4 Party A shall have the right to regularly or irregularly adjust the benchmark interest rate or interest rate pricing method for loan/other credit services under this Agreement in line with changes in relevant national policies, domestic and overseas market conditions, or its credit policy. Such adjustment shall take effect after Party A notifies Party B (by announcement published at Party A's banking outlet or on the official website of China Merchants Bank, or notice served to Party B at any contact address/method reserved in this Agreement;) if Party B does not accept the adjustment, it shall make early repayment, otherwise it shall be deemed to be acceptance of such adjustment.

Where there is any inconsistency between this provision with any other provisions hereof, this provision shall prevail.

3.5 Duration of each loan or other credits within the scope of the Credit Line shall be determined according to Party B's business need and Party A's business management rules; the expiration date of each specific service may be later than that of the Credit Extending Period (unless otherwise required by Party A).

3.6 During the Credit Extending Period, Party A shall have the right to assess Party B's operating and financial status on an annual basis, and adjust the usable credit line of Party B based on the assessment result.

4. Interest Rate on Working Capital Loan

4.1 The interest rate of any loan hereunder shall be specified by Party B in the corresponding drawdown application and determined upon approval by Party A. If the drawdown application is inconsistent with the certificate of indebtedness (if any) for the loan or the relevant records in Party A's system, the certificate of indebtedness (if any) or the relevant records in Party A's system shall prevail.

4.2 If Party B fails to utilize any loan as agreed herein, Party B will be charged a penalty interest with regard to the portion not used for the agreed purpose, from the date of such failure, at the original interest rate plus 100%. The original interest rate shall refer to the interest rate applicable prior to the use of the loan for the purpose not agreed upon.

If Party B fails to repay the loan on time, it will be charged overdue interest (penalty interest) at the original interest rate plus 50% (overdue loan interest rate) with regard to the overdue portion from the date of becoming overdue. The original interest rate shall refer to the interest rate applicable before the maturity date of the loan (including early maturity date), or prior to the last floating period before the maturity date (including early maturity date) in case of a floating interest rate.

If the overdue loan is used for the purpose not agreed upon, the higher interest rate as set forth above shall be used to calculate the interest.

4.3 During the loan period, any adjustment to the loan interest rate made by the People's Bank of China shall be observed.

4.4 If the loan maturity date is a public holiday, it shall be extended automatically to the first business day after the holiday. And the interest shall be calculated based on the number of days that the loan proceeds have been actually used.

4.5 Party B shall pay the interest on each interest date, and Party A may debit the interest payable directly from any account of Party B with China Merchants Bank. If the last repayment date of loan principal is not an interest date, the last repayment date shall become an interest payment date, and the Borrower shall pay up the interest payable on the loan principal on that date. If Party B fails to pay any interest on time, compound interest at overdue interest rate set forth in this provision shall be imposed in respect of the unpaid interest (including penalty interest).

5. Guarantee Clause

5.1 For any debts owed by Party B to Party A under this Agreement, Party B or a third party recognized by Party A shall provide collateral (pledge) guarantee or joint guarantee, and Party B or the third party as guarantor shall issue or sign a separate guarantee agreement as required by Party A.

5.2 Party A shall have the right to refuse to provide credit facility to Party B if the guarantor fails to sign the guarantee agreement and complete the guarantee provision procedures in accordance with the provisions of this Article (including the case that the accounts receivable debtor raises an objection to the accounts receivable before pledge).

5.3 When the mortgagor provides real estate mortgage as security for Party B's debts to Party A hereunder, if Party B is aware that the mortgaged assets are already or likely to be included in the government's demolition and expropriation plan, it shall inform Party A promptly and urge the mortgagor to renew security for Party B's debts with the compensation offered by the demolition party and go through corresponding security procedures as per provisions of the mortgage contract, or provide other security measures acceptable to Party A as per Party A's requirements.

6. Rights and Obligations of Party B

6.1 Party B shall have the rights to:

6.1.1 Require Party A to provide loans or other credits within the scope of the Credit Line in accordance with the terms and conditions hereof;

6.1.2 Make use of the Credit Line in accordance with the terms and conditions hereof;

6.1.3 Require Party A to maintain confidentiality for information provided by Party B regarding Party B's production, operation, properties, accounts and other aspects, unless otherwise required by this Agreement;

6.1.4 Transfer its debts to a third party with Party A's written consent.

6.2 Party B shall be obligated to:

6.2.1 Provide authentic documents required by Party A (including but not limited to, on the frequency required by Party A, provide authentic financial books/statements and annual financial reports, important decisions and changes in production, operation and management, money drawdown/utilization information, information on collateral, etc.), information on Party B's financing from other financial institutions and non-financial institutions (including the financing that Party B has obtained and is applying for at the time of execution of this Agreement), and information regarding all banks of deposit, account numbers and deposit & loan balances; ensure the authenticity, accuracy and integrity of all the document provided, and cooperate with Party A's investigation, review and inspection;

6.2.2 Accept Party A's inspection on its utilization of credit facility proceeds and related production, operation and financial activities;

6.2.3 Make use of the loans and/or other credits in accordance with provisions of this Agreement and separate agreements and/or the committed purposes;

6.2.4 Repay on time principals, interests and fees of loans, advances and other credits in accordance with provisions of this Agreement and separate agreements;

6.2.5 Obtain Party A's written consent before transferring debts hereunder to any third party in whole or in part;

6.2.6 Inform Party A promptly and actively coordinate with Party A in arranging for measures to secure repayment of principals, interests and fees of all loans, advances and other credits hereunder under any condition as follows:

6.2.6.1 Material financial loss, loss of assets or other financial crisis has occurred;

6.2.6.2 Party B provides a loan or guarantee for the benefit or protection of a third party against loss, or provides mortgage (pledge) with its own property (right);

6.2.6.3 Suspension of business, revocation or deregistration of business license, filing or being filed for bankruptcy or dissolution, etc.; or change in key enterprise information, such as enterprise name, registered address, business address, and beneficial owner; Any change occurs to the Borrower's controlling shareholder/de facto controller; or Party B's legal representative/principal person-in-charge, director or key senior manager is changed, or is punished/restricted by the competent State authority for violating the law, discipline, etc., or goes missing for more than seven days, which may affect its normal operations;

6.2.6.4 Its controlling shareholder or other related company and de facto controller suffers a significant operating or financial crisis, which affects its normal operations; or **its controlling shareholder/de facto controller abuses the independent legal person status or the limited liability of shareholder, evades debt, suspends operation, goes out of business, gets business license revoked, files or is filed for bankruptcy or dissolution, is punished by competent authority, commits a crime, or is involved in a significant legal dispute; or its legal representative or legal representative/principal person-in-charge, director or key senior manager of its controlling shareholder or other related company and de facto controller, is changed, or is punished/restricted by the competent State authority of for violating the law, discipline, etc., or goes missing for more than seven days, which may affect its normal operations.**

6.2.6.5 The amount of the related party transaction with its controlling shareholder and/or other related companies or de facto controller reaches more than 10% of the net assets of Party B (Party B's notice shall at least cover the relationship between the Parties to the transaction, the transaction item and nature, the transaction amount or the corresponding proportion, pricing policy (including transaction with no amount or only symbolic amount), etc.);

6.2.6.6 Any litigation, arbitration or criminal/administrative penalty has been brought by or against it, causing material negative effect on its operation or financial status;

6.2.6.7 Party B or its de facto controller is burdened with a large amount of lending with usurious interest rate; or has bad records such as re-extension, delinquency and interest payment default in other financial institutions; or Party B's related enterprise suffers a debt crisis due to disruption of capital chain; **or Party B, its key stakeholders, or its subsidiaries are subject to the risk of money**

launders, terrorist financing, or sanctions violations, or there is a possibility that Party A may be exposed to compliance risks related to money laundering, terrorist financing, or sanctions violations; or Party B's project is halted or suspended or involves a significant investment mistake;

6.2.6.8 Any other significant matter occurs that may affect the solvency of Party B and/or its controlling shareholder/de facto controller.

6.2.7 Party B shall not be slack in managing or claiming its mature debts or dispose of its existing major properties without compensation or by other improper means.

6.2.8 Party B must obtain Party A's prior written consent before engaging in consolidation (merger), separation, restructuring, equity joint venture (cooperative joint venture), transfer of property rights or equity, reforming its shareholding system, overseas investment, increasing debt financing, etc.

6.2.9 In the case of dynamic pledge of accounts receivable, Party B shall guarantee that the credit balance at any time point during the Credit Extending Period is lower than 70% of the balance of the pledged accounts receivable, otherwise, it must provide new accounts receivable acceptable to Party A as pledge or margin (the margin account number is account number deposit automatically generated or recorded by Party A's system at the time of deposit of the margin, the same as below), until the balance of the pledged accounts receivable $\times 70\% + \text{valid bond} > \text{credit balance}$.

6.2.10 In the case of bond pledge, if fluctuation in exchange rate results in the balance of the bond account being lower than 105% of the amount of the corresponding credit service, Party B (or other third party) shall have the obligation to provide additional amount of bond or other guarantee as required by Party A.

Where the currency of the limit is inconsistent with the currency of a specific business before the specific business is settled, Party B is obliged to make additional margin or other securities as required by Party A if, due to exchange rate fluctuations, the amount of the specific business in the currency of the limit converted at the latest exchange rate published by Party A exceeds the amount converted when the business actually occurs, resulting in the total amount of the specific business actually occurred hereunder exceeding the total credit limit.

6.2.11 Party B shall guarantee that payments for goods under import shall be collected into the account designated by Party A; under export negotiation, shall transfer bills and/or documents under the letter of credit to Party A.

6.2.12 Party B shall guarantee that settlement, payment and other receipt and payment activities are primarily carried out in its bank settlement account with Party A. During the Credit Extending Period, Party B's share of settlement transactions in the designated account shall be, at a minimum, Party B's share of Party A's financing in all banks.

7. Rights and Obligations of Party A

7.1 Party A shall have the following rights to:

7.1.1 Require Party B to fully repay on time principals and interests of all loans, advances and credit debts under this Agreement and separate agreements;

7.1.2 Require Party B to provide documents and information related to its utilization of the Credit Line;

7.1.3 Ask for information about Party B's production, operation and financial activities;

7.1.4 Supervise that Party B is utilizing loans and/or other credits for the purposes agreed upon in this Agreement and separate agreements; **when it is required by its business, unilaterally suspend or restrict the corporate online banking/corporate APP/other online function of Party B's account (including but not limited to closing online banking/corporate APP/other online function, presetting list of payees/single payment limit/phase payment limit, and other restrictions) and other electronic payment channels, restrict sale of settlement vouchers, or restrict payment or transfer at the counter, telephone banking, mobile banking and other non-counter payment and exchange functions of Party B's account;**

7.1.5 Authorize other branches of China Merchants Bank in the place where the beneficiary is located to issue letter of credit to the beneficiary according to its internal procedures.

7.1.6 Debit amounts from any account of Party B at any outlet of China Merchants Bank for repayment of Party B's debts under this Agreement and separate agreements (if credit debts are not denominated in RMB, to purchase or trade foreign exchange from Party B's any account at the exchange rate published by Party A at the time of debiting to repay principals, interests and fees of the credit debts);

7.1.7 Transfer its claims against Party B, and inform Party B about the transfer and collect from Party B by appropriate means at its sole discretion, including but not limited to fax, mailing, personal service, **announcement on the public media, etc.;**

7.1.8 Monitor and entrust other China Merchants Bank outlets to monitor Party B's accounts, and control payment of loan proceeds according to the loan purposes and payment scope agreed by the Parties;

7.1.9 Where Party A is aware that Party B falls under any of the circumstances stipulated in Article 6.2.6 herein, Party A shall have the right to require Party B to arrange for measures to secure repayment of the principal and interest on all loans under this Agreement and all associated costs as per the requirements of Party A, and Party A shall also have the right to directly take one or more remedial measures against the default specified in the clause herein with the heading "Breach Events and Treatment".

7.1.10 Party A has the right to report any newly incurred implicit local government debt of Party B to regulatory authorities;

7.1.11 Other rights provided hereunder.

7.2 Party A shall be obligated to:

7.2.1 Extend loans or other credits to Party B within the scope of the Credit Line according to the conditions provided under this Agreement and separate agreements;

7.2.2 Maintain confidentiality for the status of Party B's assets, finance, production and operation, unless otherwise required by laws and regulations or by the regulatory authority, or unless it is

provided to Party A's superior or subordinate institutions or external auditors, accountants or lawyers carrying the same confidentiality obligation.

8. Party B hereby makes the following guarantees:

8.1 Party B is an entity with legal-person qualification lawfully established and existing under the laws of the People's Republic of China, its procedures for registration and annual reports publication are true, lawful and valid, and it has full capacity for civil conduct to sign and perform this Agreement;

8.2 Party B has obtained full authorization from its board of directors or any other authorities to sign and perform this Agreement;

8.3 Documents, data, certificates and other information provided by Party B regarding Party B, the Guarantor, mortgagors/pledgors and mortgaged/pledged assets are authentic, accurate, complete and valid, and do not contain material error or omission of any material fact that is inconsistent with the facts;

8.4 Party B shall strictly observe provisions of all separate transaction agreements and all letters and documents that it issues to Party A;

8.5 No litigation, arbitration or criminal/administrative penalty that may have material adverse consequences on Party B or its main property has taken place at the time of signing this Agreement and no such litigation, arbitration or criminal/administrative penalty will take place during the execution of this Agreement. In case any such condition occurs, Party B shall immediately notify Party A;

8.6 Party B shall strictly abide by national laws and regulations in its business activities, carry out various businesses in strict accordance with the business scope stipulated in its business license or approved according to the law, and perform the procedures for enterprise (legal person) registration, annual reporting and business term renewal/extension on time;

8.7 Party B shall maintain or improve the current operation and management level, ensure the maintenance and appreciation of its existing assets, do not give up any mature debt claims, and do not dispose of existing main properties without compensation or by other inappropriate ways;

8.8 Without permission of Party A, Party B shall not repay other long-term debts in advance;

8.9 Party B's Statements and Warranties Regarding the Management of Environmental, Social, and Governance (ESG) Risks

Environmental, Social, and Governance (ESG) risks refer to the risks associated with Party B, its related parties, major contractors, and suppliers in their construction, production, and operations that primarily relate to environmental, social, and governance factors. They cover issues related to ecological protection, environmental pollution, climate change, biodiversity, water resource utilization, production safety, occupational health, gender equality, employee rights and interests, land acquisition and resettlement, and other ESG-related concerns. Regarding ESG risk management, Party B makes the following statements and warranties:

8.9.1 Establish and improve the internal ESG risk management system to ensure compliance with relevant laws and regulations and guarantee its effective implementation;

8.9.2 Ensure that all behaviors and performance related to ESG risks are compliant, with no major litigation, arbitration cases, or other legal proceedings related to such risks;

8.9.3 Establish and improve the emergency response mechanism and measures for ESG risk incidents, designate a specialized department and/or personnel responsible for ESG risk matters, and clearly define responsibilities, obligations, and penalties in internal policies; if Party B faces strong public or stakeholder questioning regarding its ESG risk control performance, it shall make appropriate responses or take other necessary actions;

8.9.4 Urge its related parties, major contractors, and suppliers to strengthen management and prevent their ESG risks from affecting Party B;

8.9.5 Submit ESG risk reports as required by Party A, cooperate with assessments and inspections conducted by Party A or a third party authorized by Party A, and promptly notify Party A of relevant situations about ESG risk control, including but not limited to permits, approvals, and ratifications related to ESG risks during project initiation, construction, operation, and closure; evaluations and inspections of ESG risks by ESG regulatory authorities or other recognized institutions concerning Party B, its related parties, major contractors, and suppliers; the construction and operations of supporting infrastructure for environmental protection; pollutant emissions and compliance; safety and health status of Party B's employees; significant complaints or protests from neighboring communities against Party B, its related parties, major contractors, and suppliers; major environmental, social, and governance claims; and other significant ESG-related matters in the opinion of Party A;

8.9.6 Ensure that Party B and its related parties, major contractors, and suppliers comply with laws and regulations concerning ecology, environment, land, health, and safety in the country or territory where the project locates, adhere to relevant international standards and best practices, and maintain substantive consistency with international good practices in project management;

8.9.7 Fulfill other obligations related to ESG risk control as deemed necessary by Party A.

8.10 Party B guarantees its compliance with national regulations on implicit local government debts and will not incur any additional debts of the same type in violation of those regulations after signing this Agreement. The implicit local government debts under this Agreement refer to:

8.10.1 Debts recognized as implicit debts by regulatory authorities such as the national finance and audit authorities;

8.10.2 Debts not yet recognized as implicit debts by regulatory authorities but which, in practice, rely on fiscal funds for repayment or credit support (including guarantees, repurchase commitments, etc.) beyond the statutory government debt limit.

8.11 Party B shall strictly comply with and implement applicable anti-money laundering and sanctions compliance policies and regulations in China and other jurisdictions. Party B shall not participate in or assist others in suspected money laundering, terrorist financing, proliferation financing, tax evasion, fraud, or other illegal and noncompliant activities. Party B shall comply with

and implement Party A's anti-money laundering and sanctions compliance documents and at Party's request, actively cooperate with appropriate actions and investigations in accordance with relevant anti-money laundering, anti-terrorist financing, and anti-tax evasion regulations.

8.12 Party B shall not use false contracts, bills, accounts receivable, or other debts without a genuine trade background to handle discounting, factoring, pledging, letters of credit, forfeiting, or other business with Party A.

8.13 The loans applied under the credit shall comply with the requirements of laws and regulations, and the loans shall not be used illegally for investment in fixed assets, equity, etc., for the speculation and sale of securities, futures and real estates, for mutual borrowing to obtain illegal income, for the production or operation sectors and purposes prohibited by the State, or for the purposes other than those specified herein and separate transaction agreements.

If the loan proceeds are paid independently by the Borrower, Party B shall report the payment status to Party A regularly (at least monthly). Party A shall have the right to check whether the payment is in line with the agreed purpose through account analysis, voucher verification, site investigation, etc.

8.14 At the time of signing and performing this Agreement, Party B has not had any other major events affecting the performance of its obligations hereunder.

9. Special Provisions on Working Capital Loan

9.1 Drawdown and Use of Loan

The working capital loan hereunder may be used by Party B through independent payment or entrusted payment.

9.1.1 Independent Payment

Independent payment means that Party B pays the loan proceeds independently to its transaction counterparties for the agreed purpose after Party A disburses the loan amount to Party B's account upon receipt of Party B's drawdown application.

9.1.2 Entrusted Payment

Entrusted payment means that Party A pays the loan proceeds via Party B's account to any transaction counterparties of Party B for the agreed purpose based on Party B's drawdown application and payment entrustment. For the loan proceeds paid through entrusted payment, Party B shall grant Party A the authority to make payments via Party B's account to any transaction counterparties of Party B on the loan disbursement date (or a business day following loan disbursement).

9.1.3 In any of the following circumstances, Party B shall adopt the method of full-amount entrusted payment unconditionally:

9.1.3.1 A single drawdown by Party B exceeds RMB Ten Million (inclusive, or equivalent foreign currency);

9.1.3.2 Party A requires Party B to adopt the method of entrusted payment as required by regulatory authority or risk control.

9.1.4 In case of entrusted payment, the disbursed loan proceeds shall be paid with Party A's approval, and Party B shall not circumvent Party A's supervision through online banking, inverted promissory notes, breaking up the total amount into parts, etc.

9.2. At the time of drawdown, Party B shall submit an application as required by Party A (which shall be affixed with Party B's official seal or Party B's specimen seal at Party A if submitted offline; with a digital certificate or other signatures accepted by Party A if submitted online), certificate of indebtedness (if any) and documents required by Party A according to the specific requirements for independent payment or entrusted payment. Otherwise, Party A shall have the right to reject Party B's drawdown request. Party A shall not be liable for Party B's breach of contract or other losses caused by Party B to its transaction counterparties due to any delay or failure in payment arising from provision of inaccurate and incomplete payment information by Party B.

9.3 Loan Extension

If Party B requests a loan extension because of its failure to make repayment of any loan hereunder on time, it shall submit a written application to Party A one month before the expiration of the relevant loan. If Party A grants an extension, Party A and Party B shall sign a separate extension agreement. If Party A refuses to grant an extension, the loan already used by Party B and the interest payable thereon shall still be repaid pursuant to this Agreement and corresponding certificate of indebtedness or the records in Party A's system.

10. Breach Events and Treatment

10.1 Party B shall be deemed to have breached this Agreement under any of the following circumstances:

10.1.1 It fails to perform or breaches any of the obligations set forth herein;

10.1.2 It makes any special warranty hereunder that is inauthentic or incomplete, or breaches or does not fulfill the special warranty;

10.1.3 Party B fails to draw or use the loan as agreed herein, repay the loan principal and interest or expenses in full and on time as required herein, use the funds in the collection account as per Party A's requirements, or accept Party A's supervision, without immediate rectification upon request by Party A;

10.1.4 It makes any material breach event related to any lawful and valid contract signed by Party B with any other creditor and such breach is not resolved within three months following the date of breach; or any related party of Party B commits a material default with China Merchants Bank or other creditors, which remains unresolved within three months from the date of occurrence, and Party A determines that this may negatively impact Party B's performance (regardless of whether Party B has actually defaulted under this Agreement).

The aforementioned material breach event refers to such breach of Party B that results in its creditor's entitlement to claim from Party B an indemnity of CNY One Million or more.

10.1.5 If Party B is an enterprise listed or applying for listing on the National Equities Exchange and Quotations ("NEEQ"), it experiences significant obstructions or withdraws the application for

listing; it is given with warning letters, ordered to make corrections, restricted in the trading of its securities account, or imposed with other self-disciplinary measures by NEEQ, for more than 3 times; or it is subject to disciplinary actions, or its listing is terminated, or other similar circumstances;

10.1.6 When Party B is a supplier of a government procurement agency, the government procurement agency has risk information detrimental to loan repayment to Party A such as delayed payment for three continuous or cumulative periods, or Party B experiences disqualification for supply (inclusion in government procurement blacklist), untimely supply, unstable product quality, operating difficulties, obvious deterioration of financial position (insolvency), project shutdown, etc.

10.1.7 Party B's financial indicators fail to continuously satisfy the requirements stipulated in this Agreement/separate service agreement; or any of the preconditions (if any) for Party A to provide credit facility/financing to Party B as stipulated in this Agreement/separate service agreement is not continuously satisfied.

10.1.8 Party B draws and utilizes the loan by "breaking up the total amount into parts" in order to circumvent entrusted payment of loan proceeds by Party A pursuant to the requirements herein;

10.1.9 If Party B fails to properly fulfill or satisfy the statements and warranties related to ESG risk management under this Agreement, or if Party B is subject to penalties by relevant regulatory authorities or faces strong public and/or media questioning due to poor ESG risk management, or if other ESG-related defaults occur, including violations of ESG agreements between Party B, its related parties, major contractors, or suppliers and their respective creditors;

10.1.10 If Party B uses related-party transactions to impair or evade the debts of China Merchants Bank or other institutions, it shall be deemed as default.

A related-party transaction refers to the transfer of resources or obligations between related parties, whether or not a price is charged.

10.1.11 Other circumstances Party A considers to be harmful to Party A's legitimate rights and interests.

10.2 In the event the Guarantor has any of the following conditions, and Party A considers it may harm the Guarantor's guarantee capability, thus requires the Guarantor to eliminate adverse effect of such circumstance or requires Party B to increase security or change security condition, but the Guarantor and Party B fail to cooperate with such requirement, it will be deemed a breach event has occurred:

10.2.1 A condition similar to one of the conditions described under Article 6.2.6 hereof has occurred, or a condition described under Article 6.2.8 has occurred without Party A's consent;

10.2.2 The Guarantor conceals its actual capability for undertaking the guarantee responsibility or has not obtained authorization from relevant authority when issuing the irrevocable letter of guarantee;

10.2.3 The Guarantor fails to perform on time the annual enterprise reporting procedure, renewal/extension of its business term, or other similar circumstances;

10.2.4 The Guarantor is being slack in managing and claiming for its mature debts or disposes

of its existing main properties without compensation or by other improper means.

10.2.5 The Guarantor breaches any obligation, undertaking or statement set forth in any irrevocable letter of guarantee signed by it.

10.3 In the event the Mortgagor (or Pledgor) has any of the following conditions, and Party A considers it may result in failure of creation of mortgage/pledge or deficiency in the value of the mortgaged/pledged asset, thus requires the Mortgagor/Pledgor to eliminate adverse effect of such condition or requires Party B to increase security or change security condition, or the Mortgagor/Pledgor and Party B fails to cooperate with such requirement, it will be deemed a breach event has occurred:

10.3.1 The mortgagor/pledgor has no ownership or disposal right to the mortgaged/pledged asset or the ownership is disputable;

10.3.2 The mortgage/pledge has not been registered, or the mortgaged/pledged asset has been leased, legally resided, seized, retained or supervised, has a common/legal priority (including but not limited to the priority of construction project or movable property payments), has been created with the retained priority of the seller's ownership and the priority of lessor's financing lease, and/or has been concealed with the occurrence thereof;

10.3.3 The mortgagor transfers, leases, re-mortgages or disposes of by any improper means the mortgaged asset without Party A's written consent; or even though such disposal is done with Party A's written consent, the proceeds obtained from disposal of the mortgaged asset is not used to repay Party B's debts to Party A as required by Party A;

10.3.4 The mortgagor fails to properly keep, maintain and repair the mortgaged asset, obviously derogating their value; or the act of the mortgagor directly endangers the mortgaged asset, causing their value to decrease; or the mortgagor fails to obtain/renew insurance for the mortgaged asset as required by Party A during the mortgage term;

10.3.5 The mortgaged asset is or is likely to be included in the government's scope of demolition and expropriation, but the mortgagor fails to inform Party A promptly and perform relevant obligations under the mortgage contract;

10.3.6 In case the mortgagor uses its housing property which it has mortgaged with China Merchants Bank to provide residual mortgage security for the transaction hereunder, the mortgagor pays off his/her personal mortgage loan without Party A's consent before Party B's has paid off its credit debt hereunder.

10.3.7 Where the pledgor provides wealth management product as pledge, the source of funds for subscription of the wealth management product is illegal/non-compliant;

10.3.8 Matters concerning the collateral (pledge) occur or are likely to occur, which affect the value of the collateral (pledge) or the collateral (pledge) rights of Party A.

10.3.9 The mortgagor (or pledgor) breaches any obligation, undertaking or statement set forth in any mortgage/pledge contract signed by it.

10.4 The mortgagor (or pledgor) is subject to the risk of money laundering or sanctions

compliance risks that may impair Party A's interests.

10.5 Where accounts receivable are pledged to secure the debt hereunder, if the accounts receivable debtor's business has deteriorated significantly, or the accounts receivable debtor transfers its properties or illegally withdraws capital for the purpose of debt evasion, or colludes with the accounts receivable pledgor to change the payments collection channel to divert payment of accounts receivable from entering the designated collection account, or loses its goodwill, or loses or is likely to lose its capability to perform the pledge agreement, or has any other major event that impairs its solvency, Party A shall have the right to require Party B to provide corresponding security or provide new valid accounts receivable for pledge, failing which, it will be deemed a breach event has arisen.

10.6 Once any of the above breach events has arisen, Party A shall have the right to take the following measures separately or simultaneously:

10.6.1 Reduce the Credit Line hereunder, or stop utilization of the remaining amount of the Credit Line;

10.6.2 Recover in advance principals, interests and related fees of all loans extended within the scope of the Credit Line;

10.6.3 As for bills accepted or letters of credit, letters of guarantee, delivery guarantees and other credit papers issued (including entrusted reissue) by Party A within the Credit Extending Period, regardless if any advance has been made, Party A shall have the right to require Party B to increase the amount of bond, or transfer deposits from its other accounts at Party A into the bond account or deposit the corresponding amounts with a third party, to secure for repayment of future advances made by Party A hereunder;

10.6.4 As for outstanding accounts receivable claim of Party B acquired in factoring service, Party A shall have the right to require Party B to immediately perform the repurchase obligation and adopt other recovery measures in accordance with relevant separate service agreement; as for accounts receivable claim against Party B acquired in factoring service, Party A shall have the right to claim against Party B immediately.

10.6.5 As appropriate, Party A may also directly require Party B to provide other assets acceptable to Party A as new security, failing which, **Party B shall be liable to pay liquidated damage equivalent to 30% of the Credit Line hereunder.**

10.6.6 Directly freeze/debit deposit in/from any settlement account and/or other account opened by Party B with China Merchants Bank, suspend opening of new settlement account for Party B, and suspend opening of new credit card for legal representative;

10.6.7 Submit Party B's default and dishonesty information to credit standing agencies and banking associations, and have the right to share such information among banking institutions and even make it known to the public by appropriate means;

10.6.8 Dispose of the collateral (pledge) and/or claim compensation from the guarantor as per the provisions of the guarantee agreement;

10.6.9 For a working capital loan granted under the credit, Party A may change the entrusted payment conditions of proceeds and remove the method of independent payment for Party B's use of proceeds;

10.6.10 Claim compensation pursuant to the provisions of this Agreement.

10.7 Funds recovered by Party A will be used to repay credit debts in a last-to-first order according to their respective maturity date. And each credit will be repaid in the following order: fees, liquidated damages, compound interests, penalty interests, interests, and lastly principals of the credit, until all principals, interests and related fees have been fully repaid.

Party A shall have the right to unilaterally adjust the above repayment order, unless otherwise required by laws and regulations.

11. Amendment and Supplement to Agreement

This Agreement may be amended on the basis of consensus and execution of a written agreement between Party A and Party B. This Agreement shall remain valid before a written agreement is executed. Neither party shall unilaterally amend this Agreement without consent of the other party.

Written supplementary agreements made and entered by and between the Parties through negotiation regarding matters not covered hereunder and modifications hereto and all separate agreements entered into hereunder by the Parties shall form appendixes to and constitute integral parts of this Agreement.

12. Other matters

12.1 During the term of validity of this Agreement, any tolerance or grace period given by Party A for any breach or delay of Party B or any delay of Party A in exercising any interest or right hereunder will not prejudice, affect or restrict any rights and interests Party A is entitled to as the creditor under the law and this Agreement, and shall not be deemed as Party A's permission or approval for any breach or waiver of its right to adopt action against any existing or future breach.

12.2 In case this Agreement or any part thereof becomes void or invalid in law due to any reason whatsoever, Party B shall still be liable for all debts owed to Party A hereunder. In such case, Party A shall have the right to terminate performance of this Agreement and immediately claim repayment of all debts owed by Party B hereunder.

If any change in applicable laws or regulations results in increase in Party A's cost for performing its obligations hereunder, Party B shall compensate for Party A's cost increase as required by Party A.

12.3 Any notice, requirement or other document of Party A and Party B with respect to this Agreement ("Notice") shall be transmitted in writing form (including but not limited to mail, fax, email, CMB's e-platforms such as corporate banking/corporate APP, SMS, and WeChat). Party B confirm the address and method of service of documents as follows:

12.3.1 Party B confirms and agrees that Party B's contact address email, fax number, mobile phone number or WeChat account retained in CMB's corporate banking/corporate APP or other e-platforms or set forth in this Agreement are used as the addresses for serving notices, demands, or

other documents related to this Agreement.

12.3.2 Party B confirms and agrees that, in case of personal service (including but not limited to service by lawyer/notary public or express delivery), it will be deemed served upon being signed receipt by the addressee (**in case of rejection by the addressee, the notification will be deemed served upon the rejection date/return date or seven days following posting, whichever is earlier**); **in case of postal mail, it will be deemed served seven days following posting**; in case of fax, email, announcements/notices in platforms such as CMB's corporate banking/corporate APP, mobile phone SMS, WeChat or other acceptable electronic means, it will be deemed served upon the date of successfully sent as shown by Party A's corresponding system/electronic device. **Notification of debt transfer or debt collection to Party B announced by Party A on any public media will be deemed served upon the date of announcement.**

12.3.3 If Party B changes its contact address, email, fax, mobile phone or WeChat, it shall inform Party A of such change within five business days of change, otherwise Party A shall have the right to serve documents to the original address or contact information of Party B. Party B shall bear the loss of such notification failure on its own without prejudice to the legal effectiveness of the service.

12.3.4 If a court/arbitration or notary institution delivers judicial/arbitration or notary documents to the address of service set forth in the preceding clause using the service methods specified in this Agreement, the service to the address set forth in the preceding clause shall be deemed as effective (the specific service standards shall be subject to the provisions of the preceding clause).

Party B further agrees that the court may serve instruments to Party B by electronic means such as China Judicial Process Information Online and National Court Unified Service Platform. If the court serves instruments by electronic means as agreed above, the date of service indicated on China Judicial Process Information Online and National Court Unified Service Platform shall be regarded as the date of service.

12.3.5 The address and method of service stipulated in this Article shall apply to all stages of agreement performance, dispute settlement, arbitration, court hearing (first instance, second instance, retrial), and execution.

12.4 The Parties agree that, to make an application for the trade financing service, Party B will only need to affix the reserved seal to application form; both parties hereby acknowledge the validity of such seal.

12.5 The Parties acknowledge that when Party B submits an application for credit service for transaction voucher through Party A's electronic platform (including but not limited to corporate banking/corporate APP), the electronic signature generated in the form of digital certificate shall be regarded as a valid signature of Party B that represents the true intention of Party B. Party A shall have the right to issue the relevant transaction voucher according to the application information submitted online, and Party B shall recognize and be bound by its authenticity, accuracy and legality.

12.6 For convenience of business handling, all operations of Party A related to transactions hereunder (including but not limited to applications acceptance, documents review, loans releasing, transaction confirmation, debiting, inquiry, receipt printing, collection, payment

debiting and collection and notification) may be processed by any outlet within Party A's jurisdiction which may generate, issue and produce relevant letters and instruments; operations and instruments handled by other outlets within Party A's jurisdiction will be regarded as being done by Party A and be binding on Party B.

12.7 All appendixes hereto shall constitute integral parts of this Agreement and will automatically apply to corresponding specific transaction conducted between the Parties.

12.8 Payment of Expenses

☐12.8.1 The relevant premium for accident insurance obtained by Party B and with Party A as the first beneficiary shall be paid by the following means (check the box ☐ with “√”).

Please check the box ☐ with “√”:

☐Paid by Party A.

☐Paid by Party A and Party B at: Party A %, Party B %

☐12.8.2 The relevant expenses arising from the notarization of enforcement (excluding the expenses arising from the application for issuance of a certificate of enforcement) shall be paid by the following means (check the box ☐ with “√”).

Please check the box ☐ with “√”:

☐Paid

☐Paid by Party A and Party B at: Party A %, Party B %

12.8.3 The expenses arising from entrustment of a third party to provide services shall be borne by the entrusting party. If the entrustment is made by the Parties jointly, they shall each bear 50% of expenses.

12.8.4 In the event that Party B fails to repay on time the debts owed to Party A hereunder, all costs incurred by Party A in realizing its debt claim, such as attorney's fees, legal fees, travel expenses, announcement fees, and service fees, shall be borne by Party B in full, and **Party B hereby authorizes Party A to directly debit such costs from Party B's bank account with Party A. In case of a deficiency, Party B shall indemnify Party A in full upon receipt of notice from Party A without requiring any proof from Party A.**

12.9 Party B shall, as per the requirements of Party A, (Check the box ☐ with “√”):

☐insure its core assets and designate Party A as the first beneficiary;

☐not sell or pledge the assets designated by Party A prior to settlement of credit debts;

☐impose the following restrictions on the dividends of its shareholders prior to settlement of credit debts as per the requirements of Party A:

12.10 Party B shall make sure that its financial indicators during the Credit Extending Period are not lower than the following requirements:

12.11 Party B also acknowledges the contents of the Group Credit Service Cooperation Agreement (No.) (including adjustments and supplements made by the signatory from time to time) signed between China Merchants Bank Branch and Party B's parent company/Head Office/holding company (insert company name), and agrees to be bound by the agreement and to, as an affiliate of the group under the agreement, undertake all the obligations set forth for the affiliate of the group. In the event of violation, Party A shall be deemed to have committed a default, and Party A shall have the right to take various remedial measures against default as stipulated in this Agreement.

12.12 During financial and operational decision-making, a party shall be considered a related party under this Agreement if it has the ability to directly or indirectly control, jointly control, or exert significant influence over the other party. If two or more parties are subject to common control by a third party, they shall also be deemed related parties too, as determined by Party A.

The term "key stakeholder" under this Agreement refers to Party B's legal representative or person in charge, authorized signatory, de facto controller, beneficial owner, key investor, key investee, key creditor, controlled entity, etc., as determined by Party A.

12.13 Other matters agreed:

13. Account Information

☐ 13.1 Special Loan Account (Check the box "☐ " with "√" if applicable)

All loan proceeds hereunder must be disbursed and paid through the following account:

Account Name:

Account No.:

Beneficiary Bank:

13.2 Collection account

13.2.1 Party A and Party B agree to designate the following account as Party B's collection account:

Account Name: Shenzhen Xunlei Network Technology Co., Ltd.

Account No.: 755901747310602

Beneficiary Bank: China Merchants Bank Shenzhen Shekou Sub-branch

If the account information above is inconsistent with what's recorded in the certificate of indebtedness or Party A's system, the certificate of indebtedness or the account information in Party A's system shall prevail.

13.2.2 The supervision requirements for this account are as follows:

Party A shall have the right to recover the loan in advance according to Party B's fund collection status, i.e., when funds have been collected into the collection account, the loan at the

amount of the funds may be deemed due in advance and Party A shall have the right to debit funds directly from the collection account to repay the loan.

13.3 Party B shall provide quarterly fund flow information of the aforesaid accounts, and shall cooperate with Party A in the supervision over the said accounts and collection of funds thereinto.

14. Applicable Law and Dispute Resolution

14.1 Conclusion, interpretation and dispute resolution of this Agreement shall be governed by the laws of the People's Republic of China (excluding the laws of Hong Kong SAR, Macao SAR and the Taiwan region); and the Parties' rights and interests shall be protected by the laws of the People's Republic of China.

14.2 Any dispute arising from the performance of this Agreement shall be resolved through negotiation between the Parties. If negotiation fails, either party may (choose one out of the following three options by checking the box ☐ with “√”):

- ☒ **14.2.1 Bring an action with a competent people's court at Party A's place;**
- ☐ **14.2.2 File a lawsuit in the people's court with jurisdiction of the Agreement Execution Place, which is /;**
- ☐ **14.2.3 Apply for arbitration with / (insert name of the arbitration body); the place of arbitration shall be /.**

14.3 After this Agreement and all separate agreements concluded thereunder have been notarized with mandatory enforcement force, to claim for repayment of debts owed by Party B under this Agreement and all separate agreements, Party A may directly submit an application to a competent people's court for enforcement.

15. Effectiveness of the Agreement

This Agreement will enter into force upon being signed and affixed with signature seal by legal representatives/principal responsible persons of both parties or their authorized agents and affixed with common seals/seal of contracts of both parties, and will expire automatically upon the expiration date of the Credit Extending Period or the date when all debts and other related fees owed by Party B to Party A hereunder have been fully repaid (whichever comes later).

16. Supplementary Provisions

This Agreement is executed in triplicate with Party A, Party B and the Guarantor each keeping one copy and all copies have the same legal effect.

Appendix: 1. Special Provisions Regarding Cross-border Trade Financing

- 2. Special Provisions Regarding Buyer/Import Factoring
- 3. Special Provisions Regarding Order Loan
- 4. Special Provisions Regarding Commercial Acceptance Bills Guarantee
- 5. Special Provisions Regarding Derivative Transactions
- 6. Special Provisions Regarding Gold Lease

Special Provisions Regarding Cross-border Trade Financing

1. Cross-border coordinated trade financing is the cross-border trade financing Party B applies for from Party A based on the authentic cross-border trade background between itself and its overseas counterpart, which will be provided collectively by Party A and an overseas entity of China Merchants Bank (hereinafter “the Coordinated Platform”).

2. Specific types of cross-border coordinated trade financing include: back-to-back letter of credit, entrusted issuing of letter of credit, entrusted overseas financing, certified note payment, overseas credit granting under letter of guarantee and cross-border trade financing express service. The meaning and business rules of each type of service will be agreed under separate service agreement.

3. Under back-to-back letter of credit, the master letter of credit issued by Party A upon Party B’s application will directly occupy the Credit Line hereunder, and documentary credit or advance made by Party A (whether during or after the Credit Extending Period) under such master letter of credit for performing its obligations as the issuing bank and corresponding interests and fees thereof will constitute Party B’s financing indebtedness to Party A and will be included in the scope of credit guarantee.

Under entrusted issuing of letter of credit/entrusted overseas financing, the letter of credit applied for/trade financing provided by overseas entity which Party A, upon Party B’s application, entrusts the Coordinated Platform to accept, will occupy the Credit Line hereunder. Where Party A makes import letter of credit collection payment or advance for outward payment under import collection to Party B’s benefit (whether during or after the Credit Extending Period), such payment or advance and related interests and fees thereof will directly constitute Party B’s financing indebtedness to Party A and included in the scope of credit guarantee.

Under commercial paper guarantee, upon Party B’s application, Party A will directly occupy the Credit Line hereunder to provide guarantee for the commercial bills accepted by Party B. If Party B fails to make full payment for the bills on time, Party A shall have the right to made advances for the guaranteed bills, and such advances (whether made during or after the Credit Extending Period) and related interests and fees thereof will be included in the scope of credit guarantee.

Under overseas crediting for letters of guarantee service, letters of guarantee/standby letters of credit issued by Party A upon Party B’s application will directly occupy the Credit Line hereunder. After the overseas company has transferred collection rights (non-claim rights) under the letters of guarantee to the Coordinated Platform, advances made by Party A (whether during or after the Credit Extending Period) upon claim from the Coordinated Platform made based on the letters of guarantee/standby letters of credit and related interests and fees thereof will directly constitute Party B’s financing indebtedness to Party A and will be included in the scope of the credit guarantee.

Under cross-border trade financing express service, after Party A has approved Party B’s trade financing application, the trade financing directly provided to Party B by the Coordinated Platform will occupy the Credit Line hereunder. In case that Party B fails to pay off trade financing of the Coordinated Platform on time, Party A shall have the right to make the repayment in the form of documentary credit or advance, such b documentary credit or advance (whether made during or after the Credit Extending Period) and related interests and fees thereof will constitute Party B’s financing indebtedness to Party A and will be included in the scope of credit guarantee.

Special Provisions Regarding Buyer/Import Factoring

1. Definitions

1.1 Buyer/import factoring service refers to comprehensive factoring services covering payment approval and accounts receivable collection & management provided by Party A as the buyer/import factor for the seller/export factor after the latter has acquired accounts receivable against Party B as the accounts receivable debtor under the relevant commercial contract.

Under the buyer/import factoring service, in case Party B constitutes buyer credit risk, Party A shall assume payment approval liability for the buyer/export factor; in case any dispute arises during performance of the commercial contract, Party A shall have the right to transfer the acquired accounts receivable back to the seller/export factor.

1.2 The seller/export factor is the party who has concluded the factoring service agreement with the supplier/service provider (accounts receivable creditor) under the commercial contract and acquired accounts receivable held by the accounts receivable creditor. Party A can serve as both the buyer/import factor and the seller/export factor concurrently.

1.3 A dispute arises when Buyer raises objection, counter-claim, offset or similar action against the accounts receivable acquired by Party A due to any dispute between the accounts receivable creditor and Party B concerning goods, services, invoices or other causes related to the commercial contract, **or when any third party makes claim, applies for attachment, freezing or seizure or takes other similar actions against the accounts receivable under this Agreement; it will be deemed a dispute has arisen so long as the accounts receivable acquired by Party A cannot be fulfilled whether in whole or in part due to any reason other than credit risk of the buyer.**

1.4 Commercial contracts refer to transaction contracts concluded between Party B and the accounts receivable creditor for the trading of goods and/or services.

1.5 Under payment approval/payment guarantee, after Party B has constituted buyer credit risk, Party A as buyer/importer shall pay corresponding amount of accounts receivable to the seller/export factor within a certain time limit following maturity of the accounts receivable.

2. Upon Party B's application, Party A agrees to provide buyer/import factoring service for Party B within the scope of the Credit Line, and the accounts receivable transferred from the seller/export factor shall subtract from/occupy the Credit Line under the *Credit Agreement* based on its amount.

The amount paid by Party A as the buyer/import factor to fulfill its approved payment/guaranteed payment obligation and all associated fees will be deemed as credit facility issued to Party B under the *Credit Agreement* (at interest rate of within 30 days from the date of issuance and **at / afterwards**), which will be included in the scope of credit guarantee provided by Party B. Party A shall have the right to take any measures agreed under the *Credit Agreement* to recover the approved payment/guaranteed payment from Party B. **So long as the seller/export factor (whether it is Party A or not) has acquired accounts receivable within the Credit Extending Period, even though the approved payment obligation is fulfilled by Party A following expiration of the said period,**

Party A shall still have the right to claim from Party B in accordance with the *Credit Agreement* and relevant commercial contract.

3. Buyer/import factoring fee

Buyer/import factoring fee refers to a business management fee collected by Party A for the provision of buyer/import factoring service to Party B, which will be charged from Party B upon transfer settlement at a certain percentage of the amount of the accounts receivable; the specific rate standard will be reasonably determined by Party A in accordance with its business rules.

4. Party B hereby gives up the right to raise objection to any dispute arising out of the performance of the commercial contract. Therefore, regardless if there is any other agreement, once Party B fails to make payment according to provisions of the commercial contract, it will be deemed that Party B has constituted buyer credit risk, and Party A will proceed to approve the payment, to which Party B has no objection.

Special Provisions Regarding Order Loan

1. Order loan refers to a loan that Party A extends to Party B based on the commercial contract (or project contract) concluded between Party B and a downstream client (the payor), to be used by Party B for performing routine production and operation activities under the commercial contract (or project contract) and will be repaid by sales income (or project income) under the relevant contract as the first source of repayment.

2. Party B shall open a sales income account with Party A for commercial contracts (or project contracts). Sales income under all commercial contracts (project contracts) which have applied for order loan must be remitted directly to this special account, and may not be used or changed without Party A's approval. Party B must notify the payor that this special account is the only account to receive sales income. Party A shall have the right to debit funds from the special account to pay for principals, interests, penalty interests and other related fees of the order loan financing.

3. Under any of the following situations, Party A may immediately suspend Party B's utilization of Credit Line under the *Credit Agreement* and adopt corresponding breach remedies in accordance with the *Credit Agreement*.

3.1 Party B's downstream client has been delinquent in payment for three times consecutively, and Party A reasonably believes that its financial condition has deteriorated to a degree not conducive to protecting Party A's debt claim;

3.2 Party B's supplier qualification has been canceled by its downstream client, or Party B fails to deliver goods to its downstream client on time, or quality of the goods supplied by Party B to its downstream client is unstable, or Party B fails to proceed with its works on schedule without approval of its downstream client, or Party B's professional qualification is lowered to a degree not conforming to its downstream client's requirements, or Party A reasonably believes that Party B has encountered operational difficulty or its financial condition has deteriorated, or total amount of payments from Party B's downstream client has been lower than the total monthly payable amount due from Party B under relevant financing contract for three months consecutively, or the downstream client fails to make installment payment in accordance with relevant project contract for two times consecutively.

Special Provisions Regarding Commercial Acceptance Bills Guarantee

1. Commercial acceptance bills guarantee refers to the service by which Party A provides discount for the commercial acceptance bills accepted, endorsed or guaranteed by Party B or allows the bill holder to apply for discount from any branch of China Merchants Bank (hereinafter "Other Discount Acceptance Bank"). The bill holder (hereinafter "Discount Applicant") may apply for discount from Party A or Other Discount Acceptance Banks by presenting the commercial acceptance bill. Such discount service will occupy a corresponding amount of the Credit Line hereunder.

As the provision of acceptance discount service for commercial acceptance bills by Party A to Party B is the precondition for Other Discount Acceptance Banks to accept discount applications from the bill holder, Other Discount Acceptance Banks, after processing the discount, shall have the right to transfer the discounted bills to Party A; Party A shall be obliged to accept such transfer, and Party B has no objection to this provision.

2. Commercial acceptance bills referred to hereunder include both paper commercial acceptance bills and electronic commercial acceptance bills (hereinafter "Electronic Commercial Bills"); the interest payment methods include interest payment by the buyer, interest payment by the seller, interest payment by other party, and interest payment by agreement.

3. During the Credit Extending Period, Party B must open a commercial acceptance bill bond account with Party A (the account number will be the one generated or recorded by Party A's system when the bond is deposited), and before the acceptance of each bill, deposit a certain amount of money into the bond account as per the percentage required by Party A to serve as the payment margin for the commercial accepted bills which are discounted or acquired from other Discount Acceptance Bank by Party A.

If Party B is the acceptor of the commercial acceptance bill, it shall deposit full amount of payable bill into the bond account it opens with Party A before maturity of each commercial acceptance bill, to pay for the bill when it falls due.

4. During the Credit Extending Period, the discount applicant may present the commercial acceptance bills accepted, endorsed or guaranteed by Party B directly to Party A for discount, or to another Discount Acceptance Bank for discount. Party A or the Other Discount Acceptance Bank shall have the right to examine the qualification of the discount applicant and requires Party B to verify and confirm, and decide at its sole discretion whether to provide discount or not.

After Other Discount Acceptance Bank has provided discount, it shall have the right to transfer the discounted commercial acceptance bills to Party A in accordance with applicable rules of China Merchants Bank. When Party A, after processing the discount or acquiring commercial acceptance bills from Other Discount Acceptance Bank, presents the bill to Party B for payment, Party B shall unconditionally make full payment for the payable bill on time.

5. The issuance, acceptance, guarantee, endorsement and discounting of each electronic

commercial bill shall be subject to the transaction information saved in the Commercial Paper Exchange System of China or Electronic Commercial Draft System or the customer statement or other transaction records produced or printed based on such transaction information. The information retained in the Commercial Paper Exchange System of China or the Electronic Commercial Draft System or other transaction records produced or printed based on such transaction information is an integral part of this Appendix and have the same legal effect as this Appendix, and Party B acknowledges its accuracy, authenticity and legality.

6. Any disputes arising out of or in connection with the underlying contract on the commercial acceptance bills for which Party A guarantees to discount within shall be resolved by Party B and the party concerned through negotiation, and Party B shall still have the obligation to deposit sufficient amount of security and bill amount on time in accordance with Article 3.

7. After Party A provides discount for the commercial bill accepted, endorsed or guaranteed by Party B or acquiring such commercial bill from Other Discount Acceptance Bank, if Party B or the bill payer fails to deposit sufficient amount for the commercial acceptance bill before it falls due, Party A shall have the right to directly take claim measures against Party B, including but not limited to debiting corresponding payment from any deposit account of Party B with China Merchants Bank. If Party A makes advance due to Party B's short payment and the balance in Party B's account balance insufficient to cover it, Party A shall have the right to collect **a penalty interest from Party B at 5/10,000 of the advanced amount per day** in accordance with applicable provisions of the *Payment Settlement Measures*.

Special Provisions Regarding Derivative Transactions

1. Derivative transactions processed by Party A upon Party B's application may occupy the Credit Line by a certain percentage of the nominal principal of transaction/transaction amount, or in the case of floating loss on a derivative transaction, Party A may, in accordance with specific agreement between the Parties, occupy additional credit line of Party B (**upon the occurrence of each transaction, Party A will determine the credit line amount to be taken up based on the type, duration and risk of such transaction and the risk coefficient of the transaction corresponding to the deducted credit line**); the actual credit line amount taken up will be subject to the contents recorded on the credit line occupation notice and/or transaction confirmation letter/verification letter and other related transaction documents issued by Party A.

2. All derivative transactions that still have balances or incur losses during the Credit Extending Period, whether the transactions arise during or after the Credit Extending Period, will occupy the Credit Line in accordance with the preceding provision.

Special Provisions Regarding Gold Lease

1. “Gold Lease” service refers to the service by which Party A leases physical gold to Party B and Party B shall return to Party A equivalent quantity of gold of same nature and attribute upon expiration of the lease term and shall pay rents in Chinese Renminbi (RMB) to Party A on schedule.

2. Party A may provide gold lease service for Party B upon Party B’s application within the Credit Extending Period and the scope of the Credit Line; physical gold leased by Party A will occupy amount of the Credit Line by a corresponding value agreed under the gold leasing agreement signed by the Parties and will constitute Party B’s debts to Party A.

Party B’s Statement:

All terms and conditions of this Agreement have been fully negotiated by the Parties. Party A has drawn Party B’s special attention to the provisions concerning the exemption or alleviation of Party A’s liabilities and other provisions in which Party B has substantial interest, and has made explanations for the above provisions at the request of Party B. Party B has obtained a comprehensive and accurate understanding of the same. All signatory parties’ understandings of the terms and conditions of this Agreement are fully consistent.

(The remainder is intentionally left blank)

(The following is for signature of the *Credit Agreement* No.: 755XY2023002951 (Applicable to working capital loan not requiring a separate loan contract))

Party A: China Merchants Bank Shenzhen Branch

Principal Responsible Person or Authorized Agent (Bank Seal):

(Signature/Name Seal):

Address: Building of China Merchants Bank Shenzhen Branch, No. 2016, Shennan Avenue, Lianhua Street Futian District, Shenzhen Municipality

Seal: Special Seal for Contract of China Merchants Bank Shenzhen Branch

Seal: Wang Xiaoqing

Party B: Shenzhen Xunlei Network Technology Co., Ltd.

Legal Representative/Principal Responsible Person or Authorized Agent (Signature/Name Seal):

(Bank Seal):

(Signature/Name Seal):

Address: Xunlei Tower, 3709 Baishi Road, Nanshan District, Shenzhen, Guangdong Province

Company email:

Company fax: /

Contact mobile number: 18607550390

Company WeChat ID: /

Signing date: August 13, 2025

Seal: Shenzhen Xunlei Network Technology Co., Ltd.

Seal: Wu Kening



Credit Line Agreement

Credit Line Agreement

The Company: Shenzhen Xunlei Networking Technologies Co., Ltd. (hereinafter referred to as “Party A”)

Main business site: 21/F, Xunlei Plaza, Baishi Road, Nanshan District, Shenzhen, China

Contact: Xie Xiangyun

Tel.: 18607550390

Fax: /

Email: /

Bank: Shanghai Pudong Development Bank Co., Ltd., Shenzhen Branch (hereinafter referred to as “Party B”)

Main business site: Pudong Development Bank Building, No. 88 Pucheng Road, Tianxin Community, Sungang Street, Luohu District, Shenzhen

Contact: Liu Yang

Tel.: 0755-81117900

Pursuant to relevant laws and regulations, the following agreement (hereinafter referred to as “this Agreement”) is made and entered into by and between Party A and Party B on the basis of equality, mutual benefits and voluntariness after reaching consensus via negotiation:

Part 1 General Terms and Conditions

1. Agreement: Refers to any or all documents signed by and between Party A and Party B within the term of availability, including agreement on change of credit line (in the form of Appendix 1) and accompanying financing documents, they shall serve as an indispensable part of this Agreement and shall be read together with this Agreement.

Where there is any inconsistency between this Agreement (including supplemental agreements) and the accompanying financing documents, the latter shall prevail.

2. Credit Line: For the purpose of this Agreement, the term of availability refers to the valid term during which Party B grants the credit line to Party A pursuant to the provisions of the *Commercial Terms (Financing Credit Line Form)* (Part 2 to this Agreement) or any agreement on change of credit line, and a period for which Party A applies for use of the credit line, rather than a debt performance period; the debt performance periods for various businesses hereunder shall be mutually agreed in the respective accompanying financing documents or commitment documents issued externally. It shall be the term of availability specified in the *Financing Credit Line Form* (Part 2 to this Agreement) or the term of availability explicitly specified in any valid agreement on change of credit line concluded by and between Party A and Party B, whichever is signed later. Party A shall apply to Party B for use of the credit line within the term of availability. Where Party

A submits an application beyond the term stated above, Party B may refuse such application no matter whether the credit line has been fully drawn down.

3. Credit Line Change: In case of any discrepancy between the terms stated herein and the *Financing Credit Line Form*, the latter (including the amendment to the *Financing Credit Line Form* made by Party A and Party B by an agreement on credit line change from time to time) shall prevail. If any accompanying financing document concluded by and between Party A and Party B within the term of availability conflicts with the terms of this Agreement, the former shall be applicable to the business involved in such accompanying financing document.

Notwithstanding the regulations above, if Party B believes that it is necessary, it can, for the purpose of ensuring the safety of creditor's rights, inform Party A that the facility under any accompanying financing document becomes mature in advance. In such case, Party A shall repay the financing amount immediately. For the L/C, L/G/SLC, bank acceptance and other business recognized by Party B, Party A shall make up the margin to 100% immediately.

4. Financing: As per the provisions of this Agreement and any accompanying financing document, Party A can, within the credit line and term of availability, apply to Party B for credit financing (collectively known as "financing" herein). The specific applicable financing variety shall be subject to the financing credit line form. Party B's commitment to the financing amount hereunder is a commitment that is unconditionally revocable at any time, that is, Party B has the right to unilaterally revoke the loan commitment at any time without prior notice, because of changes in laws, regulations or policies, restrictions from the government's monetary policy or financial regulatory policy, or other reasons such as market conditions, fund position and financial cost, Party B's own business needs, or deterioration of Party A's credit standing. Party B may cancel, freeze or adjust the credit line at any time.

5. Accompanying Financing Documents. For the purpose of this Agreement, accompanying financing documents refer to the documents signed by Party A, including but not limited to:

(1) For loans, such documents refer to any other loan documents that may be signed with Party A, including contract on working capital loan and contract on fixed assets loan;

(2) For bill discounting, such documents refer to agreement on notes discounted and any other documents that may be signed with Party A.

(3) For guaranteed discounting of commercial acceptance bills, such documents refer to the agreement on commercial acceptance bill discounting and any other documents that may be signed with Party A.

(4) For factorage financing, such documents refer to the agreement on factorage financing and any other documents that may be signed with Party A.

(5) For L/C (including domestic L/C) export bill purchase and outward bills purchased under collection, such documents refer to the agreement on export bill purchase and outward bills purchased under collection and any other documents that may be signed with Party A.

(6) For L/C advance against inward documentary bills, such documents refer to the agreement on advance against inward documentary bills and any other documents that may be signed with Party A.

(7) For packing loan, such documents refer to the agreement on packing loan and any other documents that may be signed with Party A.

(8) For the opening of L/C, such documents refer to the agreement on the opening of L/C and any other documents that may be signed with Party A.

(9) For the opening of L/G and SLC, such documents refer to the agreement on the opening of L/G and SLC.

(10) For the opening of bank acceptance, such documents refer to the agreement on the opening of bank acceptance and any other documents that may be signed with Party A.

(11) Other financing documents signed by and between Party A and Party B.

For Party A's application related to the use of credit line, Party B shall release the fund to Party A according to the conditions stipulated in this Agreement and accompanying financing documents and/or issue a letter of commitment at the request of Party A as long as the application satisfies the provisions of this Agreement and Party B. However, Party B shall not cancel or change the credit application/agreement that it has signed or submitted; otherwise, Party A shall pay Party B's costs, fees and losses caused by its cancellation or change of application/agreement.

6. Document Submission. Party A shall provide Party B with the following documents or satisfy the corresponding conditions prior to the signature of this Agreement or at the request of Party B:

- (1) Copies of Party A's latest articles of association and business license;
- (2) Board resolution on authorizing Party A to sign this Agreement and relevant accompanying financing documents;
- (3) Party A's power of attorney for the authorized representative and signature specimen of the authorized agent;
- (4) All accompanying financing documents signed by Party A legally based on Party B's requirements; and
- (5) Other documents and/or conditions required by Party B.

7. Preconditions for Credit Line Use.

Party A must satisfy the following conditions prior to use of the credit line:

(1) Party A conducts normal production and operation activities, favorable financial conditions and has no deteriorated business conditions in the recent three years;

(2) Party A has committed no event of breach explicitly specified in the credit line agreement;

(3) If the business under this Agreement is guaranteed, the corresponding guarantee documents have been signed and become valid, necessary mortgage/pledge registration formalities have been finished and guarantee right has been established before Party B develops the specific business;

(4) Party A's explicit plan of credit line. The factors and conditions of the specific business application conform to Party B's relevant rules and systems and requirements for credit line approval as well as the requirements for handling the specific financing business;

(5) Party A has provided its information and statements regarding its production, business and financial activities and commits to provide and accept Party B's supervision and inspection within the term of this Agreement in time;

(6) The amount of credit line to be used does not exceed the remaining credit balance;

(7) Party A's specific business application shall be proposed within the term of availability; the day when fund is released or when Party B is required to open L/C, L/G/SLC and bank acceptance or other businesses are developed must be Party B's working days;

(8) Other preconditions required by Party B (if any; see "Other Matters as Mutually Agreed" in Part 2).

8. Amount of Credit Line Occupied. It refers to the sum of financing funds that Party B has released to Party A at all times as per this Agreement and accompanying financing documents and that Party A has not repaid the principal, financing commitment provided to Party A (including the committed amount under specific signed financing agreement) with principal to be drawn by Party A, as well as the amount of the guarantee commitments (including but not limited to L/C, L/G/SLC) issued at the request of Party A, but excluding the financing funds corresponding to the margin, certificate of deposit, treasury bond, bank acceptance or other guarantees provided by Party A or Party A's guarantor that conform to Party B's management rules, unless otherwise specified herein.

9. Revolving. For the revolving credit line, the amount of credit line occupied by the amount involving the obligations that have been performed will be recovered after Party A finishes performing the obligations under this Agreement and accompanying financing documents (including repaying the financing fund or advances made by Party B, Party B's discharge from liabilities under relevant guarantee commitments due to its fulfillment of obligations under the underlying contract, making up 100% margin or Party B's discharge from the external payment liabilities). Party A can, within the term of availability specified in this Agreement, apply to Party B for use of the credit line continuously. The non-revolving credit line, once occupied, cannot be recovered after Party A finishes performing repayment and other obligations, unless otherwise agreed by Party B. Within the term of availability, Party B is entitled to review Party A's conditions and the collateral per year, unless otherwise specified. If Party A passes review, it can use the credit line next year continuously; otherwise, Party B is entitled to cancel Party A's credit line at the beginning of next year. In such case, except for the accompanying financing documents that have become valid, the credit line that has not been used yet and will be returned in future will not be usable any longer.

10. Guarantee. If the credit line under this Agreement is guaranteed, Party A shall apply for financing as per this Agreement on the basis that the guarantee document has been signed and come into effect, and that if the guarantee contract is a mortgage/pledge contract, the security interests

under the contract have been created and continuously valid. If the financing credit line form requires the proportion of margin for opening L/C, L/G/SLC and bank acceptance, Party A can open the above on the basis that the margin in the aforesaid proportion has been paid off. If Party A plans to apply for a change, which leads to an increase of the credit line, Party A shall provide more guarantee or urge the guarantor to confirm the change and provide more guarantee as required by Party B. For the credit line that can be used continuously next year after Party B's review, Party A shall ensure the guarantee will remain valid continuously at the request of Party B.

11. Taxation. Party A shall repay the financing fund under this Agreement in full amount without any deduction, unless it is required to deduct relevant taxes when making repayment as per laws. If Party A must deduct relevant taxes as per laws, it shall provide Party B with duty-paid proof within 15 (fifteen) days after making deduction. At the same time, Party A shall pay extra fees to Party B until the funds received by Party B are equal to the amount that Party B shall receive without any deduction.

12. Statement and Guarantee. Party A hereby makes the following statement and guarantee which are seen to be made by Party A repetitively per time when Party B provides Party A with financing as per this Agreement and accompanying financing documents and shall always remain valid.

(1) Party A is the enterprise (public institution) legal person or other economic organization duly established as per applicable laws and enjoying independent legal person qualification and complete financial system and repayment capacity, has the rights to conclude and perform this Agreement as per laws, sign this Agreement and any document related to this Agreement and has taken all necessary company behaviors to make this Agreement and any document related to this Agreement legal, valid and executable forcefully;

(2) Party A signs this Agreement and performs its obligations under this Agreement without violating any other contract or document it has signed, the company's articles of association, any applicable law, regulation or administrative order, relevant documents, judgment or ruling of competent authority or conflicting any other obligation or arrangement it shall follow.

(3) Party A and any of its shareholders or associated company does not involve any liquidation, bankruptcy or reorganization program or is not merged, combined, spin-off, reconstructed, dissolved, shut down or does not enter similar legal programs or any case that may lead to such legal procedures.

(4) Party A does not involve any economic, civil, criminal, administrative proceeding or similar arbitration procedure that may exert adverse influence on it or any case that may lead to its involvement in such legal procedure or similar arbitration procedure.

(5) No any major assets of Party A's legal representative, director, director or other senior managers and its client are executed forcefully, sealed up, detained, frozen, retained or supervised or involve any case that may lead to the consequence above.

(6) Party A ensures all the financial statements it issues (if any) conform to the applicable laws

and reflect its financial conditions truthfully, completely and fairly; all the documents, data and information it provides for Party B about itself and the guarantor when signing and performing this Agreement are authentic, valid, accurate and complete and do not conceal or omit anything required.

(7) Party A deals with all matters as per applicable laws and regulations, develops business based on the scope of business specified in its business license or approved as per laws and goes through registration and annual check formalities in time;

(8) Party A has disclosed the facts and conditions that it knows or shall know and based on which Party B decides whether granting the credit under this Agreement to Party B (including but not limited to business, finance and external guarantee).

(9) Party A's internal management documents related to environment and social risks conform to laws and regulations and have been implemented faithfully.

(10) Party A ensures it has no any other case or event that causes or may cause major adverse influence on its performance capacity.

13. Commitments. Party A makes the following commitments which are seen to be a new commitment made by Party A repetitively each time when Party B provides financing for Party A as per the provisions of this Agreement and financing attachments and shall always remain valid.

(1) Party A shall abide by and perform all its obligations under this Agreement and financing attachments strictly;

(2) Party A shall repay the financing fund or payment made in advance in time as per the provisions of this Agreement and accompanying financing documents or make up 100% margin at the request of Party B, unless otherwise specified in this Agreement or financing attachments. Party A shall apply for, obtain and abide by all the approvals, authorizations, registrations and licenses required as per the applicable laws and regulations and always make them valid so that it could sign and perform the obligations specified in this Agreement and any document related to this Agreement lawfully. As long as Party B requires, Party A shall issue relevant certificates with no delay;

(3) Within 5 (five) Party B's working days upon knowing its involvement in any economic, civil, criminal, administrative proceeding or similar arbitration procedure which may exert adverse influence on itself or within 5 (five) Party B's working days upon knowing any of its assets may be executed forcefully, sealed up, detained, frozen, retained or supervised, Party A shall inform Party B in writing and state in detail the influence and remedial measures it has taken or will take;

(4) Without Party B's written consent, Party A shall not provide guarantee which exerts material adverse influence on its financial conditions or capacity of performing the obligations under this Agreement for a third party;

(5) Without Party B's written consent, Party A shall not repay other long-term debts in advance by exerting major adverse influence on its capacity of performing the obligations under this Agreement;

(6) From the date when this Agreement is concluded to the full repayment of debts under this Agreement and accompanying financing documents, without Party B's written consent, Party A:

1) will not make significant investment, transfer its shares, have changes in de facto controller or majority shareholder, increase debt financing substantially, enter liquidation,

reconstruction or bankruptcy procedure, be merged, combined, separated, assigned, decapitalized, reorganized, dissolved, shut down or go out of business or involve other similar legal procedures and other matters that possibly affect its solvency;

2) will not sell, rent out, bestow, get foreclosed, exchange, transfer, assign, mortgage, pledge or dispose of in other ways whole or a substantial part of its important assets, except for the daily business demand;

3) will not provide guarantee to any third party that will result in a material adverse effect on its financial position or ability to perform obligations hereunder; or incur new substantive debts or early repayment of other long-term debts and such repayment may have a material adverse effect on its ability to perform obligations hereunder;

4) will not sign any contract/agreement exerting major adverse influence on its capacity of performing the obligations under this Agreement or bear related obligations that may exert the influence above.

(7) If the guarantee under this Agreement involves a special case or is changed certainly, Party A shall provide other guarantee recognized by Party B based on Party B's requirements. The said special case or change includes but is not limited to the guarantor's production suspension, business shutdown, dissolution, business suspension for rectification, revoking or cancellation of business license, application or passive application of reorganization, bankruptcy, substantial change of business or financial conditions, involvement in major lawsuit or arbitration, lawsuit, arbitration or other compulsory measures against legal representative/person in charge, depreciation or possible depreciation of collateral, seal-up and other property preservation measures, violation of the guarantee contract and request for terminating guarantee contract.

(8) Party A shall also go through notarization with compulsory execution effect from the notary organ recognized by Party B at the request of Party B and agrees to accept the compulsory execution voluntarily;

(9) Party A shall inform Party B, at all times, of the event that may influence its capacity to perform the obligations under this Agreement and any document related to this Agreement.

(10) Special provisions on group client (applicable to group clients).

If Party A to this Agreement is a group client, Party A hereby commits that:

1) Party A shall report the associated transactions which are above 10% of the actual addressee's net assets in time, including a. association of all transaction parties; b. transaction project and transaction nature; c. amount or the corresponding proportion of transaction; d. pricing policy (including the transaction with no amount or with symbolic amount).

2) If the actual addressee has any of the following cases, Party A is seen as a breach of this Agreement. In such case, Party B is entitled to decide if to cancel the credit that Party A has not used yet unilaterally and collect the credit used partially or wholly or ask Party A to make up the margin to 100%. a. The addressee provides false materials or conceals major business and financial information; b. The addressee changes the original credit purpose, embezzles credit or uses bank credit to engage in illegal transactions arbitrarily without Party B's consent;

c. The addressee extracts bank capital or credit at Party B's site by discount or pledging in virtue of false contract among associated parties and with creditor's rights with no trading background such as notes receivable and accounts receivable; d. The addressee refuses to accept Party B's supervision and inspection of its use of credit capital and relevant business and financial activities; e. The addressee is merged, purchased or reorganized substantially, which Party B deems probably influential to the credit safety; f. The addressee avoids bank creditor's rights purposefully by connected transaction.

(11) Special provisions, commitment and conventions on green credit (applicable to the clients whose construction, production and operation activities of nuclear power station, large hydropower station, water conservancy project and resources mining project may change the original environment status and generate serious environmental and social consequences that could hardly be eliminated as well as the clients whose construction, production and operation activities of petroleum refining, coking, nuclear fuel processing, chemical raw materials and manufacturing of chemical products which lead to serious environmental and social consequences that could be eliminated through mitigation measures):

1) Party A commits to provide its environmental, social and governance risk reports to Party B, and declares and undertakes that it will enhance the management of environmental, social and governance risks, including a. environmental, social and governance risks related internal management documents conform to the laws and regulations and will be performed in good faith; b. there is no any major lawsuit case related to environmental, social and governance risks.

2) Party A commits that it will accept Party B's supervision and strengthen environmental, social and governance risk management, including a. Party A commits that all the behaviors and performances related to environmental, social and governance risks conform to the requirements; b. Party A commits that it will establish and improve the internal management system regarding environmental, social and governance risks, and has specified the measures on the responsibilities, obligations and punishment of its relevant responsible persons; c. Party A commits that it will establish and improve the emergency mechanism and measures on environmental, social and governance risk emergencies; d. Party A commits that it will designate a special department and/or person to take charge of environmental, social and governance risks; e. Party A commits that it will coordinate with Party B or a third party recognized by Party B to assess and check its environmental, social and governance risks; f. Party A undertakes that it will give response actively for the big doubts on its control environmental, social and governance risks from the masses or other interest related parties; g. Party A commits that it will urge its critical associated parties to strengthen management to prevent their environmental, social and governance risks from affecting clients; h. Party A commits that it will perform other matters that Party B believes are associated with control environmental, social and governance risks.

3) Party A commits that it will report any of the following cases to Party B in time and sufficiently upon their occurrence: a. licenses, approvals and checks related to environmental,

social and governance risks in the process of commencement, construction, operation and shutdown; b. assessment and check of Party A's environmental, social and governance risks by environmental, social and governance risk supervision agency or the organ that the agency recognizes; c. construction and operation of supporting environmental facilities; d. pollutant emission and objective; e. employees' safety and health; f. major complaint and protest against the environment and social risks by adjacent communities; g. major environment and social claims; h. other major cases that Party B believes are associated with environmental, social and governance risks.

4) Party A is seen as a breach of this Agreement if Party A and its actual credit grantor involve any of the following cases: a. Party A's statements, warranties and representations related to environmental, social and governance risks are not performed earnestly; b. Party A is subjected to the punishment of relevant government organs due to its improper environmental, social and governance risk management; c. Party A is queried by the mass and/or media due to its improper environmental, social and governance risks management; d. other events of default related to environmental, social and governance risks management as specified by Party B and Party A, including cross default.

If Party A involves any of the events of default above, Party B can unilaterally decide if a. canceling the commitment of credit granting it has been made; b. suspending the allocation of loan until Party A takes the remedial measures that satisfy Party B; c. collecting the loan issued in advance; d. exercising relevant mortgage and pledge rights and other punitive measures in advance when Party A cannot repay the loan; e. other punishment measures specified by Party A and Party B.

(12) Party A undertakes that it will not increase local government's implicit debt in violation of regulations, otherwise, Party B may suspend/terminate Party A's financing or drawdown, cancel the credit line, and declare the disbursed financing fund mature earlier in part or in whole. Party B may also report such situation to relevant regulatory authorities.

(13) With regard to anti-money laundering, Party A acknowledges and agrees that Party B may assess money laundering risk for any transactions hereunder according to the applicable anti-money laundering laws and regulations and its internal management requirements. If Party A breaches Party B's anti-money laundering regulations, or Party A and/or any transactions hereunder are reasonably suspected by Party B of participation in illegal activities such as money laundering, sanction, financing of terrorism or financing for the spread of weapons of mass destruction, export control, or tax evasion, Party B may take necessary control measures according to the anti-money laundering regulations of the People's Bank of China and its internal management rules. In addition, Party B may directly restrict or suspend all or partial businesses hereunder without notice to Party A, declare early maturity of the loans, terminate this Agreement without any liability, and require Party A to compensate all losses caused to Party B thereby.

(14) Party A/the guarantor hereby agrees and irrevocably authorizes Party B to submit the information of all contracts/agreements/commitments concluded by Party A/the guarantor and Party B, including the information about the performance of the said

contracts/agreements/commitments, as well as the basic enterprise information and other information provided by Party A/the guarantor, for the basic financial credit information database set up by the State, according to the requirements of the *Regulations on the Management of Credit Investigation* and other credit standing related laws and regulations, as well as the collection requirements for the basic financial credit information database set up by the State, so that the institutions eligible for query could query and use it. At the same time, Party B is also entitled to query and use the credit information about Party B/the guarantor included in the financial credit information database set up by the State. The authorization covers all links of Party B's necessary business management under this Agreement prior to and after the signature of this Agreement and remains valid until this Agreement is terminated.

(15) Party A hereby acknowledges that it has fully understood and known Party B's provisions on the banning of its employees' pursuit of personal interests in any form in virtue of its post and commits that it will avoid the case above in an honest and fair manner and will not provide Party B's employees with kickback, cash gift, securities, valuable articles, awards, compensation of private fees, private tourism, high consumption recreation and other unjust interests in any form privately.

14. Fees and Expenses: Party A shall pay relevant fees and taxes as per laws, regulations and this Agreement.

15. Default Interests. Both parties shall specify the default interests against financing under this Agreement and default interests against embezzlement of loan and its charging rules via negotiation in the financing credit line form or accompanying financing documents.

16. Conversion of Exchange Rate. In case of calculating the amount used, if the financing currency is not in consistency with the currency of credit line, Party B has the right to convert them based on its relevant exchange rate. If the change of exchange rate makes the amount of credit line occupied under this Agreement exceed the maximum credit line above, Party B has the right to ask Party A to repay the excessive amount. If the currency of repayment made by Party A (including authorized repayment) is not in consistency with the financing currency, Party B has the right to make repayment by purchasing foreign exchange based on its exchange rate and the exchange rate risks arising therefrom shall be borne by Party A.

17. Authorized Repayment and Offset. Party A hereby authorizes Party B to, on behalf of Party A, deduct fund from any account it opens at Shanghai Pudong Development Bank Co., Ltd. (whichever the currency) against any mature debt not paid by Party A no matter whether the debt is under this Agreement or accompanying financing documents, so that Party B can use the fund for repaying the debts. The authorization is irrevocable. In case of conversion of exchange rate, Party B shall make conversion based on its exchange rate determined and the risks of exchange rate shall be borne by Party A.

18. Debt Certificate. Party B will maintain a set of account book and voucher related to the business activities specified in this Agreement and financing attachments inside its account according to the business operation criteria that it always follows, as proof for Party B's financing funds, interests and fees. Except for the obvious errors, Party A acknowledges that the valid certificates of creditor's rights in the financing hereunder shall be the accounting vouchers or other valid evidentiary materials issued and recorded by Party B according to its business regulations.

19. Transfer. Party A shall not transfer any of its right or obligation under this Agreement. Party B can transfer any of its right or obligation under this Agreement to a third party at all times and disclose any information related to this Agreement to the third party, including any information provided by Party A and its guarantor for Party B for the purpose of this Agreement.

20. Information Disclosure. Party A agrees, besides the disclosures allowed in Article 19 hereof, Party B can also disclose any information related to this Agreement to its head office, branches, associated agencies or the personnel employed by them. At the same time, Party B can also make disclosure as per the requirements of any law and regulation and the requirements of supervision department, government organ or judicial organ.

21. Breach of this Agreement.

(1) Events of Breach. Any of the following events of Party A shall constitute an event of breach of this Agreement and accompanying financing documents to Party B:

1) Party A violates any statement or guarantee of this Agreement or the statement or guarantee proves to be incorrect, false, misleading or has omissions or has been breached,

2) Party A fails to repay on time financing principal, interest and payables under the specific business application, violates or refuses to perform any matter committed under this Agreement, and/or Party A violates this Agreement or specific financing documents;

3) Party A commits material cross defaults, including but not limited to breach of any other financing contracts signed by it; or Party A fails to repay any due debts under other financing contracts or agreements signed by it;

4) The guarantor that provides guarantee for Party A has already been or will not be capable of providing guarantee for the financing or violates any guarantee document; or changes with adverse effects on Party A have occurred, including depreciation or possible depreciation of collateral, seal-up and other property preservation measures;

5) Party A is suspected of participating in illegal activities such as money laundering, sanction, financing of terrorism or financing for spread of weapons of mass destruction, export control, or tax evasion.

6) Party A increases local government's implicit debt in violation of regulations.

7) Party A is involved in any circumstance that may affect Party B's asset security.

(2) Consequences of Breach. If Party A commits any event of breach above, Party B, besides asking Party A to compensate all the losses thus caused, such as attorney fees, is also entitled (but is not obliged to) take the following measures separately or at the same time:

- 1) Adjust or cancel the credit line under this Agreement;
- 2) Collect the agreed liquidated damages from Party A, declare the debt specified in any accompanying financing document under this Agreement becomes mature in advance, either in part or in whole, and/or terminate this Agreement and all or part of accompanying financing documents; ask Party A to repay the financing capital and pay interests with no delay, either partially or wholly; as for the acceptance draft that has been realized or L/C, L/G/SLC opened by Party B within the service term of amount, Party B can ask Party A to pay more margin or transfer Party A's deposit or its deposit in settlement account to its margin account for the purpose of external payment or margin paid for Party A probably in future. If Party B has paid relevant funds in advance, it can request Party A to make repayment immediately;
- 3) Calculate interests based on the default interest rate specified in this Agreement or in accompanying financing documents and charge compound interests against the interests that shall have been paid;
- 4) Deduct Party A's fund at any of its accounts opened at Shanghai Pudong Development Bank as per the provisions of Article 17 hereof;
- 5) Require Party A to provide other guarantee acceptable to Party B;
- 6) Take other remedial measures according to law.

22. Applicable Laws and Judicial Jurisdiction. This Agreement shall be governed and interpreted by the laws of the People's Republic of China (excluding Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan Province, for the purpose of this Agreement). Any dispute in relation to the performance of this Agreement shall be resolved by both parties via negotiation. If, however, negotiation fails, both parties agree to file a lawsuit to the people's court at the site of Party B. While the dispute is being resolved, all parties shall perform the non-disputable terms continuously.

23. Agreed Address of Service. Party B acknowledges that its valid address of service is the address first written above, at which Party A may directly give or mail any notice to be served to Party B under this Agreement, until such address is changed by Party B through announcement. Party A agrees that all notices given to Party B shall be deemed served upon actual receipt by Party B.

Party A acknowledges that its valid mail or electronic addresses are the address, fax and email first written above. All notices under this Agreement and legal instruments sent to Party A in course of litigation in connection herewith, such as correspondence, summons and notices, shall be deemed served as long as they are sent to the mail or electronic addresses first written above by mailing, fax or electronic transmission. The specific date of service shall be subject to the relevant provision in the *Civil Procedure Law of the People's Republic of China*. In case of changing the address above, Party A shall give a prior notice to Party B; otherwise, the

address changed without notice shall not apply to Party B, and the service of address confirmed herein shall remain valid.

24. Business Day. A business day hereunder refers to any day Party B is open for corporate business, excluding any statutory holidays.

25. Term Severability. Any term judged invalid, illegal or non-executable forcefully in this Agreement or any financing attachment does not influence the validity, legality and forceful execution of other terms stated therein.

26. Term of Grace. Where Party B grants a term of grace or postpones an action against Party A's breach of this Agreement or other behaviors during the whole term of this Agreement, it does not impair, influence or restrict Party B from enjoying all the rights or interests as the creditor as per laws or this Agreement or mean recognizing Party A's breach of this Agreement or Party B's waiving of the rights to take actions against Party A's existing or future violation behaviors.

27. Relationship between Previous Credit Granting and this Agreement. Unless otherwise specified by both parties, if Party A and Party B have concluded a credit granting agreement under which the business has not been settled since the validity of this Agreement, the business will be included in this Agreement and occupy the credit line under this Agreement directly. Party A commits that it will ask for confirmation of the guarantor under the former credit facility agreement for the debts under this Agreement continuously at the request of Party B.

28. Validity and Amendment. This Agreement comes into effect once signed (or sealed) by Party A's legal representative or authorized agent and stamped with official seal and signed (or sealed) by Party B's legal representative or authorized agent and stamped with official seal. Unless Party B cancels the credit line entirely and Party A no longer has any financing or debt balance under this Agreement and all accompanying financing documents, this Agreement will remain valid permanently.

(End of Part 1)

Part 2 Commercial Terms (Financing Credit Line Form)

Party A: Shenzhen Xunlei Networking Technologies Co., Ltd.					
Descriptions of Credit Line					
Amount (currency) of credit line	RMB Three Hundred and Sixty Five Million Only	Term of availability	From May 12, 2025 to April 1, 2026		
Mode of revolving	☒ Revolving; ☐ Non-revolving; ☐ Others				
Nature of credit line	Commitments that are unconditionally cancellable at any time				
The guarantor that provides guarantee for the debt under this Agreement and guarantee contract includes but is not limited to:					
Guarantor	Shenzhen Xunlei Networking Technologies Co., Ltd.	Mode of guarantee	☒ Mortgage ; ☐ Pledge; ☒ Guarantee		
Guarantor		Mode of guarantee	☐ Mortgage; ☐ Pledge; ☒ Guarantee		
Guarantor	/	Mode of guarantee	☐ Mortgage; ☐ Pledge; ☐ Guarantee		
Margin proportion for different businesses	☐ Discount_____%; ☐ L/C opening_____%; ☐ Banknote opening_____% ; ☐ Opening of L/G/SLC_____% ; ☐ Others_____				
Applicable financing varieties and condition of credit line (tick the variety chosen with “√” and delete inapplicable ones with “×”)					
	Applicable financing variety	Credit line (amount and currency)		Longest term per business	Remarks
☐	☐ Loan				

	☐ Working capital loan				
	☐ Fixed assets loan				
	☐ M&A loan				
☐	☐ Trade financing				
	☐ Opening of bank acceptance				
	☐ Trade acceptance discount (including negotiated interest payment)				
	☐ Banknotes discount				
	☐ Trade acceptance discount (client is acceptor)				
	☐ Factorage financing				
	☐ Opening of L/C (including buyer's usance)				
	☐ Advance against inward documentary bills (under L/C/ inward collection)				
	☐ Negotiation of export L/C				
	☐ Outward bills purchased under collection				
	☐ Packing loan				
	☐ Opening of L/G/SLC				
	☐ Import Refinance				
	☐ Financing of outward remittance				

	☐ Import security				
	☐ Domestic L/C buyer's financing				
☐	☐ Others				
Other matters as mutually agreed:					
Special notes: (1) The amount of credit line occupied by all applicable financing varieties shall not exceed the maximum credit line. Where Party A requires the credit line of one applicable financing variety apply independently instead of together with other applicable financing varieties, the amount of such applicable financing variety shall be marked separately. (2) Party A is also the mortgagor or pledger, fill in "party concerned" or "Party A's name" in guarantor column. (3) If RMB interest rate is an annual interest rate, the floating cycle should be marked for floating interest rate. Fill in "amount of single transaction" or "rate" in the rate column. Except otherwise agreed upon, the loan interest rate shall be calculated by simple interest. The method of interest calculation can be found on the website of the People's Bank of China.					
This Agreement is made in <u>five</u> original copies, <u>one</u> copy for Party A, <u>three</u> copies for Party B, <u>one</u> copy for the mortgage registration authority, and all copies having the same legal force.					

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This Agreement is concluded by and between the following two parties on May 12, 2026. Party A hereby acknowledges that prior to the signature of this Agreement, both parties have explained and discussed in detail all the terms contained herein and have no doubt regarding these terms. Both parties have also understood their respective rights and obligations and the legal meaning of terms regarding restrictions of responsibilities and exception accurately.

Party A (official seal)

Party B (official seal or special seal for contract)

Legal representative or authorized agent (signature or seal)

Legal representative or authorized agent (signature or seal)

Appendix 1:

Agreement on Change of Credit Line (Form)

No.: _____

Party A		Party B	Shanghai Pudong Development Bank Co., Ltd., _____Branch
According to the <i>Credit Line Agreement</i> (No. _____) concluded by and between Party A and Party B, both parties hereto agree to change relevant matters related to the credit line that Party B grants to Party A. Both parties hereby agree the change agreement serves as an indispensable part of the <i>Credit Line Agreement</i> which will remain valid except for the terms specified in the change agreement.			
Main matter changed	☐ Amount of credit line ☐ Term of availability ☐ Financing variety ☐ Mode of guarantee ☐ Others		
The changed financing credit line form as mutually confirmed by Party A and Party B is as below:			
Amount of credit line (currency)		Expiry date of term of availability of credit line	
Mode of revolving	☐ Revolving; ☐ Non-revolving; ☐ Others		
Nature of credit line	Commitment unconditionally revocable at any time		
The guarantor that provides guarantee for the debt under this Agreement and guarantee contract include but is not limited to:			
Guarantor		Mode of guarantee	☐ Mortgage; ☐ Pledge; ☐ Guarantee
Guarantor		Mode of guarantee	☐ Mortgage; ☐ Pledge; ☐ Guarantee

Guarantor		Mode of guarantee	☐ Mortgage; ☐ Pledge; ☐ Guarantee		
Margin proportion for different businesses	☐ Discount____%; ☐ ☐ L/C opening____%; ☐ ☐ Banknote opening____%; ☐ Opening of L/G/SLC____%; ☐ Others ____				
Applicable financing varieties and condition of credit line (tick the variety chosen with “√” and delete inapplicable ones with “×”)					
	Applicable financing variety	Credit line(amount and currency)	Interest rate/rate	Longest term per business	Remarks
	☐ Loan				
	☐ Working capital loan				
	☐ Fixed assets loan				
☐	☐ Trade financing				

EQUITY TRANSFER AGREEMENT

by and among

Shenzhen Onething Technology Co., Ltd.

and

Shenzhen Xunlei Networking Technologies Co., Ltd.

Wuhan Kingsoft Cloud Information Technology Co., Ltd.

Shenzhen Xinghan Zhilian Technology Co., Ltd.

and

other relevant parties

Dated March 3, 2026

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EQUITY TRANSFER AGREEMENT

This Equity Transfer Agreement (“**Agreement**”) is entered into on March 3, 2026 (“**Signing Date**”) by and among the following parties in the PRC:

(1) **Shenzhen Onething Technology Co., Ltd.** (“**Company**”), a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Room 0610-E13, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;

(2) **Li Hao** (“**CEO**”), a PRC citizen, ID No. *****, residing at Room 10, Unit 6, 4th Floor, Building 2, Courtyard No. 4, Yumin Road, Chaoyang District, Beijing;

(3) **Liu Yingqiao**, a PRC citizen, ID No. *****, residing at 7-8/F, Building 11, Shenzhen Software Park, No. 2 Gaoxin Zhongsan Road, Nanshan District, Shenzhen;

(4) **Wu Lei**, a PRC citizen, ID No. *****, residing at No. 20110401, Talent Service Center, No. 73 Xisihuan North Road, Haidian District, Beijing; (together with Li Hao and Liu Yingqiao, “**Key Management**”);

(5) **other entities listed in Annex 1** (List of Group Companies) to **this Agreement**, other than the Company;

(6) **Shenzhen Xunlei Networking Technologies Co., Ltd.** (“**Xunlei**” or “**Seller**”), a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Rooms 2101–2107, Xunlei Building, No. 3709 Baishi Road, Gaoxin Community, Yuehai Subdistrict, Nanshan District, Shenzhen;

(7) **Wuhan Kingsoft Cloud Information Technology Co., Ltd.** (“**Kingsoft Cloud**”), a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Floor 2, Building 5, Phase I of Wuhan Headquarters Project of Kingsoft Group (Plot 11), No. 306 Optics Valley 4th Road, East Lake High-tech Development Zone, Wuhan, Hubei Province; and

(8) **Shenzhen Xinghan Zhilian Technology Co., Ltd.** (“**Xinghan Zhilian**”), a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Room 0610-E51, Port Building, Maritime Center, No. 1167 Yihai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen.

The above parties shall be referred to herein collectively as the “**Parties**,” and each individually as a “**Party**.”

For the purposes of this Agreement:

(a) Nanjing Kehui Zhitou Information Technology Partnership (Limited Partnership),

Nanjing Yimang Yuelian Information Technology Partnership (Limited Partnership), Nanjing Yuxin Jike Information Technology Partnership (Limited Partnership), and Nanjing Zhihui Yuandong Information Technology Partnership (Limited Partnership), individually or collectively, shall be referred to as the “**Employee Shareholding Platforms**”;

- (b) Xinghan Zhilian and the Key Management, individually or collectively, shall be referred to as the “**Management Shareholders**”;
- (c) Kingsoft Cloud and Xinghan Zhilian, individually or collectively, shall be referred to as the “**Investors**.” For the avoidance of doubt, Xinghan Zhilian shall be deemed an Investor under this Agreement solely with respect to its acquisition of RMB 114 million in registered capital of the Company through the Xinghan Zhilian Equity Transfer Transaction (as defined below), and Kingsoft Cloud shall be deemed an Investor under this Agreement solely with respect to its acquisition of RMB 76 million in registered capital of the Company through the Kingsoft Cloud Equity Transfer Transaction (as defined below).

RECITALS

WHEREAS, as of the Signing Date, the registered capital of the Company is RMB 380 million, and the existing shareholders collectively hold 100% of the equity interests in the Company. Details of the Company and the shareholding percentages of the existing shareholders as of the Signing Date are set forth in Schedule A;

WHEREAS, the Company is principally engaged in content delivery network (CDN) and acceleration services based on edge computing, AI computing power platform services, and other related businesses (“**Principal Business**”);

WHEREAS, the Seller intends to: (1) transfer 20% of the equity interest in the Company (corresponding to RMB 76 million in registered capital of the Company, which has been fully paid in) to Kingsoft Cloud at a consideration of RMB 50 million (such transaction, “**Kingsoft Cloud Equity Transfer Transaction**”); and (2) transfer 30% of the equity interest in the Company (corresponding to RMB 114 million in registered capital of the Company, which has been fully paid in) to Xinghan Zhilian at a consideration of RMB 75 million (such transaction, “**Xinghan Zhilian Equity Transfer Transaction**,” together with the Kingsoft Cloud Equity Transfer Transaction, the “**Transaction**”), and the Investors intend to purchase such equity interests from the Seller. The shareholding structure of the Company upon completion of the Transaction is set forth in Schedule B.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

Section 1 Definitions

Section 1.01 Definitions

Terms used in this Agreement shall have the meanings set forth in Schedule C.

Section 1.02 Rules of Interpretation

(a) References to “this Agreement,” “hereof,” “herein,” “hereunder,” and similar expressions shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Sections and Subsections are to Sections and Subsections of this Agreement, unless otherwise specified;

(b) The word “including” shall be deemed to mean “including but not limited to”;

(c) The headings and titles in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement;

(d) All defined terms used in any certificate or other document delivered pursuant to this Agreement shall have the meanings ascribed to them herein unless otherwise defined therein;

(e) Any reference in this Agreement to any law, agreement, instrument, or other document shall mean such law, agreement, instrument, or document as amended, supplemented, or otherwise modified from time to time;

(f) The terms “written” or “in writing” and similar expressions shall mean any form of visible reproduction, including printing, typing, or electronic transmission; and

(g) References to any Person shall include such Person’s successors and permitted assigns.

Section 2 Equity Transfer

Section 2.01 Equity Transfer

Subject to the terms and conditions of this Agreement, upon the Closing of the Transaction:

(a) The Seller shall transfer to Kingsoft Cloud equity interests in the Company corresponding to RMB 76 million in registered capital, free and clear of any encumbrances (“**Kingsoft Cloud Sale Equity**”), and shall transfer to Xinghan Zhilian equity interests in the Company corresponding to RMB 114 million in registered capital, free and clear of any encumbrances (“**Xinghan Zhilian Sale Equity**,” together with the Kingsoft Cloud Sale Equity, “**Sale Equity**”), and the Investors agree to acquire such Sale Equity.

(b) From and after the Closing of the Transaction, all equity interests in the Company shall be held by the shareholders in accordance with their respective shareholding ratios as set forth in Schedule B, provided that where the Shareholders’ Agreement or any other Transaction Document contains specific provisions regarding the

rights of the Investors, such provisions shall prevail.

(c) The Parties acknowledge and agree that, with respect to each Investor, its obligation to pay the applicable Transfer Consideration and the corresponding Closing shall be separate. One of the conditions precedent to Kingsoft Cloud's performance of its Closing obligations shall be the completion of the Xinghan Zhilian Equity Transfer Transaction in accordance with this Agreement; however, Xinghan Zhilian's performance of its Closing obligations shall not be conditional upon the Closing of the Kingsoft Cloud Equity Transfer Transaction.

Section 2.02 Transfer Consideration

Subject to the terms and conditions of this Agreement, as consideration for the Kingsoft Cloud Equity Transfer Transaction, Kingsoft Cloud shall pay the Seller an aggregate amount of RMB 50 million ("**Kingsoft Cloud Transfer Consideration**"). As consideration for the Xinghan Zhilian Equity Transfer Transaction, Xinghan Zhilian shall pay the Seller an aggregate amount of RMB 75 million ("**Xinghan Zhilian Transfer Consideration**," together with the Kingsoft Cloud Transfer Consideration, "**Transfer Consideration**"). For the avoidance of doubt, the Transfer Consideration set forth above is inclusive of all applicable taxes.

Section 2.03 Payment of Transfer Consideration

Xinghan Zhilian shall, within ten (10) Business Days after the execution date of this Agreement and on the Closing Date of the Xinghan Zhilian Equity Transfer Transaction, respectively remit twenty percent (20%) of the Xinghan Zhilian Transfer Consideration (i.e., RMB 15 million, "**First Xinghan Zhilian Payment**") and eighty percent (80%) of the Xinghan Zhilian Transfer Consideration (i.e., RMB 60 million, "**Second Xinghan Zhilian Payment**") by wire transfer of immediately available RMB funds to the following bank account of the Seller, or such other account as may be designated in writing by the Seller at least ten (10) Business Days prior to the Closing Date of the Transaction and confirmed by Xinghan Zhilian. The payment of the First Xinghan Zhilian Payment shall be referred to as the "**First Xinghan Zhilian Payment**," and the payment of the Second Xinghan Zhilian Payment shall constitute the "**Xinghan Zhilian Closing**." The form of the closing payment notice for the Xinghan Zhilian Equity Transfer Transaction is set forth in Schedule F.

Kingsoft Cloud shall, on the Closing Date of the Kingsoft Cloud Equity Transfer Transaction, remit the full amount of the Kingsoft Cloud Transfer Consideration by wire transfer of immediately available RMB funds to the following bank account of the Seller, or such other account as may be designated in writing by the Seller at least ten (10) Business Days prior to the Closing Date of the Transaction and confirmed by Kingsoft Cloud ("**Kingsoft Cloud Closing**," together with the Xinghan Zhilian Closing, individually or collectively, "**Closing**"). The form of the closing payment notice for the Kingsoft Cloud Equity Transfer Transaction is set forth in Schedule F.

Seller' Bank Account Information:

Account Name: Shenzhen Xunlei Networking Technologies Co., Ltd.

Account Number: 755901747310602

Bank: China Merchants Bank, Shenzhen Shekou Sub-branch

Section 3 Closing

Section 3.01 Conditions to the Seller's Obligations to Effect the Closing

The obligation of the Seller to consummate the Transaction shall be subject to the satisfaction or written waiver by the Seller, on or prior to the Closing of the Transaction, of each of the following conditions:

(a) Representations, Warranties and Covenants. The representations and warranties of the relevant Investors set forth in this Agreement shall be true and accurate in all respects as of the date of this Agreement and as of the Closing Date of the Transaction (except for those representations and warranties that expressly relate to a specified date, which shall be true and accurate as of such specified date), and all covenants and agreements required to be performed by the relevant Investors under this Agreement on or prior to the Closing Date of the Transaction shall have been duly performed;

(b) Transaction Documents. Each Party to the Transaction Documents (other than the Seller) shall have duly executed and delivered to the Seller each Transaction Document to which it is a party in connection with the Closing of the Transaction;

(c) Approval of the Transaction. The board of directors of the Seller and the board of directors and audit committee of Xunlei Limited shall have adopted resolutions approving the execution and performance of the Transaction Documents by the Seller in connection with the Transaction;

(d) The Key Employees and the relevant Group Companies shall have entered into employment agreements, confidentiality agreements, non-compete agreements and intellectual property ownership agreements in the form and substance set forth in Schedule M; and

(e) First Xinghan Zhilian Payment. Xinghan Zhilian shall have completed the First Xinghan Zhilian Payment pursuant to Section 2.03 of this Agreement.

Section 3.02 Conditions to the Investors' Payment or Closing Obligations

1. The obligation of Xinghan Zhilian to pay the first installment of the transfer consideration shall be subject to the satisfaction or written waiver by Xinghan Zhilian, on or prior to the time of the First Xinghan Zhilian Payment, of each of the following conditions:

(a) Covenants and Agreements. All covenants and agreements required to be performed by the Seller on or prior to the First Xinghan Zhilian Payment under the

applicable Transaction Documents shall have been duly performed; and

(b) Transaction Documents. Each Party hereto (other than Xinghan Zhilian) shall have duly executed and delivered this Agreement to Xinghan Zhilian.

2. The obligation of Xinghan Zhilian to pay the second installment of the transfer consideration shall be subject to the satisfaction or written waiver by Xinghan Zhilian, on or prior to the Xinghan Zhilian Closing (other than Sections 3.02(e) and 3.02(l)); and the obligation of Kingsoft Cloud to pay the transfer consideration shall be subject to the satisfaction or written waiver by Kingsoft Cloud, on or prior to the Closing of the Transaction, of each of the following conditions:

(a) Representations, Warranties and Covenants. (i) The representations and warranties of the Seller contained in the applicable Transaction Documents shall be true, accurate and complete in all respects, and not misleading, as of the date of execution of such Transaction Documents and as of the Closing Date of the Transaction (except for those representations and warranties that expressly relate to a specified date, which shall be true, accurate and complete as of such specified date), and all covenants and agreements required to be performed by the Seller under the applicable Transaction Documents on or prior to the Closing Date of the Transaction shall have been duly performed; (ii) The representations and warranties of the Management Shareholders (other than Xinghan Zhilian) and the Group Companies contained in the applicable Transaction Documents shall be true, accurate and complete in all respects, and not misleading, as of the date of execution of such Transaction Documents and as of the Closing Date of the Transaction (except for those representations and warranties that expressly relate to a specified date, which shall be true, accurate and complete as of such specified date), and all covenants and agreements required to be performed by the Management Shareholders (other than Xinghan Zhilian) and the Group Companies under the applicable Transaction Documents on or prior to the Closing Date of the Transaction shall have been duly performed;

(b) Transaction Documents. Each Party to the Transaction Documents (other than the relevant Investor) shall have duly executed and delivered to such Investor each Transaction Document to which it is a party;

(c) No Governmental Order. No governmental authority shall have enacted, issued, promulgated, enforced or entered any law or governmental order that would render illegal, or restrain or prohibit, the transactions contemplated under the Transaction Documents;

(d) No Proceedings or Litigation. There shall be no pending or threatened claim against any Group Company, any Management Shareholder (other than Xinghan Zhilian), any existing shareholder, or the Principal Business that seeks to restrain the transactions contemplated under the Transaction Documents, materially alter the terms thereof, or, in the reasonable and good faith judgment of such Investor, could reasonably be expected to render completion of such transactions impracticable, illegal, inadvisable,

or to result in a Material Adverse Effect on any Group Company, any Management Shareholder (other than Xinghan Zhilian), or the Principal Business;

(e) Due Diligence. With respect to Kingsoft Cloud only, Kingsoft Cloud shall have completed business, financial, legal and tax due diligence investigations with respect to the Principal Business and the Group Companies, and shall be reasonably satisfied with the results thereof (for the avoidance of doubt, Kingsoft Cloud's execution of this Agreement shall be deemed confirmation that Kingsoft Cloud is reasonably satisfied with the results of such due diligence);

(f) Approvals and Consents of the Parties other than the Investors. Each Party hereto (other than the Investors) shall have obtained all governmental, stock exchange, approval and filing requirements, and all relevant third-party consents necessary for the consummation of the transactions contemplated under the Transaction Documents (including waivers by the existing shareholders of their preemptive rights or other similar preferential rights (if any) with respect to the equity transfers), and such consents and approvals shall not materially alter the commercial terms of the Transaction Documents and shall remain in full force and effect as of the Closing of the Transaction;

(g) Approvals and Consents of the Investors. Such Investor shall have completed the relevant stock exchange disclosure (if applicable), and shall have obtained all governmental approvals and filings and all relevant third-party consents necessary for the consummation of the transactions contemplated under the Transaction Documents, and such consents and approvals shall not materially alter the commercial terms of the Transaction Documents and shall remain in full force and effect as of the Closing of the Transaction;

(h) No Material Adverse Effect. No event shall have occurred that has had, individually or in the aggregate, a Material Adverse Effect on any Group Company or any Management Shareholder (other than Xinghan Zhilian), and no event shall reasonably be expected to occur that could, individually or in the aggregate, result in a Material Adverse Effect;

(i) Approval of the Transaction. The relevant parties shall have obtained the following approvals set forth in items (w) through (x):

(w) the shareholders' meeting and the board of directors (or executive director) of each Group Company shall have adopted resolutions approving the execution and performance of the Transaction Documents in connection with the Transaction; and

(x) the board of directors of the Seller and the board of directors and audit committee of Xunlei Limited shall have adopted resolutions approving the execution and performance of the Transaction Documents by the Seller in connection with the Transaction;

(j) Board of Directors. The shareholders' meeting and the executive director of the Company shall have adopted resolutions approving the formation of the board of directors in accordance with Section 7.1.1 of the Shareholders' Agreement;

(k) Closing Certificate. Such Investor shall have received closing certificates issued by the Seller, the Group Companies and the Management Shareholders, respectively, in the form set forth in Schedule E, certifying that all matters set forth in this Section 3.02 applicable to such Investor (other than Sections 3.02(e) and 3.02(g)) have been satisfied;

(l) With respect to Kingsoft Cloud only, the Xinghan Zhilian Equity Transfer Transaction shall have been completed on the same date as the proposed closing date of the Kingsoft Cloud Equity Transfer Transaction;

(m) The Key Employees and the relevant Group Companies shall have entered into employment agreements, confidentiality agreements, non-compete agreements and intellectual property ownership agreements in the form and substance set forth in Schedule M, and the employment agreements shall provide for a term of no less than three (3) years; and

(n) Xunlei Limited (Nasdaq: XNET) shall have fulfilled the applicable disclosure requirements of the U.S. Securities and Exchange Commission with respect to the Transaction (including submission of the applicable reports and/or forms required for disclosure of the Transaction to the U.S. Securities and Exchange Commission), and shall have simultaneously published the relevant disclosure on its official website under the "Investor Relations" section.

Section 3.03 Closing of the Transaction

Subject to the terms and conditions of this Agreement, the Xinghan Zhilian Closing and the Kingsoft Cloud Closing shall take place no later than ten (10) Business Days after all conditions precedent to the obligations of the Parties set forth in Sections 3.01 and 3.02 (other than those conditions which by their terms are to be satisfied on the Closing Date, which shall be satisfied on the Closing Date) have been satisfied or waived in accordance with this Agreement, and the Investors have received the payment notice (for the avoidance of doubt, the Seller shall issue separate payment notices to Xinghan Zhilian for the first installment and the second installment of the transfer consideration payable by Xinghan Zhilian), or at such other time or on such other date as mutually agreed in writing by the Investors, the Company and the Seller (date of the Xinghan Zhilian Closing and the date of the Kingsoft Cloud Closing, collectively, "**Closing Date**"). The Closing may be effected by remote exchange of electronic documents or signature pages, or by such other method as mutually agreed in writing by the Investors, the Company and the Seller (for the avoidance of doubt, provided that all applicable conditions precedent to Closing for an Investor have been satisfied or waived, the completion of the Xinghan Zhilian Closing shall occur prior to the completion of the Kingsoft Cloud Closing).

Section 3.04 Deliverables by the Seller upon Completion of the First Xinghan Zhilian Payment and Deliverables by the Company and the Seller at the Closing

Upon completion of the First Xinghan Zhilian Payment and within one (1) Business Day after receipt of such payment, the Seller shall issue to Xinghan Zhilian a receipt confirming that the Seller has received the first installment of the transfer consideration.

At the Closing, the Company and the Seller shall deliver the following documents to each Investor:

(a) A copy of the register of shareholders affixed with the Company chop (such copy affixed with the Company chop shall be dispatched to the correspondence address provided by such Investor within three (3) Business Days after the Closing Date), in the form set forth in Schedule G;

(b) A copy of the capital contribution certificate affixed with the Company chop and signed by the legal representative of the Company (original capital contribution certificate shall be dispatched to the correspondence address provided by such Investor within three (3) Business Days after the Closing Date), in the form set forth in Schedule H; and

(c) Within one (1) Business Day after receipt of the applicable transfer consideration paid by an Investor, the Seller shall issue to such Investor a receipt confirming that the Seller has received the transfer consideration paid by such Investor.

Section 3.05 Deliverables by the Investors at the Closing

At the Closing, each Investor shall:

(a) pay the applicable transfer consideration and deliver to the Seller a copy of the bank payment confirmation evidencing such payment; and

(b) deliver to the Seller and the Company the Transaction Documents duly executed by such Investor.

Section 4 Representations and Warranties of the Seller and the Management Shareholders

Section 4.01 Representations and Warranties of the Seller

The Seller hereby makes to the Investors, as of the date of this Agreement and as of the Closing Date of the Transaction, the representations and warranties set forth in Schedule I-1 to this Agreement.

Section 4.02 Representations and Warranties of the Management Shareholders (excluding Xinghan Zhilian) and Group Companies

The Management Shareholders (excluding Xinghan Zhilian) and the Group Companies hereby jointly and severally make to the Investors, as of the date of this

Agreement and as of the Closing Date of the Transaction, the representations and warranties set forth in Schedule I-2 to this Agreement.

Section 4.03 Reliance on Representations and Warranties

The Seller, the Management Shareholders (excluding Xinghan Zhilian) and the Group Companies fully understand and acknowledge that the Investors have entered into the transactions contemplated under this Agreement and the other Transaction Documents in reliance upon the representations, warranties and covenants made by the Seller, the Management Shareholders (excluding Xinghan Zhilian) and the Group Companies in this Section 4, other provisions of this Agreement, and the other Transaction Documents, as applicable to each of them. Accordingly, any untrue, inaccurate or misleading representation, warranty or covenant, or any failure to duly perform any such representation, warranty or covenant, may cause substantial loss to the Investors, and the Investors shall be entitled to seek monetary or non-monetary remedies, obtain indemnification and/or terminate this Agreement or the other Transaction Documents in accordance with this Agreement, the other Transaction Documents and applicable law.

Section 5 Representations and Warranties of the Investors

Each Investor hereby severally and not jointly makes to the Seller the representations and warranties set forth in Schedule J to this Agreement.

Section 6 Covenants

Section 6.01 Conduct of Business

Except as expressly provided in this Agreement, each Group Company shall, and the Management Shareholders (excluding Xinghan Zhilian) shall cause each Group Company, from the date of this Agreement until the Closing of the Transaction, to: (a) conduct its Business in the ordinary course consistent with past practice; (b) use best efforts to preserve the Business intact in all material respects; and (c) not, without the prior written consent of the Investors, agree to undertake any of the actions set forth in Section 1.16 of Schedule I-2. In addition, following the Closing Date, each Group Company shall, and the Management Shareholders shall cause each Group Company to use reasonable commercial efforts to continuously take effective measures to maintain the stability of its key suppliers and customers (including but not limited to promptly renewing procurement agreements with Alibaba Cloud or entering into new procurement agreements with Alibaba Cloud).

Section 6.02 Access to Information

Each Group Company shall, and the Management Shareholders (excluding Xinghan Zhilian) shall cause each Group Company, from the date of this Agreement until the Closing of the Transaction, subject to at least five (5) Business Days' prior written notice from Kingsoft Cloud and reasonable requirements: (a) permit Kingsoft Cloud and its representatives, during normal business hours, to have access to the offices, properties, books and records, and other documents and facilities of each Group Company; and (b)

provide Kingsoft Cloud and its representatives with financial and operational data and other information relating to each Group Company and the Business, including but not limited to monthly or other periodic key operating data of each Group Company, capitalization tables of the Group Companies, or other business information reasonably requested by Kingsoft Cloud, and any other information necessary for Kingsoft Cloud to satisfy the reporting and disclosure requirements under applicable law and listing rules of the jurisdiction where Kingsoft Cloud or its Affiliates are listed (if applicable).

Section 6.03 Notice of Certain Events

Prior to the Closing of the Transaction, the Seller, the Management Shareholders (excluding Xinghan Zhilian) and the Group Companies shall promptly notify the Investors in writing upon becoming aware of any matters set forth in Items (a) and (b) below; and the Management Shareholders (excluding Xinghan Zhilian) and the Group Companies shall promptly notify the Investors in writing upon becoming aware of any matters set forth in Item (c) below: (a) any event, circumstance or fact that would reasonably be expected to result in a breach of any representation, warranty or covenant made by such Party under the applicable Transaction Documents, or that would cause any representation or warranty under the Transaction Documents to be untrue or inaccurate in any respect; (b) any fact, change, condition or circumstance of which such Party becomes aware that has caused or would reasonably be expected to cause any of the conditions set forth in Section 3 of this Agreement to become incapable of being satisfied; and (c) any other material development that has had, or would reasonably be expected to have, a Material Adverse Effect on the assets, liabilities, business, financial condition, operations, operating results, customer or supplier relationships, employee relations, projections or prospects of the Group Companies taken as a whole.

Section 6.04 Use of Name

Without the prior written consent of Kingsoft Cloud or its Affiliates, regardless of whether Kingsoft Cloud directly or indirectly holds any equity interests in the Company at the relevant time, none of the Parties to this Agreement (other than Kingsoft Cloud) shall, nor shall they cause their respective Affiliates to, use, publish or reproduce, for any marketing, advertising, promotional or other purposes, the name of Kingsoft Cloud or any of its Affiliates, including but not limited to the use of the name “Kingsoft Cloud,” whether alone or in combination with any other words, or any similar company name, trade name, trademark, product or service name, domain name, graphic symbol, logo, mark, identifier or description that would enable a third party to identify Kingsoft Cloud or any of its Affiliates.

Section 6.05 Tax Cooperation and Information Exchange

To the extent that the Investors, Xunlei or their respective Affiliates are required to make tax filings in accordance with applicable tax laws, or participate in or conduct any audit or other tax-related procedures, the Group Companies and the

Management Shareholders shall cooperate with the Investors and Xunlei and provide such information as reasonably requested by the Investors or Xunlei, including copies of relevant tax returns and tax payment certificates, relevant working papers and other tax-related materials. The Group Companies and the Management Shareholders shall, and shall cause their respective Affiliates to, submit the documents or information provided pursuant to this Section 6.05 as reasonably requested by the Investors or Xunlei. The Investors, Xunlei or their respective Affiliates shall keep confidential all information obtained pursuant to this Section 6.05, except to the extent disclosure is required in connection with submission of tax filings, tax refund applications, audits or other procedures.

Section 6.06 No Solicitation or Negotiation

The Management Shareholders (excluding Xinghan Zhilian) hereby covenant to the Investors that, without the prior written consent of the Investors, from the date of this Agreement until the earlier of (a) the Closing of the Transaction, or (b) the termination of this Agreement (whichever occurs earlier), except as otherwise provided in the Transaction Documents, the Management Shareholders (excluding Xinghan Zhilian) shall not, and shall cause the Group Companies, the existing shareholders, their respective Affiliates, and the respective Representatives of the foregoing Persons not to: (i) solicit, initiate, consider, encourage or accept any proposal or offer from any Person relating to: (1) the acquisition or purchase of all or any part of the equity interests of the Company or any Group Company, or the acquisition or purchase of the assets of the Company or any Group Company (other than inventory proposed to be sold in the ordinary course of business consistent with past practice), (2) any merger, consolidation or other business combination involving the Company or any Group Company, or (3) any capital reorganization, structural reorganization or any other business transaction that is not conducted in the ordinary course of business consistent with past practice; or (ii) participate in any discussion, conversation, negotiation or other communication regarding any of the foregoing matters, or provide any information relating to the foregoing matters to any Person, or in any other manner cooperate with, assist, participate in or encourage any effort or attempt by any Person to undertake any of the foregoing matters. The Management Shareholders (excluding Xinghan Zhilian) shall, and shall cause the Group Companies and the existing shareholders to, immediately cease and cause the termination of any discussions, conversations, negotiations or other communications relating to any of the foregoing matters that were initiated prior to the execution of this Agreement (if any). If any Person makes any proposal or offer, or initiates any inquiry or contact, relating to any of the foregoing matters, the Management Shareholders (excluding Xinghan Zhilian) shall promptly notify the Investors. For the avoidance of doubt, the transfer of equity interests in the Company by the Seller to Kingsoft Cloud and Xinghan Zhilian pursuant to this Agreement shall not constitute a breach of this Section.

The Seller hereby covenants to the Investors that, without the prior written

consent of the Investors, from the date of this Agreement until the earlier of (a) the Closing of the Transaction, or (b) the termination of this Agreement (whichever occurs earlier), except as otherwise provided in the Transaction Documents, the Seller shall not, and shall cause its Affiliates and their respective Representatives not to: (i) solicit, initiate, consider, encourage or accept any proposal or offer from any Person relating to: (1) the acquisition or purchase of all or any part of the equity interests in the Company held by the Seller, or the acquisition or purchase of the assets of the Company or any Group Company (other than inventory proposed to be sold in the ordinary course of business consistent with past practice), (2) any merger, consolidation or other business combination involving the Company or any Group Company, or (3) any capital reorganization, structural reorganization or any other business transaction that is not conducted in the ordinary course of business consistent with past practice; or (ii) participate in any discussion, conversation, negotiation or other communication regarding any of the foregoing matters, or provide any information relating to the foregoing matters to any Person, or in any other manner cooperate with, assist, participate in or encourage any effort or attempt by any Person to undertake any of the foregoing matters. For the avoidance of doubt, the transfer of equity interests in the Company by the Seller to Kingsoft Cloud and Xinghan Zhilian pursuant to this Agreement shall not constitute a breach of this Section.

In addition, from the date of this Agreement until the earlier of (a) the Closing of the Transaction, or (b) the termination of this Agreement (whichever occurs earlier), the Seller hereby covenants to the Investors that it shall not directly or indirectly transfer or otherwise dispose of any of the relevant Sale Equity held by it, nor create any encumbrance over any of the relevant Sale Equity held by it.

Section 6.07 Confidentiality

Unless otherwise agreed in writing in advance by the Party providing Confidential Information, none of the other Parties shall disclose, and the Warrantors (for the avoidance of doubt, the Warrantors under this Section 6.07 shall refer to the Seller, the Group Companies and the Management Shareholders (excluding Xinghan Zhilian) as of or prior to the Closing Date, and shall refer to the Group Companies and the Management Shareholders as of and after the Closing Date) shall cause the Group Companies not to disclose, any Confidential Information in any manner. “**Confidential Information**” means: (a) the existence of this Agreement, the other Transaction Documents and the transactions contemplated hereunder; (b) any terms, conditions or other aspects of this Agreement and the other Transaction Documents; (c) the status of negotiations relating to the transactions contemplated under this Agreement and the other Transaction Documents; and (d) any confidential or proprietary information and other confidential matters relating to a Party’s business, financial condition, customer information or other matters that have been or may be disclosed by such Party to the other Parties pursuant to the Transaction Documents.

Notwithstanding the foregoing: (a) each Party may disclose Confidential Information: (i) solely for its own use, to its Affiliates and to the employees, officers,

directors, banks, lenders, accountants, legal counsel, tax advisors, business partners, representatives or advisors (“**Representatives**”) of such Party or its Affiliates who need to know such Confidential Information, provided that each such Person has been informed of the confidential nature of such Confidential Information and is subject to confidentiality obligations substantially similar to those set forth in this Section 6.07; (ii) as required by any Applicable Law; and (iii) as required by any competent governmental authority, judicial body or securities regulatory authority; and (b) each Investor may disclose Confidential Information to its existing or potential partners, investors, financing providers or transferees who need to know such Confidential Information, provided that each such Person has been informed of the confidential nature of such Confidential Information and is subject to confidentiality obligations substantially similar to those set forth in this Section 6.07.

Section 6.08 Public Announcements

Without the prior written consent of the Seller and the Investors, none of the other Parties shall, and shall cause the relevant Persons not to, issue any press release or make any public announcement relating to the Transaction Documents or the transactions contemplated thereunder, nor communicate with any media in any manner regarding the foregoing. Where a Group Company is required to make any announcement or disclosure pursuant to Applicable Law or the requirements of any competent governmental authority, the Group Company shall, to the extent permitted by law, provide a draft of such announcement to the Seller and the Investors in advance and consult with the Seller and the Investors regarding the content of such announcement.

Section 6.09 Registration or Filing with the Market Regulation Authority; Personnel Changes

The Company shall, and the Seller and the Investors shall cooperate with the Company, to complete, as soon as practicable after the Closing Date and in any event no later than twenty (20) Business Days after the Closing Date (or such other time as may be otherwise agreed in writing by all Investors), the registration of the changes contemplated under the Transaction Documents (including changes in shareholders of the Company and members of the board of directors), the replacement of those directors, supervisors, senior officers and other personnel of the Group Companies who, as of the date of this Agreement, are employees of Xunlei or its Affiliates with personnel designated by Xinghan Zhilian as deemed necessary by Xinghan Zhilian, and the registration and/or filing procedures relating to the new Articles of Association of the Company, with the competent registration authority of the Company, and obtain a new business license issued by the competent registration authority.

Section 6.10 Employee Equity Incentive Plan

The Company shall, and the Seller and the Investors shall cooperate with the Company, to complete, as soon as practicable after the Closing Date and in any event

no later than twenty (20) Business Days after the Closing Date or five (5) Business Days after completion of the registration or filing with the market regulation authority (whichever is later), the change of the administrator of the employee equity incentive plan in a manner compliant with the currently effective employee equity incentive plan of the Company (including, without limitation, obtaining approval of such change of administrator at the level of the shareholders' meeting of the Company), such that the board of directors of the Company becomes the new administrator under such employee equity incentive plan.

Section 6.11 Handover

The Company and the Seller shall complete, within fifteen (15) Business Days after the Closing Date, the handover to the personnel designated by Xinghan Zhilian of the materials and matters set forth in Schedule L to this Agreement.

Section 6.12 Further Actions

Each Party shall use all reasonable efforts to take, or cause the other Parties to take, all necessary actions, and to do, or cause the other Parties to do, all things necessary, proper or advisable under Applicable Law, and to execute and deliver all necessary documents and other instruments, in order to satisfy all conditions set forth in Section 3 of this Agreement, perform the provisions of this Agreement and the other Transaction Documents, and consummate the transactions contemplated under this Agreement and the other Transaction Documents.

Section 6.13 Post-Closing Covenants

(a) Following the Closing of the Transaction, the Group Companies and the Management Shareholders hereby covenant and undertake to the Investors and Xunlei that the Group Companies and the Management Shareholders shall, and shall cause each Group Company to:

(i) Fully comply with and progressively improve corporate governance standards of each Group Company in all respects, and effectively implement and comprehensively enforce such corporate governance standards, including but not limited to compliance with applicable laws relating to company registration administration, value-added telecommunications, content delivery, artificial intelligence, data security and information protection, cybersecurity, internet information services, export control, taxation, labor and anti-corruption. The Group Companies shall progressively establish and improve internal corporate policies (including but not limited to internal control management policies), and shall fully implement and strictly enforce such policies;

(ii) Conduct business operations at all times in accordance with

Applicable Law and good business practices, including but not limited to laws relating to company registration administration, value-added telecommunications, content delivery, artificial intelligence, data security and information protection, cybersecurity, internet information services, export control, taxation, labor and anti-corruption. With respect to lawful and compliant operations, the Group Companies and the Management Shareholders hereby specifically undertake the following:

(aa) Following the Closing of the Transaction, Shanghai Onething Technology Co., Ltd. (“**Shanghai Onething**”) shall, and the Management Shareholders shall cause Shanghai Onething to, complete deregistration in accordance with Applicable Law within no later than nine (9) months from the Closing Date, and during such period transfer all intellectual property owned by Shanghai Onething (for the avoidance of doubt, the intellectual property owned by Shanghai Onething includes only trademarks) to the Company;

(bb) Within three (3) months from the Closing Date, the Company shall migrate the Onething Cloud APP from the Apple Store developer account of HK Onething Limited to the Apple Store developer account of an existing Group Company or a newly established company, and shall complete the handover of the Apple Store developer account of HK Onething Limited and the related account documentation and information for maintenance and administration of such account to the personnel designated by the Seller;

(cc) Following the Closing Date, with respect to the historical waiver of receivables and payables between the Group Companies and Xunlei Network Technologies Co., Ltd., Reddot Tech Limited, Xunlei Limited, and Xunlei Computer (Shenzhen) Co., Ltd., the Group Companies shall complete the required tax filing procedures in accordance with applicable regulations (for the avoidance of doubt, Xunlei shall provide necessary cooperation with respect to such actions of the Group Companies);

(dd) Following the Closing Date, the Group Companies shall complete the filing procedures for large language models with the competent authorities as soon as practicable as required, and shall progressively cease providing access services to large language models that are unable to complete filing within the PRC (including but not limited to ChatGPT and Gemini);

(ee) Within six (6) months after the Closing Date, engage a

qualified information system security level evaluation institution in accordance with Applicable Law and requirements of competent authorities to assess the information systems of the Group Companies, conduct the information system security level evaluation, and complete filing of the information system security level;

(iii) Take all necessary measures to protect their respective intellectual property rights and use intellectual property in a lawful manner, and improve the intellectual property protection framework of the Company, use best efforts to safeguard the interests of the Group Companies relating to intellectual property, and use reasonable best commercial efforts to avoid infringement of intellectual property rights and other lawful rights and interests of any third party (including but not limited to establishing and improving intellectual property management and protection policies suitable for the business of the Group Companies as soon as practicable following the Closing);

(iv) Engage employees with professional knowledge, management capability and working experience in accordance with business development needs, and execute employment contracts as well as confidentiality, non-compete and intellectual property protection agreements with all employees in accordance with the PRC laws;

(v) In accordance with the PRC laws, promptly and fully declare and pay all applicable social insurance contributions for all employees, withhold and pay on behalf of employees the portion of social insurance contributions payable by employees, and make supplemental payments or appropriate accounting provisions with respect to any underpaid or unpaid social insurance contributions as of the Closing Date;

(vi) In accordance with the PRC laws or applicable local tax regulations, promptly and fully declare individual income tax applicable to all employees and duly perform withholding obligations, and make appropriate accounting provisions with respect to taxes required to be withheld as of the Closing Date; in addition to the foregoing, timely perform tax payment obligations and file other tax returns or perform withholding obligations in accordance with the PRC laws or applicable local tax regulations;

(vii) Ensure that transactions with Affiliates comply with the arm's length principle;

(viii) Ensure that there are no off-book sales revenues, off-book liabilities, off-book receivables, or occupation of funds of the Group Companies by the Management Shareholders, employees of the Group

Companies or their respective Affiliates; in particular, following the Closing Date, the Management Shareholders hereby undertake that, without the prior written consent of the Investors, neither they nor their respective Affiliates shall use any funds or payments of the Group Companies to repay their personal debts, or otherwise create any loan or other indebtedness relationship with any third party that would result in a Material Adverse Effect on the operations of the Group Companies as a whole;

(ix) Prepare financial statements in the ordinary course of business following the Closing Date in accordance with all applicable laws and PRC GAAP on a consistent basis, and ensure that such financial statements are complete and accurate in all respects and fairly present the events, assets and liabilities, financial condition and results of operations of the Group Companies as of the relevant dates and for the relevant periods covered by such financial statements, and are not affected by any abnormal or non-recurring items not reflected therein. The accounting basis and standards adopted by the Group Companies in preparing financial statements shall be consistent with those adopted during the previous two fiscal years, unless new accounting standards are required to be adopted in accordance with applicable law;

(x) Comply with all applicable anti-corruption laws, anti-corruption and anti-commercial bribery policies, and all applicable anti-money laundering and counter-terrorism financing laws and regulations, and duly perform anti-money laundering obligations; and

(xi) Progressively improve and comply with cybersecurity and data protection related laws in all aspects of existing and future businesses and operations of the Group Companies.

(b) If any condition precedent set forth in Section 3.02 of this Agreement has been waived by the Investors based on any undertaking of the Seller, the Seller shall comply with such undertaking and complete the relevant matters within the timeframe agreed by the Investors.

Section 7 Tax Matters

Section 7.01 Tax Indemnity

Notwithstanding any other provision of this Agreement that may conflict with this Section 7.01, the Group Companies hereby jointly and severally undertake to indemnify the Investors, their Affiliates, their respective Representatives, and the successors and assigns of the foregoing (collectively, “**Investor Indemnified Parties**”) in full for any and all Losses (as defined in Section 8.02(a) of this Agreement), if any, incurred by any Investor Indemnified Party arising from or in connection with any Tax liabilities of the Company or any other Group Company (including any breach of the

representations and warranties set forth in Section 1.13 of Schedule I-2 hereto), including any Losses incurred by any Investor Indemnified Party in connection with any dispute or other proceedings relating to such taxes. The indemnification under this Section shall also be subject to the deductible threshold, aggregation of Losses and overall cap applicable to all Losses that the Investors are entitled to claim, as provided in Section 8.02(b) of this Agreement.

Section 7.02 Transaction Taxes

With respect to any taxes imposed on the respective Parties to the Transaction arising from or in connection with the transactions contemplated under the Transaction Documents under Applicable Law, each Party shall be responsible for filing and paying the taxes that it is required to bear in accordance with Applicable Law.

Section 8 Indemnification

Section 8.01 Survival of Representations and Warranties

The representations and warranties made by the Seller, the Group Companies and/or the Management Shareholders (excluding Xinghan Zhilian) contained in the Transaction Documents and the Closing Deliverables shall survive for a period of twelve (12) months from the Closing Date of the Transaction (“**Survival Period**”). During the Survival Period, the Investors shall be entitled to make claims in accordance with this Section 8 with respect to any untrue, inaccurate or breached representation or warranty made by the Seller, the Group Companies and/or the Management Shareholders (excluding Xinghan Zhilian) (each, a “**Breach**”), and the indemnification liability of the Seller, the Group Companies and/or the Management Shareholders (excluding Xinghan Zhilian) for breach of the foregoing representations and warranties shall not be reduced or waived by virtue of any actual knowledge of any Breach by the Investors or their Representatives prior to the Closing of the Transaction. Upon expiration of the Survival Period, the Investors shall no longer be entitled to make any claim with respect to any breach of the foregoing representations and warranties, except in cases where such breach arises from fraud or intentional concealment by the Seller, the Group Companies and/or the Management Shareholders (excluding Xinghan Zhilian).

Section 8.02 Indemnification

(a) With respect to all liabilities, losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including, without limitation, legal fees and expenses of attorneys and advisors, and any Losses incurred by the Investors as a result of any claims brought by any Person or otherwise) (collectively, “**Losses**”), whether incurred prior to or after the Closing of the Transaction (and with respect to item (iii) below, regardless of whether such matters have been disclosed in the Disclosure Schedules or otherwise), directly suffered or incurred by the Investor Indemnified Parties or the Seller (for the avoidance of doubt, the Seller shall only be entitled to bring claims for Losses arising under Section 8.02(a)(ii)), the Investor Indemnified Parties or the Seller (as

applicable) shall be entitled to indemnification from the Group Companies and/or the Management Shareholders (whether Xinghan Zhilian is included, and whether the relevant matter involves indemnification obligations of the Management Shareholders, shall be determined in accordance with the provisions below), such that the Investor Indemnified Parties or the Seller (as applicable) shall be placed in the same economic and commercial position as if the following matters had not occurred:

(i) any breach by the Group Companies and/or the Management Shareholders (excluding Xinghan Zhilian) of any representation, statement or warranty made by them under the Transaction Documents or the Closing Deliverables;

(ii) any breach by the Group Companies and/or the Management Shareholders of any covenant, undertaking or agreement made by them under this Agreement; and

(iii) any dispute arising from unpaid employee social insurance contributions and housing provident fund contributions owed by the Group Companies prior to the Closing (including any penalties, late fees, settlement amounts and other similar fees and expenses arising therefrom).

For the avoidance of doubt, with respect to the matters set forth in Section 8.02(a) above, the Management Shareholders shall be jointly and severally liable together with the Group Companies for indemnification only if such matters independently arise after April 15, 2022 (“**Management Takeover Date**”) (i.e., such matters arise entirely and directly from new events, actions or circumstances occurring after the Management Takeover Date and have no direct or indirect causal relationship with any matters existing prior to the Management Takeover Date, including but not limited to any actions, events, circumstances, agreements or omissions). Otherwise, such matters shall be indemnified solely by the Group Companies.

(b) Notwithstanding the foregoing provisions of Section 8.02(a): (i) with respect to each Investor’s Investor Indemnified Parties or the Seller (as applicable), the Group Companies and/or the Management Shareholders shall not be liable for any Losses incurred by such Investor’s Investor Indemnified Parties or the Seller (as applicable) arising from the matters set forth in Section 8.02(a) unless the aggregate amount of such Losses exceeds RMB 500,000 (“**Deductible**”). For the avoidance of doubt, once the Deductible is reached, the Group Companies and/or the Management Shareholders (whether Xinghan Zhilian is included depends on which matter set forth in Section 8.02(a) is breached and whether such matter involves indemnification obligations of the Management Shareholders) shall jointly and severally indemnify such Investor’s Investor Indemnified Parties or the Seller (as applicable) for Losses within and exceeding the Deductible; provided that the aggregate and maximum amount of all Losses that all Investor Indemnified Parties of such Investor are entitled to claim shall be limited to: (x) the total

amount of the applicable Transfer Consideration paid by such Investor; plus (y) the total amount of interest calculated on such Transfer Consideration at a simple interest rate of six percent (6%) per annum from the Closing Date of the Transaction (for the avoidance of doubt, the formula for calculating such interest is: $\text{total interest} = \text{Transfer Consideration} \times (\text{number of calendar days from the Closing Date of the Transaction to the date of full payment of the Loss} \div 365) \times 6\%$; for the avoidance of doubt, with respect to the first installment of the Transfer Consideration paid by Xinghan Zhilian, such interest shall be calculated from the date of the First Xinghan Zhilian Payment; with respect to the second installment of the Transfer Consideration paid by Xinghan Zhilian and the Transfer Consideration paid by Kingsoft Cloud, such interest shall be calculated from the Closing Date of the Transaction). With respect to the Seller, the aggregate and maximum amount of all Losses that the Seller is entitled to claim shall be limited to: (x) the value corresponding to all equity interests in the Company held by the Seller immediately following the Closing of the Transaction calculated based on the valuation in this Transaction (i.e., RMB 50 million); plus (y) the total amount of interest calculated on such value amount at a simple interest rate of six percent (6%) per annum from the Closing Date of the Transaction; (ii) subject to the provisions of Item (i) above, with respect to the Management Shareholders, unless the matters set forth in Section 8.02(a) arise from fraud or intentional misconduct of the Management Shareholders, the aggregate and maximum indemnification liability of each Management Shareholder shall be limited to the actual amount of proceeds in good faith realized from the direct and indirect disposal of the equity interests in the Company held by such Management Shareholder at such time, and the personal assets and family assets of each Management Shareholder other than such equity interests in the Company shall not be involved in the indemnification payable to such Investor's Investor Indemnified Parties or the Seller (as applicable); (iii) subject to the provisions of items (i) and (ii) above, when an Investor's Investor Indemnified Parties or the Seller (as applicable) makes an indemnification claim against the Group Companies and the Management Shareholders (whether Xinghan Zhilian is included depends on which matter set forth in Section 8.02(a) is breached and whether such matter involves indemnification obligations of the Management Shareholders), such Investor's Investor Indemnified Parties or the Seller (as applicable) shall first seek indemnification from the Group Companies, and where the Group Companies are unable to fully perform such indemnification obligations, the Management Shareholders (whether Xinghan Zhilian is included depends on which matter set forth in Section 8.02(a) is breached and whether such matter involves indemnification obligations of the Management Shareholders) shall jointly and severally bear supplemental indemnification liability for the portion that the Group Companies are unable to perform.

(c) With respect to all Losses directly suffered or incurred by the Investor Indemnified Parties arising from the following matters (whether incurred prior to or after the Closing of the Transaction), the Seller shall indemnify the Investor Indemnified Parties and hold them harmless, such that the Investor Indemnified Parties shall be placed

in the same economic and commercial position as if the following matters had not occurred:

(i) any breach by the Seller of any representation, statement or warranty made by the Seller under the Transaction Documents or the Closing Deliverables;

(ii) any breach by the Seller of any covenant, undertaking or agreement made by the Seller under the Transaction Documents; and

(iii) any potential defect in title to, or claim relating to, the Sale Equity.

For the avoidance of doubt, with respect to the matters set forth in Section 8.02(c) above, the Seller shall only be liable for indemnification if such matters independently arise during the period from April 02, 2020 to the Management Takeover Date (“**Seller Management Period**”) (i.e., such matters arise entirely and directly from new events, actions or circumstances occurring during the Seller Management Period and have no direct or indirect causal relationship with any matters existing prior to the Seller Management Period, including but not limited to any actions, events, circumstances, agreements or omissions). Otherwise, such matters shall be indemnified solely by the Group Companies. Notwithstanding the foregoing provisions of Section 8.02(c), with respect to all Investor Indemnified Parties of each Investor, the Seller shall not be liable for any Losses arising from the matters set forth in Section 8.02(c) unless the aggregate amount of such Losses exceeds RMB 500,000 (“**Seller Deductible**”). For the avoidance of doubt, once the Seller Deductible is reached, the Seller shall indemnify such Investor Indemnified Parties for Losses within and exceeding the Seller Deductible; provided that the aggregate maximum amount of indemnification payable by the Seller to all Investor Indemnified Parties of each Investor shall be limited to RMB 10 million.

Section 8.03 Breach in Payment of Transfer Consideration

If, not due to any reason attributable to the Seller, the Group Companies or the Management Shareholders (excluding Xinghan Zhilian), and unless otherwise agreed by the Seller, Kingsoft Cloud fails to pay in full the applicable Transfer Consideration to the Seller in accordance with Section 3.03 of this Agreement, Kingsoft Cloud shall pay to the Seller liquidated damages at a rate of 0.01% per day of the overdue and unpaid portion of the Transfer Consideration payable by Kingsoft Cloud. If Xinghan Zhilian fails to pay in full the first installment of the Transfer Consideration payable by Xinghan Zhilian within ten (10) Business Days after the date of execution of this Agreement, or fails to pay in full the second installment of the Transfer Consideration payable by Xinghan Zhilian in accordance with Section 3.03 of this Agreement, Xinghan Zhilian shall pay to the Seller liquidated damages at a rate of 0.01% per day of the overdue and unpaid portion of the applicable Transfer Consideration payable by Xinghan Zhilian (including the first installment of the Transfer Consideration and the second installment of the Transfer Consideration, as applicable). If any Investor fails to pay any applicable Transfer

Consideration (for Xinghan Zhilian, including the first installment of the Transfer Consideration and the second installment of the Transfer Consideration) for more than twenty-five (25) days (“**Overdue Payment Period**”), unless the Seller and such Investor otherwise agree to continue the performance of this Agreement (and determine, based on mutual agreement, whether the aforesaid liquidated damages shall be payable), the Seller shall have the right to terminate the rights and obligations between the Seller and such Investor under this Agreement, as well as the equity transfer transaction contemplated under this Agreement between such Investor and the Seller, and the Seller shall refund to such Investor the Transfer Consideration already paid by such Investor after deducting any unpaid liquidated damages (if any) in accordance with Section 9.01 of this Agreement.

Where all conditions precedent to Closing set forth in Section 3.02(2) of this Agreement (other than Sections 3.02(e) and 3.02(g)) have been satisfied, but such Investor refuses or waives the Closing without justified reason, in addition to the Seller’s right to claim the overdue liquidated damages and exercise the termination right as set forth above, the Seller shall also be entitled to claim compensation from such Investor for intermediary fees incurred by the Seller (including but not limited to legal and financial advisory fees and expenses) and other direct losses incurred thereby. Unless the Seller and such Investor otherwise agree to continue performance of this Agreement, the Seller shall exercise such termination right within fifteen (15) Business Days after the expiration of the Overdue Payment Period.

Where all conditions precedent to Closing set forth in Section 3.02(2) of this Agreement (other than Sections 3.02(e) and 3.02(g)) have been satisfied, but the Seller refuses or waives the Closing without justified reason, any Investor shall have the right, in addition to terminating this Agreement pursuant to Section 9.01 (solely as between such Investor and the Seller), to claim compensation from the Seller for intermediary fees incurred by such Investor Indemnified Parties (including but not limited to legal and financial advisory fees and expenses) and other direct losses incurred thereby.

Section 9 Termination

Section 9.01 Termination

This Agreement may be terminated at any time prior to the Closing Date of the Transaction upon written notice delivered to the Parties in any of the following circumstances:

(a) the Investors shall have the right to terminate this Agreement upon the occurrence of any of the following events: (i) any event or circumstance has occurred that has caused or would reasonably be expected to cause a Material Adverse Effect, or any of the conditions precedent to Closing set forth in Section 3.02 has become incapable of being satisfied and has not been waived by such Investor; (ii) any representation or warranty of the Seller set forth in this Agreement is untrue or inaccurate; (iii) any material breach by the Group Companies, the Management Shareholders (excluding Xinghan Zhilian) and/or

the Seller of any covenant or agreement set forth in this Agreement which is incapable of being cured; (iv) the Company makes a general assignment of assets for the benefit of creditors, or any legal proceeding is instituted by or against the Company seeking to commence criminal proceedings, bankruptcy or insolvency proceedings against the Company, or the Company becomes bankrupt, insolvent, subject to liquidation, deregistration, bankruptcy reorganization (including debt restructuring), or similar proceedings; or (v) any circumstance has occurred under which the Investors are entitled to terminate this Agreement pursuant to Section 8.03;

(b) the Seller shall have the right to terminate this Agreement in accordance with Section 8.03;

(c) if the Closing of the Transaction has not occurred within ninety (90) days after the date of execution of this Agreement (“**Long Stop Date**”), either the Seller or the Investors may terminate this Agreement; provided, however, that if the failure of the Closing of the Transaction to occur on or prior to the Long Stop Date is caused by or results from any Party’s failure to perform any of its obligations under this Agreement and such failure has not been waived by the other Party, such Party shall not be entitled to terminate this Agreement pursuant to this Section 9.01(c) (for the avoidance of doubt, if the failure of the Closing of the Transaction to occur on or prior to the Long Stop Date is caused by or results from any failure by the Group Companies and/or the Management Shareholders (excluding Xinghan Zhilian) to perform any of their obligations under this Agreement, the Seller shall also not be entitled to terminate this Agreement pursuant to this Section 9.01(c));

(d) any governmental authority issues any order, decree or ruling, or takes any other action, that restrains, prohibits or otherwise prevents the transactions contemplated under this Agreement, and such order, decree, ruling or other action has become final and non-appealable; or

(e) this Agreement is terminated by written agreement of all Parties.

For the avoidance of doubt, where any Investor or the Seller elects to terminate this Agreement, such termination shall only terminate the rights and obligations under this Agreement among such Investor and the Seller and other relevant Parties, as well as the equity transfer transaction contemplated under this Agreement between such Investor and the Seller, and shall not affect the rights and obligations under this Agreement among any other Investor or the Seller and other relevant Parties (excluding the Party that has elected to terminate this Agreement), nor the equity transfer transaction contemplated under this Agreement between such other Investor and the Seller.

Following termination of this Agreement pursuant to this Section, unless otherwise agreed by the Parties, each Party shall use reasonable commercial efforts to restore the rights and obligations among the Parties and the status of the Company to the status prior to the execution of the Transaction Documents. In particular, where, at the time

of termination of this Agreement, any Investor has been registered with the registration authority as a shareholder of the Company or any person appointed by any Investor has been registered with the registration authority as a director of the Company, each Party shall cooperate in executing the necessary documents and completing the necessary procedures to restore the shareholding structure, composition of the board of directors and filing status of the articles of association of the Company to the status prior to the execution of this Agreement. Where, at the time of termination of this Agreement, any Investor has paid all or part of the applicable Transfer Consideration to the Seller, the Seller shall, within ten (10) Business Days after termination of this Agreement and after the composition of the board of directors, supervisors and senior officers of the Company, the shareholding registration and the filing of the articles of association have been restored to the status prior to the execution of this Agreement, refund to such Investor all amounts already paid by such Investor after deducting any unpaid liquidated damages (if any). For each day of delay, the Seller shall pay liquidated damages at a rate of 0.01% per day of the portion of the Transfer Consideration not refunded.

Where the Seller exercises its termination right under this Section 9.01, such termination decision made by the Seller shall be binding upon the Company, the Management Shareholders (excluding Xinghan Zhilian) and the Group Companies.

Section 9.02 Survival of Certain Provisions

If this Agreement is terminated pursuant to Section 9.01, this Agreement shall become void immediately and none of the Parties shall have any further liability hereunder, except that: (a) Section 1 (Definitions), Section 6.04 (Use of Name), Section 6.07 (Confidentiality), Section 6.08 (Public Announcements), Section 7 (Tax Matters), Section 8 (Indemnification), this Section 9.02 (Survival of Certain Provisions), and Section 10 (Miscellaneous) shall survive such termination; and (b) no provision of this Agreement shall relieve any Party from liability arising from any breach of this Agreement occurring prior to such termination.

Section 10 Miscellaneous

Section 10.01 Expenses

Each Party agrees that it shall bear its own costs and expenses incurred in connection with the Transaction Documents and the transactions contemplated thereunder (including, without limitation, legal counsel fees).

Section 10.02 Assignment

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. Without the prior written consent of the other Parties, no Party may assign its rights or obligations under this Agreement, except that any Investor may assign its rights and obligations to its Affiliates upon prior written notice to the Company.

Section 10.03 Entire Agreement

The Transaction Documents and all other documents delivered pursuant thereto (including any related annexes, appendices and schedules) constitute the entire agreement and understanding among the Parties with respect to the subject matter thereof and supersede all prior written and oral agreements and undertakings among the Parties with respect to such subject matter.

Where required for the purpose of completing registration procedures with relevant governmental authorities in connection with the Transaction, the Parties shall execute a simplified equity transfer agreement or other documents relating to the Transaction in the form required by such governmental authorities (“**Short-form Agreement**”). Such Short-form Agreement shall be used solely for submission to governmental authorities for the purpose of completing relevant registration and transaction procedures, and the agreements and allocation of rights and obligations among the Parties with respect to the Transaction shall be governed by this Agreement.

Section 10.04 Severability

If any provision or other stipulation of this Agreement is held to be invalid, illegal or unenforceable under any applicable law or public policy, all other provisions and stipulations of this Agreement shall remain in full force and effect, provided that the economic or legal substance of the transactions contemplated under this Agreement is not affected in any manner materially adverse to any Party. Upon any provision or stipulation being held invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend this Agreement in a manner that, to the extent acceptable to the Parties, best reflects the original intent of the Parties so as to consummate the transactions originally contemplated under this Agreement to the greatest extent possible.

Section 10.05 Waiver

Any Party may: (a) extend the time for performance of any obligations or other acts of any other Party; (b) waive any inaccuracies in the representations and warranties made by any other Party contained in this Agreement or in any document delivered pursuant hereto; or (c) waive compliance by any other Party with any covenant contained in this Agreement or waive satisfaction of any condition to such Party’s obligations under this Agreement. Any such extension or waiver shall be effective only if set forth in a written instrument signed by the Party to be bound thereby. Any waiver of any provision or condition of this Agreement shall not be construed as a waiver of any subsequent breach of the same provision or condition, or as a waiver of the same provision or condition in the future, or as a waiver of any other provision or condition of this Agreement. The failure of any Party to exercise any right under this Agreement shall not constitute a waiver of such right. All rights and remedies provided under this Agreement are cumulative and not exclusive of any other rights or remedies available.

Section 10.06 Effectiveness and Amendment

This Agreement shall become effective upon execution or affixation of seals by the Parties. Any amendment to this Agreement shall be made in writing and shall become effective upon execution or affixation of seals by the Parties.

Section 10.07 Notices

(a) All notices, requests or other communications under this Agreement shall be made in writing (including by email) and shall be delivered, sent or mailed to the relevant Party at the address set forth in Schedule K to this Agreement (or such other address as notified in writing by the recipient to the other Parties at least ten (10) days in advance).

(b) Any notice, request or other communication delivered pursuant to this Section 10.07 shall be deemed duly given or delivered: (i) if delivered by hand, upon delivery to the address of the recipient specified in this Agreement; (ii) if sent by email, when the sender's email system indicates successful delivery to the recipient's email address on record; or (iii) if delivered by a nationally recognized courier service, on the third (3rd) day after delivery to such courier, provided that the correct recipient address and contact details have been completed and the courier fees have been fully prepaid.

Section 10.08 Counterparts

This Agreement may be executed and delivered in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.09 Force Majeure

(a) A Force Majeure Event means any event that is unforeseeable at the time of execution of this Agreement, the occurrence of which is unavoidable or the consequences of which are insurmountable, and which results in any Party being partially or wholly unable to perform any provision of this Agreement, including earthquakes, typhoons, floods, fires, wars, changes in laws, and any other similar events that are unforeseeable, unavoidable or insurmountable, including events generally recognized as force majeure under international commercial practice.

(b) Upon the occurrence of a Force Majeure Event, the Party whose performance is affected may suspend performance of its obligations under this Agreement during the continuance of such Force Majeure Event and shall not be deemed in breach of this Agreement; provided that such affected Party shall promptly notify the other Parties in writing as soon as practicable and shall provide, within fifteen (15) days, supporting documents evidencing the occurrence and/or continuation of such Force Majeure Event in accordance with Applicable law; otherwise, such event shall not be deemed a Force Majeure Event.

(c) Upon the occurrence of a Force Majeure Event, the Parties shall promptly consult with each other in good faith to seek a fair and reasonable solution and

shall use all reasonable efforts to mitigate the adverse effects of such Force Majeure Event on the performance of this Agreement.

Section 10.10 Governing Law; Dispute Resolution

(a) This Agreement shall be governed by the laws of the PRC. The formation, validity, interpretation and performance of this Agreement and the resolution of any disputes arising hereunder shall be governed by the laws of the PRC. If the laws of the PRC contain no relevant provisions, general international commercial practices shall apply.

(b) Any dispute or claim arising out of or in connection with this Agreement, including its performance, interpretation, breach, termination or validity (a “**Dispute**”), shall first be resolved through friendly consultation among the Parties to the Dispute. If the Dispute cannot be resolved through consultation, any Party to the Dispute may submit the Dispute to the people’s court with competent jurisdiction at the place where the Company is located.

Section 10.11 Remedies for Breach

The Parties agree that where remedies for breach of obligations under this Agreement include both specific performance and monetary damages, the non-breaching Party (or the non-breaching Parties jointly, where there is more than one non-breaching Party) shall have the right to elect the form of remedy.

Section 10.12 Language

This Agreement is executed in the Chinese language.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Shenzhen Onething Technology Co., Ltd.
(Company Seal)

By: /s/ Kening Wu
Name:Kening Wu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Li Hao

By: /s/ Li Hao

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Liu Yingqiao

By: /s/ Liu Yingqiao _____

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Wu Lei

By: /s/ Wu Lei

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Shenzhen Shuijing Interactive Technology Co., Ltd.
(Company Seal)

By: /s/ Kening Wu
Name:Kening Wu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Shenzhen Qianhai Onething Network Technology Co., Ltd.
(Company Seal)

By: /s/ Yingqiao Liu
Name:Yingqiao Liu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Beijing Onething Technology Co., Ltd.
(Company Seal)

By: /s/ Kening Wu
Name:Kening Wu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Jiangxi Jiedian Technology Service Co., Ltd.
(Company Seal)

By: /s/ Yingqiao Liu
Name: Yingqiao Liu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Xi'an Onething Network Technology Co., Ltd.
(Company Seal)

By: /s/ Yingqiao Liu
Name:Yingqiao Liu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Shanghai Onething Technology Co., Ltd.
(Company Seal)

By: /s/ Yingqiao Liu
Name:Yingqiao Liu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Shenzhen Jiuzhang Qidian Technology Co., Ltd.
(Company Seal)

By: /s/ Yingqiao Liu
Name:Yingqiao Liu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Shenzhen Xunlei Networking Technologies Co., Ltd.
(Company Seal)

By: /s/ Kening Wu
Name:Kening Wu
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Wuhan Kingsoft Cloud Information Technology Co., Ltd.
(Company Seal)

By: /s/ Zou Tao
Name:Zou Tao
Title: Legal Representative

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

Shenzhen Xinghan Zhilian Technology Co., Ltd.
(Company Seal)

By: /s/ Li Hao
Name:Li Hao
Title: Authorized Signatory

Signature Page of Shenzhen Onething Technology Co., Ltd. Equity Transfer Agreement

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- (1) Employment Contract**
- (2) Confidentiality Agreement**
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Schedule M

SHENZHEN ONETHING TECHNOLOGY CO., LTD.
SHAREHOLDERS' AGREEMENT

by and among

Shenzhen Xunlei Networking Technologies Co., Ltd.

Wuhan Kingsoft Cloud Information Technology Co., Ltd.

Shenzhen Xinghan Zhilian Technology Co., Ltd.

and

Shenzhen Onething Technology Co., Ltd.

and

other relevant parties

Dated March 3, 2026

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This Shareholders' Agreement ("**Agreement**") is entered into on March 3, 2026 by and among the following parties in the People's Republic of China ("**PRC**," for the purposes of this Agreement only, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan region):

(1) **Shenzhen Onething Technology Co., Ltd. ("Company")**, a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Room 0610-E13, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;

(2) **Li Hao ("CEO")**, a PRC citizen, ID No. *****, residing at Room 10, Unit 6, 4th Floor, Building 2, Courtyard No. 4, Yumin Road, Chaoyang District, Beijing;

(3) **Li Jinbo**, a PRC citizen, ID No. *****, residing at 21/F, Xunlei Building, No. 3709 Baishi Road, Yuehai Subdistrict, Nanshan District, Shenzhen;

(4) **Zhang Yubo**, a PRC citizen, ID No. *****, residing at 21/F, Xunlei Building, No. 3709 Baishi Road, Yuehai Subdistrict, Nanshan District, Shenzhen;

(5) **Liu Yingqiao**, a PRC citizen, ID No. *****, residing at 7-8/F, Building 11, Shenzhen Software Park, No. 2 Gaoxin Zhongsan Road, Nanshan District, Shenzhen;

(6) **Wu Lei**, a PRC citizen, ID No. *****, residing at No. 20110401, Talent Service Center, No. 73 Xisihuan North Road, Haidian District, Beijing; (together with Li Hao and Liu Yingqiao, "**Key Management**");

(7) **Nanjing Kehui Zhitu Information Technology Partnership (Limited Partnership) ("Nanjing Kehui")**, a limited partnership duly established and validly existing under the laws of the PRC, with its registered address at Room 8007, Sci-Tech Innovation Center, Shiqiu Subdistrict, Lishui District, Nanjing, Jiangsu Province;

(8) **Nanjing Yimang Yuelian Information Technology Partnership (Limited Partnership) ("Nanjing Yimang")**, a limited partnership duly established and validly existing under the laws of the PRC, with its registered address at Room 8009, Sci-Tech Innovation Center, Shiqiu Subdistrict, Lishui District, Nanjing, Jiangsu Province;

(9) **Nanjing Yuxin Jike Information Technology Partnership (Limited Partnership) ("Nanjing Yuxin")**, a limited partnership duly established and validly existing under the laws of the PRC, with its registered address at Room 8006, Sci-Tech Innovation Center, Shiqiu Subdistrict, Lishui District, Nanjing, Jiangsu Province;

(10) **Nanjing Zhihui Yuandong Information Technology Partnership (Limited Partnership) ("Nanjing Zhihui")**, a limited partnership duly established and validly existing under the laws of the PRC, with its registered address at Room 8008, Sci-Tech Innovation Center, Shiqiu Subdistrict, Lishui District, Nanjing, Jiangsu Province;

(11) **Nanjing Zhongzhi Gongchuang Information Technology Partnership**

(Limited Partnership) (“Nanjing Zhongzhi”), a limited partnership duly established and validly existing under the laws of the PRC, with its registered address at Room 8002, Sci-Tech Innovation Center, Shiqiu Subdistrict, Lishui District, Nanjing, Jiangsu Province;

(12) other entities listed in Annex 1 (*List of Group Companies*) to this Agreement, other than the Company;

(13) Shenzhen Xunlei Networking Technologies Co., Ltd. (“Xunlei”), a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Rooms 2101–2107, Xunlei Building, No. 3709 Baishi Road, Gaoxin Community, Yuehai Subdistrict, Nanshan District, Shenzhen;

(14) Wuhan Kingsoft Cloud Information Technology Co., Ltd. (“Kingsoft Cloud”), a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Floor 2, Building 5, Phase I of Wuhan Headquarters Project of Kingsoft Group (Plot 11), No. 306 Optics Valley 4th Road, East Lake High-tech Development Zone, Wuhan, Hubei Province; and

(15) Shenzhen Xinghan Zhilian Technology Co., Ltd. (“Xinghan Zhilian”), a limited liability company duly organized and validly existing under the laws of the PRC, with its registered address at Room 0610-E51, Port Building, Maritime Center, No. 1167 Yihai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen.

Each of the above parties shall hereinafter be referred to individually as a “Party” and collectively as the “Parties.”

For the purposes of this Agreement:

- (a) Nanjing Kehui, Nanjing Yimang, Nanjing Yuxin, and Nanjing Zhihui, individually or collectively, shall be referred to as the “Employee Shareholding Platforms”;
- (b) Xinghan Zhilian, the Employee Shareholding Platforms and the Key Management, individually or collectively, shall be referred to as the “Management Shareholders”; the Group Companies and the Management Shareholders, individually or collectively, shall be referred to as the “Guarantors”;
- (c) Xunlei, Kingsoft Cloud and Xinghan Zhilian, individually or collectively, shall be referred to as the “Investors.” For the avoidance of doubt, Xunlei shall be deemed an “Investor” (or “Financial Investor,” as defined below) under this Agreement solely with respect to its holding of RMB 76 million in registered capital of the Company following the Closing of the Transaction (as defined below); Kingsoft Cloud shall be deemed an “Investor” (or “Financial Investor”) solely with respect to its acquisition of RMB 76 million in registered capital of the Company through the Kingsoft Cloud Equity Transfer Transaction (as defined below); Xinghan Zhilian shall be deemed an

“Investor” solely with respect to its acquisition of RMB 114 million in registered capital of the Company through the Xinghan Zhilian Equity Transfer Transaction (as defined below).

WHEREAS:

1. As of the date of this Agreement, the Company is a limited liability company duly incorporated and validly existing in Shenzhen, the PRC, with a registered capital of RMB 380 million;
2. On March 3, 2026, Xunlei, Kingsoft Cloud, Xinghan Zhilian, the Company, the Key Management and other relevant parties entered into an Equity Transfer Agreement (“**Equity Transfer Agreement**”), pursuant to which: (1) Xunlei shall transfer 20% equity interest in the Company (corresponding to RMB 76 million in registered capital of the Company) to Kingsoft Cloud at a consideration of RMB 50 million (such transaction, “**Kingsoft Cloud Equity Transfer Transaction**”); (2) Xunlei shall transfer 30% equity interest in the Company (corresponding to RMB 114 million in registered capital of the Company) to Xinghan Zhilian at a consideration of RMB 75 million (such transaction, “**Xinghan Zhilian Equity Transfer Transaction**,” together with the Kingsoft Cloud Equity Transfer Transaction, the “**Transaction**”);
3. The execution of this Agreement constitutes one of the conditions precedent to the Closing under the Equity Transfer Agreement, and the Parties intend to set forth herein their respective rights and obligations with respect to the governance of the Company and related matters following completion of the Transaction.

NOW, THEREFORE, the Parties hereby agree as follows:

Section 1 Definitions and Interpretation

1.1 Definitions

Unless otherwise specified in the context, the following terms shall have the meanings set forth below in this Agreement:

Registration Authority	means	the State Administration for Market Regulation of the PRC or any local market regulation authority or other governmental authority responsible for the registration of commercial entities (as applicable), or any successor authority thereto.
Laws	means	any and all statutes, laws, ordinances, rules, regulations, measures, decrees, orders, requirements, guidelines, principles of law or other legislative, judicial or administrative provisions promulgated by any international, national, state, provincial, municipal or local legislative, judicial or governmental authority

		or any other regulatory authority, whether within or outside the PRC, as well as any official interpretation thereof.
Company Law	means	the Company Law of the People's Republic of China.
Articles of Association	means	the articles of association of the Company approved by the shareholders' meeting of the Company and effective as of the Closing Date, as amended from time to time thereafter.
Business Day	means	any day other than a Saturday, Sunday or any other day on which banks in the PRC are authorized or required by Law to be closed.
Key Employees	means	Li Hao (CEO), Liu Yingqiao (Head of Onething Division), Wu Lei (CTO of Onething), Zeng Weiji (Chief Architect of Onething), and such other employees of the Company or the Group Companies as may from time to time be designated as key employees by the CEO.
Affiliate	means	with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with such Person; and, with respect to a natural person, also includes such Person's immediate family members (including but not limited to such person's spouse, children, parents, grandparents, grandchildren and similar relations).
Affiliate Transaction	means	with respect to any Person, any transaction between such Person and any of its Affiliates.
Group or Group Companies	means	the Company, its Subsidiaries and any other entities currently or in the future controlled by the Company, including but not limited to those entities listed in <u>Annex 1</u> .
Closing Date	means	the date on which the Closing of the Transaction occurs.
Transaction Documents	means	this Agreement, the Equity Transfer Agreement, the Articles of Association and any other agreements or documents relating to the Transaction.
Control	means	with respect to any Person, the power of a Person (or multiple Persons acting in concert), whether directly or indirectly or as trustee or executor, to direct or cause the direction of the management or policies of such Person, whether through ownership of voting

securities or equity interests, by contract, trust arrangement or otherwise, including but not limited to: (i) ownership of more than fifty percent (50%) of the voting capital of such Person ordinarily exercisable at shareholders' meetings or similar governing body; (ii) ownership of more than fifty percent (50%) of the voting rights at meetings of the board of directors or similar governing body of such Person; or (iii) the right to appoint or remove a majority of the members of the board of directors or similar governing body of such Person. "Controlled by" and "under common control with" shall be construed accordingly.

Governing Law	means	with respect to any Person, any applicable and binding Laws that apply to such Person or any of its assets.
Investor Unit Price	means	(A) For purposes of anti-dilution rights: with respect to Xunlei, the price per RMB 1 of registered capital of the Company corresponding to the registered capital held by Xunlei, which shall be deemed to be RMB 1 as of the Closing Date; with respect to Kingsoft Cloud and Xinghan Zhilian, the price per RMB 1 of registered capital of the Company corresponding to the registered capital acquired pursuant to the Equity Transfer Agreement, which shall be RMB 0.6579 as of the Closing Date; (B) For purposes of repurchase rights and liquidation preference: (1) with respect to Xunlei, the price per RMB 1 of registered capital of the Company corresponding to the registered capital held by Xunlei, which shall be RMB 4.3723 as of the Closing Date; (2) with respect to Kingsoft Cloud, the price per RMB 1 of registered capital of the Company corresponding to the registered capital acquired pursuant to the Equity Transfer Agreement, which shall be RMB 0.6579 as of the Closing Date; (3) with respect to Xinghan Zhilian, the price per RMB 1 of registered capital of the Company corresponding to the registered capital acquired pursuant to the Equity Transfer Agreement, which shall be RMB 0.6579 as of the Closing Date.

(C) The above prices shall be subject to adjustment in the event of any share split, share dividend, consolidation, reorganization or other similar events affecting the equity interests of the Company.

Pro Rata Equity Ratio	means	with respect to shareholders entitled to certain rights or subject to certain obligations under this Agreement, the proportion of equity interests held by a particular shareholder in the Company relative to the aggregate equity interests held by all shareholders entitled to such rights or subject to such obligations.
Business	means	(a) the principal business, and (b) each other business currently or from time to time conducted by the Group Companies.
Corporate Transaction	means	(i) the sale, lease, transfer or other disposition of all or substantially all of the assets of the Group Companies as a whole, the Company or any Material Subsidiary, including licensing of all or substantially all material intellectual property of the Group Companies as a whole, the Company or any Material Subsidiary to a third party (other than software licenses granted in the ordinary course of business); or (ii) any merger, restructuring, equity transfer, sale of equity interests or other transaction, whether in a single transaction or a series of transactions, pursuant to which the Group Companies as a whole, the Company or any Material Subsidiary is acquired by another Person, and the shareholders of the Group Companies as a whole, the Company or such Material Subsidiary immediately prior to such transaction hold less than fifty percent (50%) of the equity interests or voting rights in the surviving or successor entity following completion of such transaction, or such transaction results in a change of control of the Group Companies as a whole, the Company or any Material Subsidiary.
Governmental Authority	means	(a) any international organization, national, state, provincial, municipal or local government, governmental, regulatory or administrative authority, department, agency or commission, or any court, tribunal, judicial or arbitral body, whether within or outside the PRC; or (b) any agency or entity acting under the authority of, or exercising powers or functions of, any entity described in clause (a), or any

		company, institution or other entity owned or controlled by any of the foregoing that exercises regulatory authority.
PRC GAAP	means	generally accepted accounting principles consistently applied in the PRC during the relevant periods, which as of the date hereof refer to the <i>Accounting Standards for Business Enterprises</i> issued by the Ministry of Finance of the PRC on February 15, 2006 and effective as of January 1, 2007, as amended from time to time.
Material Subsidiary	means	any Subsidiary of the Company whose net assets account for more than fifty percent (50%) of the total net assets of the Group Companies.
Material Adverse Effect	means	any circumstance, change or effect that, individually or in the aggregate with any other circumstance, change or effect: (a) has or would reasonably be expected to have a material adverse effect on the principal business or the business, operations, assets, liabilities (including contingent liabilities), results of operations, financial condition or prospects of the Group Companies as a whole; (b) has or would reasonably be expected to have a material adverse effect on the qualification or ability of the Group Companies as a whole to conduct its business as currently conducted or proposed to be conducted; or (c) has or would reasonably be expected to have a material adverse effect on the execution or performance of any Transaction Document or the transactions contemplated thereunder.
Person	means	any natural person, partnership, joint stock company, limited liability company, association, trust, other foundation, corporation, unincorporated organization, Governmental Authority or other entity.
Principal Business	means	as of the date of this Agreement, the provision of content distribution network (CDN) and acceleration services based on edge computing, AI computing power platform services and other related businesses.
Subsidiary	means	any company, partnership or other entity that is directly or indirectly established or acquired by a Person and in which such Person directly or indirectly owns more than fifty percent (50%) of the equity

interests or voting rights, or which is otherwise controlled by such Person, and whose financial statements are required to be consolidated with such Person in accordance with applicable accounting standards.

1.2 Interpretation

Unless otherwise specified in this Agreement:

- 1.2.1 References to “this Agreement,” “hereof,” “herein” or similar expressions shall refer to this Agreement as a whole and not to any specific provision hereof. References to Sections or Subsections are to Sections or Subsections of this Agreement unless otherwise expressly stated.
- 1.2.2 Any express or implied reference to Applicable Law shall be deemed to include any amendment, re-enactment or replacement thereof from time to time.
- 1.2.3 Headings and titles are for convenience of reference only and shall not affect the interpretation of this Agreement.
- 1.2.4 All defined terms used in any certificate or other document delivered pursuant to this Agreement shall have the meanings ascribed to them herein unless otherwise defined therein.
- 1.2.5 Any reference to a section shall be deemed to refer to the entire section rather than any specific item, paragraph or subsection thereof, unless expressly specified otherwise.
- 1.2.6 “Written” or “in writing” includes communications transmitted by letter, email or facsimile.
- 1.2.7 Unless otherwise specified, references to “RMB” mean the lawful currency of the PRC.
- 1.2.8 References to “above” shall include the number itself.
- 1.2.9 References to “including” shall mean “including but not limited to.”
- 1.2.10 References to any Person shall include such Person’s successors and permitted assigns.

Section 2 Basic Information of the Company

2.1 Name and Registered Address

The name of the Company is Shenzhen Onething Technology Co., Ltd.

The registered address of the Company is Room 0610-E13, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-

2.2 **Limited Liability Company**

The Company is a limited liability company with legal person status. Each shareholder of the Company shall be liable to the Company only to the extent of the consideration for its subscribed capital contribution to the Company. Except as otherwise provided under Applicable Law or the Transaction Documents, or as otherwise agreed by such shareholder, no shareholder of the Company shall bear any liability for the debts or obligations of the Company in excess of the consideration for its subscribed capital contribution.

2.3 **Scope of Business**

As of the date of this Agreement, the business scope of the Company as registered with the Registration Authority is as follows: software development, technical consulting and related technical services; design, development and sale of hardware and chips; research, development and sale of electronic products and communication equipment; engagement in advertising business; research, development and sale of electronic products and communication equipment; research, development and sale of intelligent hardware; import and export of goods and technologies (excluding items prohibited by laws, administrative regulations or decisions of the State Council; restricted items may be operated only upon obtaining the relevant approvals); (except for items requiring approval pursuant to law, business activities shall be carried out independently based on the business license in accordance with law); CDN content distribution network services and related live streaming business; telecommunications business operations; internet cultural operations; performance brokerage; commercial performances. (For items requiring approval pursuant to law, business activities shall be carried out only after approval by the relevant authorities, and the specific business scope shall be subject to the approval documents or permits issued by the relevant authorities.)

2.4 **Principal Business**

The Company engages in (1) the Principal Business; and (2) other business activities as may from time to time be approved by the shareholders' meeting and the board of directors of the Company in accordance with this Agreement following completion of the Transaction.

If the Principal Business of the Company changes, the Company shall, where required under Applicable Law, promptly update its registered business scope with the Registration Authority.

Section 3 Register of Shareholders and Applicability to New Shareholders

3.1 **Register of Shareholders**

The Company shall, in accordance with the Equity Transfer Agreement, register

Kingsoft Cloud and Xinghan Zhilian in the register of shareholders of the Company and deliver the register of shareholders to them. The register of shareholders shall be kept by the Company. The Company shall provide each of the other shareholders with a copy of the register of shareholders stamped by the Company and confirmed to be consistent with the original. The matters recorded in the register of shareholders shall comply with the requirements of PRC Laws.

3.2 **Applicability to New Shareholders**

Following the Closing Date, if any Key Management directly or indirectly acquires equity interests in the Company, or if any other Person (including any director, supervisor or employee of the Company), other than the Key Management, directly or indirectly acquires equity interests in the Company through the employee stock ownership plan or other equity incentive plan approved pursuant to this Agreement, and the relevant terms and conditions under this Agreement apply to such Person, the Guarantors shall procure that such Person execute a confirmation acknowledging that it agrees to be bound by all provisions of this Agreement and the Articles of Association, and such Person shall assume the corresponding rights and obligations under this Agreement and the Articles of Association. The execution of such confirmation or the execution of this Agreement shall be a condition precedent to such Person's direct or indirect acquisition of equity interests in the Company; provided, however, that where such Person indirectly holds equity interests in the Company through an Employee Shareholding Platform and such Employee Shareholding Platform remains a Party to this Agreement, such Person shall not be required to separately perform such obligations.

Section 4 Equity Transfer

4.1 **Restrictions on Equity Transfer and CEO Right of First Refusal**

- 4.1.1 Subject to Section 4.1.2 hereof, following completion of the Closing of the Transaction, without the prior written consent of Xunlei and Kingsoft Cloud, the Management Shareholders shall not, and the Guarantors shall procure that the Key Employees shall not: (i) directly or indirectly sell, transfer, pledge, create any encumbrance over, or otherwise dispose of any or all of the equity interests in the Company held by them (collectively, "**Transfer**"; An indirect Transfer includes, without limitation, the transfer of equity interests or partnership interests in Xinghan Zhilian or any Employee Shareholding Platform, transfer of interests or shares of general partners or limited partners of such entities, or transfer of related economic interests, voting rights or similar arrangements); (ii) enter into any equity arrangement or similar agreement that directly or indirectly transfers or assigns any or all economic interests and risks in respect of the equity interests in the Company held by them; or (iii) announce any intention to conduct or implement any transaction described in items (i) or (ii) above; (collectively, "**Transfer**

Restrictions). The Transfer Restrictions shall not apply to the following circumstances: (A) any equity transfer carried out for the purpose of implementing any equity incentive plan duly approved pursuant to this Agreement; (B) the pledge by Xinghan Zhilian of its registered capital of RMB 114 million in the Company in favor of SPD Bank in order to perform its obligations under the M&A loan agreement entered into between Xinghan Zhilian and SPD Bank; (C) the pledge by the CEO, prior to the Closing Date, of 3.75% of the total registered capital of the Company directly held by the CEO (corresponding to registered capital of RMB 14.23 million in the Company) in favor of Xunlei; (D) any Transfer to such Person's spouse or children, or any trust established for estate planning purposes for the benefit of such Person or such Person's spouse or children, provided that (x) such Transfer shall not result in a change in the ultimate actual controller of the Group Companies, and (y) the transferor and the transferee shall assume joint and several liability under the Transaction Documents; and (E) any Transfer made by the Management Shareholders for the purpose of fulfilling indemnification obligations under the Transaction Documents.

With respect to each of Xunlei and Kingsoft Cloud, after such Party has recovered all of its investment cost in the Company ("**Full Recovery of Investment Cost**") or upon the completion of an initial public offering of the Company, whichever occurs earlier, the foregoing Transfers shall no longer be subject to the consent of the Party whose investment cost has been fully recovered. Unless otherwise expressly provided in this Agreement, for purposes of determining whether Xunlei or Kingsoft Cloud has achieved Full Recovery of Investment Cost, the calculation shall include cumulative proceeds received after the Closing of the Transaction through dividends, liquidation distributions, repurchase, transfer of equity interests in the Company and indemnification received from all Guarantors pursuant to the Transaction Documents or Applicable Law. The investment cost of Kingsoft Cloud shall be RMB 50 million, and the investment cost of Xunlei shall be RMB 332,297,400.

- 4.1.2 Except for the Key Management and Key Employees who have already executed this Agreement, if the Company introduces any additional Key Management or Key Employees in the future as approved by the CEO, and such individuals have directly or indirectly obtained or will obtain equity interests in the Company by any means, the Guarantors shall procure that such individuals be subject to the Transfer Restrictions set forth in this Section 4.1.1 as a condition precedent to their direct or indirect holding or acquisition of equity interests in the Company, in order to ensure the effectiveness of the relevant equity incentive arrangements.
- 4.1.3 Subject to the provisions of this Section 4.1.3, Xunlei and Kingsoft Cloud (collectively, "**Financial Investors**") shall have the right to sell, transfer or otherwise create any encumbrance over the equity interests in the Company held by them without obtaining the consent of any other shareholder or the Company:

(1) If any Financial Investor proposes to transfer equity interests in the Company to a Competitor, such Financial Investor shall obtain the prior written consent of the CEO.

(2) Except as provided in item (1) above, if any Financial Investor proposes to transfer equity interests in the Company to any Person (other than an Affiliate of such Financial Investor), the CEO shall have the right, on the same terms and conditions as those offered to the proposed transferee, to purchase, either directly or through a designated Person, all or part of the equity interests proposed to be transferred by such Financial Investor ("**CEO Right of First Refusal**"). The CEO may elect to purchase only a portion of the equity interests proposed to be transferred by the Financial Investor, only if such partial purchase will not adversely affect the Financial Investor's ability to transfer the remaining equity interests to a third party; otherwise, the CEO shall only have the right to purchase all, but not part, of such equity interests.

If any Financial Investor proposes to transfer all or part of the equity interests in the Company held by it to any Person, such Financial Investor shall give prior written notice to the CEO ("**Financial Investor Transfer Notice**"), specifying the identity of the proposed transferee, the number of equity interests proposed to be transferred, the proposed transfer price and other key terms of the proposed transfer. If the CEO expressly waives its right to exercise, or fails to respond in writing within thirty (30) days after receipt of such notice, the CEO shall be deemed to have waived the CEO Right of First Refusal with respect to such proposed transfer. In such event, the Parties agree that such Financial Investor may, within ninety (90) days after delivery of the Financial Investor Transfer Notice, execute the definitive equity transfer agreement with the third party and complete the registration of such equity transfer with the Registration Authority on terms no more favorable than those specified in the Financial Investor Transfer Notice. If such Financial Investor fails to complete the equity transfer within such ninety (90)-day period, such Financial Investor shall not proceed with the equity transfer unless the CEO is again given the opportunity to exercise the CEO Right of First Refusal in accordance with this Section 4.1.3.

If the CEO confirms its exercise of the CEO Right of First Refusal in accordance with the foregoing provisions, the CEO shall cooperate with such Financial Investor in executing all necessary documents and taking all necessary actions to complete the transfer of the relevant equity interests, including, without limitation, entering into the definitive equity transfer agreement and paying the transfer consideration within thirty (30) days from the date the CEO confirms the exercise of the CEO Right of First Refusal or within such longer period as may be agreed by the parties.

(3) Except as otherwise provided above, each of the Key Management (other than

the CEO), Xinghan Zhilian and the Employee Shareholding Platforms hereby expressly waives any right of first refusal or any other rights relating to any transfer of equity interests by any Financial Investor to any third party (including any Affiliate of such Financial Investor), whether such rights arise under contractual arrangements or Applicable Law.

- 4.1.4 For the purposes of this Section 4.1 only, “**Competitor**” means any entity that engages in any business that directly or indirectly competes with the Principal Business of the Company. As of the date of this Agreement, the list of such Competitors is set forth in Annex 2 hereto. The CEO shall have the right, subject to the prior written consent of the director appointed by Xunlei and the director appointed by Kingsoft Cloud, to update the list of Competitors no more than once every six (6) months, and the CEO shall notify the Financial Investors in writing of any such updated list in accordance with Section 14.9 of this Agreement. Any such updated list shall not be binding upon the Financial Investors unless and until such written notice has been duly delivered. For the avoidance of doubt, the number of Competitors listed in Annex 2 and any updates thereto shall in no event exceed five (5).

4.2 **Investor Right of First Refusal**

- 4.2.1 Subject to Section 4.1 of this Agreement, if any Management Shareholder (“**Transferring Shareholder**”) proposes to transfer all or part of its equity interests in the Company or the economic interests corresponding thereto (“**Proposed Transfer Equity**”) to any Person (“**Proposed Transferee**”), the Investors (each, a “ROFR Holder”) shall have the right, but not the obligation, to purchase all or part of such Proposed Transfer Equity on a pro rata basis in accordance with their respective Pro Rata Equity Ratio on the same terms and conditions (“**Investor Right of First Refusal**”).
- 4.2.2 Subject to the exercise period of the Investor Right of First Refusal and the Over-Allotment Right (as defined below), the Transferring Shareholder shall deliver to each ROFR Holder a written notice (“**Transfer Notice**”) specifying the most recent details of the Proposed Transfer Equity, including the number of equity interests proposed to be transferred, the transfer price, the identity of the Proposed Transferee and other key terms relating to such Proposed Transfer Equity. Each ROFR Holder shall have the right, within thirty (30) days after receipt of the Transfer Notice (“**Notice Period**”), to elect by written notice to the Transferring Shareholder (“**Exercise Notice**”) to purchase all or part of the Proposed Transfer Equity at the price and on the terms and conditions set forth in the Transfer Notice. If any ROFR Holder fails to deliver an Exercise Notice within the Notice Period, such ROFR Holder shall be deemed to have waived its Investor Right of First Refusal.
- 4.2.3 If any ROFR Holder does not elect to purchase all of the Proposed Transfer Equity

it is entitled to purchase pursuant to Section 4.2.2, the Transferring Shareholder shall deliver a Transfer Notice with respect to the remaining portion of the Proposed Transfer Equity to the other ROFR Holders that have elected to fully exercise their Investor Right of First Refusal. Such ROFR Holders shall have the right, within thirty (30) days after receipt of such Transfer Notice, to purchase such remaining portion of the Proposed Transfer Equity on a pro rata basis in accordance with their respective Pro Rata Equity Ratio (“**Over-Allotment Right**”).

- 4.2.4 With respect to any ROFR Holder that elects to exercise the Investor Right of First Refusal and/or the Over-Allotment Right, the Transferring Shareholder and such ROFR Holder shall promptly execute a definitive equity transfer agreement with respect to the Proposed Transfer Equity and complete the transfer of such equity interests at the transfer price and on the terms and conditions specified in the Transfer Notice.
- 4.2.5 If any portion of the Proposed Transfer Equity remains unsold after completion of the procedures set forth in Sections 4.2.2 and 4.2.3, then subject to the Co-Sale Right under Section 4.3, the Transferring Shareholder may, after expiration of the applicable Notice Period, transfer such remaining Proposed Transfer Equity to the Proposed Transferee at a price and on terms and conditions no more favorable than those specified in the Transfer Notice.
- 4.2.6 If the Proposed Transfer Equity is not transferred within ninety (90) days after expiration of the Notice Period, the Transferring Shareholder shall again comply in full with the provisions of this Section 4.2 prior to proceeding with any transfer of such unsold Proposed Transfer Equity, and the restrictions on sale, transfer, assignment or other disposition set forth in this Agreement shall again apply.

4.3 **Co-Sale Right**

- 4.3.1 Subject to Section 4.1 of this Agreement, with respect to any Proposed Transfer Equity of the Transferring Shareholder, any Investor that has not exercised its Investor Right of First Refusal pursuant to Section 4.2 (each, a “**Co-Sale Right Holder**”) shall have the right, but not the obligation, to participate in such transfer and sell to the Proposed Transferee all or part of the equity interests in the Company held by such Co-Sale Right Holder in accordance with its Co-Sale Proportion (“**Co-Sale Right**”), and the Transferring Shareholder shall procure that the Proposed Transferee purchases the equity interests held by the Co-Sale Right Holder at the same price and on the same terms and conditions.

Subject to Section 4.3.2, the “**Co-Sale Proportion**” shall be calculated as follows:

For each Co-Sale Right Holder exercising the Co-Sale Right: $\text{Co-Sale Proportion} = \frac{\text{the number of registered capital of the Company held by such Co-Sale Right Holder as of the date of the Transfer Notice}}{\text{(the aggregate number of registered capital of the Company held by all Co-Sale Right Holders exercising the Co-Sale Right)}}$

Right as of the date of the Transfer Notice + the number of registered capital of the Company held by the Transferring Shareholder as of the date of the Transfer Notice).

- 4.3.2 Notwithstanding the foregoing, if the Proposed Transfer Equity by the Transferring Shareholder would result in a change of control of the Company, Xunlei and Kingsoft Cloud shall have the right, but not the obligation, to participate in the transfer by selling all of the equity interests in the Company held by them to the Proposed Transferee.
- 4.3.3 If any Co-Sale Right Holder elects to exercise its Co-Sale Right, such Co-Sale Right Holder shall deliver written notice prior to the expiration of the Notice Period specifying its election to exercise the Co-Sale Right and the number of equity interests it intends to sell.
- 4.3.4 If any Co-Sale Right Holder exercises its Co-Sale Right but is unable to complete the sale of all or part of its equity interests due to failure to obtain consent from the Proposed Transferee, or failure to obtain any required approval, consent or waiver from any Governmental Authority (if required), or failure to complete any required registration or filing procedures, then, notwithstanding any provision of this Agreement to the contrary, the Transferring Shareholder shall not transfer any equity interests in the Company to the Proposed Transferee without the prior written consent of such Co-Sale Right Holder, unless the Transferring Shareholder purchases the equity interests intended to be transferred by the Co-Sale Right Holder at the same price and on the same terms and conditions offered by the Proposed Transferee.
- 4.4 **General Provisions Relating to Equity Transfers**
- 4.4.1 Any transfer of equity interests in the Company conducted in violation of this Section 4 shall be null and void. The Parties shall not recognize any transfer of equity interests in the Company made in breach of this Section 4, and the Company shall not issue any certificate of equity interests to, or register in the register of shareholders, any Person that acquires equity interests in violation of this Section 4, nor shall the Company assist such Person in completing any registration or filing with the Registration Authority.
- 4.4.2 Any transferee acquiring equity interests in the Company pursuant to this Section 4 shall have the capacity to assume and perform any outstanding duties, obligations and liabilities of the Transferring Shareholder under this Agreement and any related documents relating to the Proposed Transfer Equity (if applicable). The Transferring Shareholder shall procure that such transferee assumes all obligations and liabilities of the Transferring Shareholder under this Agreement, and such transferee shall agree in writing to be bound by all provisions of this Agreement. All provisions of this Agreement applicable to the Transferring Shareholder shall continue to apply to such transferee unless otherwise agreed in writing by the

Parties. Except as otherwise provided in this Agreement, this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties.

- 4.4.3 Any liability of the Transferring Shareholder to the Company or other shareholders arising from any breach of this Agreement prior to the transfer of equity interests, and any related indemnification obligations, shall not be affected by such transfer.
- 4.4.4 Each shareholder shall procure that its appointed director(s) (if any) and its authorized representative(s) at the shareholders' meeting vote in favor of any transfer carried out in accordance with this Agreement. The Company agrees to assist the Transferring Shareholder in obtaining all necessary approvals, permits, licenses, registrations and filings from any Governmental Authority required to effect such transfer.
- 4.4.5 Each shareholder hereby expressly agrees that, subject to Section 4.1 of this Agreement, in the event that any Financial Investor transfers any equity interests in the Company to any Person (including, without limitation, its Affiliates, other shareholders or third parties), the other shareholders hereby waive any right of first refusal or any similar rights that such shareholders may have under Applicable Law with respect to such transfer, and shall take all necessary and reasonable actions to cooperate with such transfer. The Parties hereby undertake that, in the event any Financial Investor transfers all or part of its equity interests in the Company to any third party, they shall take all necessary actions to assist the Financial Investor and the transferee in conducting due diligence, obtaining all necessary governmental approvals and completing all registrations and filings with relevant governmental authorities (including, without limitation, registration changes with the Registration Authority).
- 4.4.6 With respect to each of Xunlei and Kingsoft Cloud, after its Full Recovery of Investment Cost, such Party shall no longer be entitled to the Investor Right of First Refusal set forth in Section 4.2 above, but shall continue to enjoy the Co-Sale Right set forth in Section 4.3.

Section 5 Special Shareholder Rights

5.1 Pre-emptive Subscription Right

- 5.1.1 Subject to Section 5.1.2, if the Company increases its registered capital or issues any equity securities, or any options, warrants, securities or bonds convertible into equity of the Company (collectively, "**Equity Securities**") in accordance with the approval procedures set forth in this Agreement ("**Proposed Issuance**"), each Investor shall have the right, but not the obligation, to subscribe for the newly increased registered capital or Equity Securities comprised in such Proposed Issuance in proportion to its Pro Rata Equity Ratio in the Company on the same

terms and conditions (“**Pre-emptive Subscription Right**”), except for the following circumstances: (A) any Proposed Issuance made for the purpose of implementing any equity incentive plan approved pursuant to this Agreement; (B) any increase in registered capital resulting from capitalization of profits on a pro rata basis, capitalization of capital reserve on a pro rata basis, conversion of net assets into share capital, distribution of bonus shares or share split that has been duly approved in accordance with this Agreement; (C) any increase in registered capital in connection with the Company’s acquisition of the majority of the assets, voting rights or equity interests of another company or entity through merger, acquisition, asset purchase or other restructuring (whether in a single transaction or a series of related transactions) approved pursuant to this Agreement; and (D) any increase in registered capital issued pursuant to anti-dilution adjustments in accordance with Section 5.2.

- 5.1.2 Subject to the exercise period of the Pre-emptive Subscription Right and the Over-Subscription Right (as defined below), at least thirty (30) days prior to any Proposed Issuance, the Company shall deliver to each shareholder a written notice describing the Proposed Issuance (“**Issuance Notice**”). The Issuance Notice shall specify: (i) the amount, type and terms of the registered capital or Equity Securities to be issued; (ii) the consideration to be received by the Company upon completion of the Proposed Issuance; and (iii) the identity of the proposed subscriber(s). Once delivered, the Issuance Notice shall not be revoked.
- 5.1.3 If any Investor elects to subscribe for the registered capital or Equity Securities in the Proposed Issuance, such Investor shall deliver a written notice to the Company within thirty (30) days after receipt of the Issuance Notice (“**Pre-emptive Response Period**”) (“**Subscription Notice**”), specifying its decision to exercise the Pre-emptive Subscription Right and the amount of registered capital or Equity Securities it elects to subscribe for. Any Investor that fails to deliver a Subscription Notice within the Pre-emptive Response Period shall be deemed to have waived its Pre-emptive Subscription Right.
- 5.1.4 If any Investor does not subscribe in full for the registered capital or Equity Securities to which it is entitled pursuant to Section 5.1.3, the Company shall deliver an Issuance Notice with respect to the remaining portion of the registered capital or Equity Securities to the other Investors that have fully subscribed for their respective portions of the registered capital or Equity Securities. Such other Investors shall have the right, within thirty (30) days after receipt of such Issuance Notice, to subscribe for the remaining portion of the registered capital or Equity Securities in proportion to their respective Pro Rata Equity Ratio (“**Over-Subscription Right**”).
- 5.1.5 If, after completion of the procedures set forth in Sections 5.1.3 and 5.1.4, the total amount subscribed for does not reach the full amount of the registered capital or

Equity Securities proposed to be issued by the Company, the Company may, after expiration of the relevant notice period, issue the unsubscribed portion of the registered capital or Equity Securities to the proposed subscriber(s) at a price and on terms no more favorable than those set forth in the Issuance Notice.

- 5.1.6 If any Investor elects to exercise all or part of its Pre-emptive Subscription Right, the Company and the Guarantors shall procure that the Company takes all necessary actions to ensure that such shareholder can effectively exercise its Pre-emptive Subscription Right, including, without limitation, amending all agreements and the Articles of Association relating to future capital increases, and applying for approval of such amendments from the relevant Governmental Authorities.
- 5.1.7 If the Proposed Issuance is not fully subscribed within ninety (90) days after expiration of the Pre-emptive Response Period, the issuance of the remaining portion shall again be subject to the procedures set forth in this Section 5.1.

5.2 **Anti-Dilution Right**

- 5.2.1 From the Closing Date, subject to Section 6.3 of this Agreement, if the Company conducts any subsequent equity financing in which a New Investor obtains a subscription price per RMB 1 of registered capital (being the total consideration paid by such New Investor for the newly subscribed registered capital divided by the amount of such newly subscribed registered capital, “**New Investor Unit Price**”) that is lower than the applicable Investor Unit Price of any Investor (such transaction, a “**Down Round**”), the Investor affected by such Down Round (individually or collectively, “**Anti-Dilution Right Holder(s)**”) shall be entitled to have the Investor Unit Price applicable to all registered capital held by such Anti-Dilution Right Holder adjusted to the new unit price calculated in accordance with the following formula (“**Adjusted Investor Unit Price**”) (For the purposes of Section 5.2.1 only, a shareholder subscribing for newly increased registered capital of the Company shall be referred to as a “**New Investor**,” and the newly increased registered capital subscribed for by such shareholder shall be referred to as “**Newly Increased Registered Capital**”):

Adjusted Investor Unit Price = (total registered capital of the Company prior to the Down Round × Investor Unit Price of the Anti-Dilution Right Holder prior to the Down Round + the amount of newly increased registered capital actually obtained by the New Investor in the Down Round × New Investor Unit Price) ÷ (total registered capital of the Company prior to the Down Round + the amount of newly increased registered capital actually obtained by the New Investor in the Down Round)

For the avoidance of doubt, for purposes of the above formula, “total registered capital of the Company prior to the Down Round” refers to the total registered capital of the Company on a fully diluted basis, assuming that all shareholders

and/or any other Persons have exercised their subscription rights, convertible bonds or other rights convertible into equity interests of the Company.

Each Anti-Dilution Right Holder shall have the right to adjust the number and percentage of equity interests in the Company held by such Anti-Dilution Right Holder so that such number and percentage of equity interests equal the number and percentage of equity interests that could have been obtained by applying the amount of its respective capital contribution (or investment amount, as applicable) at the Adjusted Investor Unit Price. Each Anti-Dilution Right Holder shall have the right to require the Company, the CEO and/or Xinghan Zhilian to take any and all appropriate measures (“**Anti-Dilution Right**”), including: (1) the issuance of additional equity interests in the Company to the Anti-Dilution Right Holder without consideration or at a nominal price acceptable to the Anti-Dilution Right Holder or at the lowest price permitted by Applicable Law; (2) the transfer by the CEO and/or Xinghan Zhilian of equity interests in the Company held by them to the Anti-Dilution Right Holder at a nominal price acceptable to the Anti-Dilution Right Holder or at the lowest price permitted by Applicable Law; (3) cash compensation by the Company, the CEO and/or Xinghan Zhilian to the Anti-Dilution Right Holder; and (4) the issuance of equity interests to the Anti-Dilution Right Holder by the Company through capitalization of capital reserve or undistributed profits (collectively, “**Anti-Dilution Measures**”).

Specifically, the respective capital contribution amounts (or investment amounts, as applicable) corresponding to each Anti-Dilution Right Holder shall be as follows solely for purposes of this Section 5.2: the total investment amount corresponding to the registered capital of RMB 76 million in the Company transferred by Xunlei to Kingsoft Cloud shall be deemed to be RMB 50 million; the total investment amount corresponding to the registered capital of RMB 114 million in the Company transferred by Xunlei to Xinghan Zhilian shall be deemed to be RMB 75 million; and the investment amount corresponding to the registered capital of RMB 76 million in the Company held by Xunlei shall be deemed to be RMB 76 million.

- 5.2.2 If the equity interests in the Company held by any Anti-Dilution Right Holder are changed due to share split, share consolidation, capitalization of capital reserve, adjustment of capital structure or other similar circumstances, such Anti-Dilution Right Holder shall be entitled to corresponding anti-dilution adjustments to ensure that its rights under this Section 5.2 are not adversely affected. Notwithstanding the foregoing, the following circumstances shall not trigger the Anti-Dilution Right: (A) issuance of equity interests by the Company pursuant to any equity incentive plan approved in accordance with this Agreement; (B) increase in registered capital resulting from capitalization of profits on a pro rata basis, capitalization of capital reserve on a pro rata basis, conversion of net assets into share capital, distribution of bonus shares or share split duly approved in accordance with this Agreement;

(C) increase in registered capital in connection with the Company's acquisition of the majority of the assets, voting rights or equity interests of another company or entity through merger, acquisition, asset purchase or other restructuring (whether in a single transaction or a series of related transactions) approved in accordance with this Agreement.

- 5.2.3 The Anti-Dilution Right Holder shall not be required to pay any consideration for the equity interests or corresponding registered capital obtained as a result of the implementation of the Anti-Dilution Measures (including the form consideration paid by the Anti-Dilution Right Holder for subscribing for registered capital of the Company and any taxes and fees incurred by the Anti-Dilution Right Holder as a result of the Anti-Dilution Measures), and the cost of such consideration shall be borne by the Company, the CEO and/or Xinghan Zhilian. In any event, any consideration paid by the Anti-Dilution Right Holder in connection with the exercise of the Anti-Dilution Right shall be fully reimbursed or returned to the Anti-Dilution Right Holder by the Company, the CEO and/or Xinghan Zhilian within five (5) days after such payment is actually made. Any taxes and fees arising from any equity transfer under this Section 5.2 shall be borne by the Company, the CEO and/or Xinghan Zhilian.

5.3 **Liquidation Preference**

From the Closing Date, in the event that any Group Company undergoes a Liquidation Event (as defined below) or a Corporate Transaction, the proceeds distributable to shareholders from the disposition, sale or transfer of the assets of the Group Company ("**Distributable Assets**") shall be distributed in the following order:

- 5.3.1 First, the Financial Investors shall be entitled to receive, in priority to the other shareholders of the Company, an amount equal to the greater of the following amounts, plus all accrued but unpaid or declared but undistributed dividends corresponding to all registered capital of the Company held by the Financial Investors ("**Financial Investor Liquidation Preference Amount**"): (1) the aggregate amount of investment paid by the Financial Investors to acquire all registered capital of the Company then held by the Financial Investors; and (2) the fair market value of the equity interests in the Company then held by the Financial Investors.

For purposes of Sections 5.3.1 through 5.3.4: the total investment amount corresponding to the registered capital of RMB 76 million in the Company transferred by Xunlei to Kingsoft Cloud shall be RMB 50 million; the total investment amount corresponding to the registered capital of RMB 114 million in the Company transferred by Xunlei to Xinghan Zhilian shall be RMB 75 million; and the total investment amount corresponding to the registered capital of RMB 76 million in the Company held by Xunlei shall be RMB 332,297,400.

- 5.3.2 Second, after full payment of the Financial Investor Liquidation Preference

Amount, Xinghan Zhilian shall be entitled to receive, in priority to the remaining shareholders, the greater of the following amounts from the remaining Distributable Assets (“**Xinghan Zhilian Liquidation Preference Amount**,” together with the Financial Investor Liquidation Preference Amount, “**Liquidation Preference Amount**”): (1) the aggregate amount of investment paid by Xinghan Zhilian to acquire all registered capital of the Company then held by Xinghan Zhilian; and (2) the fair market value of the equity interests in the Company then held by Xinghan Zhilian.

5.3.3 After full payment of the Liquidation Preference Amount, any remaining Distributable Assets shall be distributed among all shareholders (including the Investors) in proportion to their respective paid-in capital contributions.

5.3.4 If the Liquidation Preference cannot be directly implemented due to PRC Laws or other reasons, the Investors may require all shareholders, after distributing the Distributable Assets in proportion to their respective equity interests, to take all effective measures permissible under Applicable Law to ensure that the Investors receive compensation in accordance with the priority set forth in Sections 5.3.1 through 5.3.3, to the maximum extent possible. All shareholders shall provide necessary cooperation, including voting in favor at shareholders’ meetings, procuring their appointed directors (if any) to vote in favor at board meetings, executing all relevant legal documents and obtaining consent from relevant internal and external parties. Each Guarantor (other than Xinghan Zhilian) undertakes to take effective measures to ensure that the Liquidation Preference Amounts to which the Investors are entitled shall not be adversely affected by escrow arrangements, payment structures or similar arrangements relating to the Liquidation Event or Corporate Transaction.

5.4 **Repurchase Right**

5.4.1 For purposes of the Investors, a repurchase event (“**Repurchase Event**”) shall be deemed to occur upon the occurrence of any of the following events (whichever occurs earlier):

- (i) any Guarantor materially breaches any material provision of the Transaction Documents (including breach of the equity transfer restrictions under Section 4, the liquidation preference provisions under Section 5.3, the shareholders’ meeting voting arrangements under Section 6.3, the board composition provisions under Section 7.1, the board voting arrangements under Section 7.4, and the full-time employment and non-compete obligations under Section 11), and fails to cure such breach within thirty (30) days after receipt of written notice from the Investors; or
- (ii) any Management Shareholder engages in misappropriation or embezzlement of assets of any Group Company, or otherwise seriously breaches the principle of good faith or engages in any other malicious conduct resulting in

material damage to the interests of the Group Company and/or the shareholders of the Company.

- 5.4.2 Upon the occurrence of a Repurchase Event, if requested in writing by any Investor, the Group Companies (collectively, “**Repurchase Obligors**”) shall perform the repurchase obligations in accordance with this Agreement. Subject to Section 5.4.5(i), the Investors shall have the right, individually or jointly, to deliver written notice to the Repurchase Obligors requesting that the Repurchase Obligors repurchase all or part of the equity interests in the Company held by such Investors at the Repurchase Price (as defined below). Pursuant to such written repurchase notice (as applicable), the Repurchase Obligors shall perform their repurchase obligations in a manner satisfactory to the relevant repurchase right holders (as defined below) and in compliance with Applicable Law, including but not limited to repurchase through capital reduction, profit distribution, equity transfer, dissolution and liquidation, or any other method compliant with Applicable Law and agreed by such repurchase right holders.
- 5.4.3 With respect to each Investor, the repurchase price (“**Repurchase Price**”) shall be calculated as follows:
- (i) Each Investor shall be entitled to receive, for each RMB 1 of registered capital of the Company held by such Investor, the greater of the following amounts, plus all accrued but unpaid or declared but undistributed dividends corresponding to such equity interests (“**Repurchase Unit Price**”): (a) the fair market value of each RMB 1 of registered capital of the Company; and (b) the applicable Investor Unit Price.
 - (ii) $\text{Repurchase Price} = \text{Repurchase Unit Price} \times \text{the registered capital of the Company corresponding to the equity interests for which the Investor requests repurchase.}$
- 5.4.4 Repurchase Procedures
- (i) Within five (5) Business Days after receipt of any repurchase notice from any Investor, the Repurchase Obligors shall deliver written notice to the other Investors specifying the Repurchase Event, the number of equity interests requested to be repurchased and the Repurchase Price. The Repurchase Obligors shall, within one (1) month after receipt of any repurchase notice from any Investor, purchase the relevant equity interests and pay the repurchase amount to the Investor exercising the Repurchase Right.
 - (ii) The Repurchase Obligors shall bear joint and several liability at the same priority level for payment of the above repurchase amount.
- 5.4.5 If multiple Investors elect to exercise the Repurchase Right simultaneously and the Repurchase Obligors are unable to pay the full Repurchase Price in full, the

repurchase price shall be distributed in the following order of priority:

- (i) First, the Financial Investors shall have priority over the other shareholders of the Company;
- (ii) Second, after full payment of the Repurchase Price to the Financial Investors, Xinghan Zhilian shall have priority over the other shareholders of the Company (other than the Financial Investors).

If the Repurchase Price cannot be fully paid to all Investors within the same priority level, such Investors within the same priority level shall receive payment in proportion to the respective Repurchase Price amounts to which they are entitled under this Agreement.

5.4.6 Until the Repurchase Price corresponding to all equity interests of the relevant repurchase right holders has been fully paid, such repurchase right holders shall continue to enjoy full shareholder rights under Applicable Law and this Agreement with respect to the equity interests for which the Repurchase Price has not been fully paid, including the right to appoint directors (if applicable). The Guarantors shall ensure such director appointments and tenure.

5.5 Equity Incentive Plan

5.5.1 Each Guarantor (other than Xinghan Zhilian) hereby confirms to the Investors that, from the Closing Date, all equity interests in the Company held by Nanjing Kehui, Nanjing Yimang, Nanjing Yuxin and Nanjing Zhihui (corresponding in aggregate to registered capital of RMB 57 million in the Company) are held for purposes of implementing the equity incentive plan. The equity interests subject to conditional repurchase and/or options held by the partners of the relevant Employee Shareholding Platforms, the corresponding registered capital of the Company and the vesting of related equity interests shall be governed by the equity incentive plan of the Company.

5.5.2 The Guarantors undertake that, if any new equity incentive is implemented by the Company after the Closing Date, unless such equity incentive has been approved under Section 6.1, the implementation of such new equity incentive plan shall not dilute the shareholding percentage of the Investors in the Company.

5.6 Applicability of Preferential Rights

5.6.1 With respect to each of Xunlei and Kingsoft Cloud, after its Full Recovery of Investment Cost, such Party shall no longer be entitled to the Pre-emptive Subscription Right, Anti-Dilution Right, Liquidation Preference or Repurchase Right set forth in Sections 5.1, 5.2, 5.3 and 5.4 above. If both Xunlei and Kingsoft Cloud have achieved Full Recovery of Investment Cost, Xinghan Zhilian shall likewise no longer be entitled to the Pre-emptive Subscription Right, Anti-Dilution Right, Liquidation Preference or Repurchase Right set forth in Sections 5.1, 5.2, 5.3 and 5.4 above.

6.1 Powers of the Shareholders' Meeting

Except as otherwise provided under the Company Law, resolutions on the following matters relating to the Company shall be adopted by the shareholders' meeting (for the avoidance of doubt, references to the "Company" in this Section shall include all Group Companies):

- (i) reviewing and approving the reports of the board of directors;
- (ii) reviewing and approving the reports of the supervisor of the Company;
- (iii) reviewing and approving the Company's profit distribution plan and loss recovery plan;
- (iv) resolving on any increase or reduction of the registered capital of the Company;
- (v) resolving on any merger, division, dissolution, liquidation, change of corporate form, restructuring, bankruptcy or any transaction involving a Corporate Transaction or a Liquidation Event;
- (vi) resolving on the provision of guarantees for any shareholder of the Company, or approving the provision of loans or guarantees to any entity or individual other than wholly-owned subsidiaries;
- (vii) creating, authorizing the creation of, or issuing any Equity Securities at a price per RMB 1 of registered capital equal to RMB 1 per RMB 1 of registered capital of the Company (excluding options or equity issued pursuant to any equity incentive plan approved under this Agreement); or making any materially adverse modification to the rights, preferences, powers or privileges attached to the equity interests in the Company held by the Investors, or imposing any additional restrictions established for the benefit of the Investors;
- (viii) purchasing or redeeming any Equity Securities of the Company or declaring or paying any dividends in respect of such Equity Securities, excluding any repurchase pursuant to Section 5.4 and any redemption pursuant to any equity incentive plan approved under this Agreement;
- (ix) resolving on any change to the number of members of the board of directors of the Company or any change to the rights to appoint directors;
- (x) amending or restating the Articles of Association;
- (xi) approving any newly established equity incentive pool or any expansion of an existing equity incentive pool;
- (xii) approving any equity incentive plan of any Group Company, any template form of equity incentive agreement, and any amendment thereto;

- (xiii) changing the Principal Business of any Group Company, entering into any new line of business, or voluntarily exiting any existing line of business;
- (xiv) approving the selection of the sponsor, stock exchange and the terms, conditions and valuation relating to the initial public offering of any Group Company, including any restructuring or other preparatory actions for such offering or listing; and
- (xv) any other matters that are required under applicable laws or regulations to be approved by the shareholders' meeting.

6.2 **Procedures of Shareholders' Meetings**

- 6.2.1 Subject to the adjournment mechanism set forth in Section 6.2.2, a shareholders' meeting shall be duly constituted only if shareholders holding more than one-half of the voting rights of the Company are present in person or by proxy, including all Financial Investors. Any resolution adopted at a shareholders' meeting that does not meet such quorum requirement shall be invalid.
- 6.2.2 The Company shall give written notice of any shareholders' meeting to each shareholder at least fifteen (15) Business Days prior to the meeting. If any Financial Investor fails to attend the scheduled shareholders' meeting on time, the Company shall deliver an adjournment notice to all shareholders, postponing the meeting to the same time and place five (5) Business Days thereafter ("**First Adjourned Shareholders' Meeting**"). If any Financial Investor fails to attend the First Adjourned Shareholders' Meeting on time, the Company shall deliver another adjournment notice to all shareholders, postponing the meeting to the same time and place five (5) Business Days thereafter ("**Second Adjourned Shareholders' Meeting**"). At the Second Adjourned Shareholders' Meeting, the quorum requirement shall be deemed satisfied if shareholders holding more than one-half of the voting rights of the Company are present in person or by proxy; provided that only the matters specified in the written notice of the shareholders' meeting may be discussed and resolved (if applicable).
- 6.2.3 To the extent that this Section 6 does not provide specific procedural rules for shareholders' meetings, the procedures set forth in the Articles of Association shall apply, provided that such procedures do not conflict with this Section 6 or the Company Law.

6.3 **Voting at Shareholders' Meetings**

6.3.1 Voting Requirements

Unless otherwise required by applicable laws, the matters set forth in Section 6.1 shall be approved only if the following conditions are satisfied ("**Shareholders' Resolution Approval Requirements**"):

- (1) the matters set forth in Sections 6.1(iv), 6.1(v), 6.1(vi), 6.1(viii) and 6.1(x)

shall be approved by shareholders holding two-thirds or more of the voting rights of the Company present in person or by proxy; the other matters set forth in Section 6.1 shall be approved by shareholders holding more than one-half of the voting rights of the Company present in person or by proxy;

- (2) (A) approval of the matters set forth in Sections 6.1(v), 6.1(vii), 6.1(ix) and 6.1(xi) through 6.1(xiv) shall require the affirmative vote of all Investors; and (B) with respect to Section 6.1(iii), if the dividend distribution ratio of the Company exceeds sixty percent (60%) of the audited net profit of the preceding fiscal year, the approval of all Investors shall also be required; (C) with respect to each of Xunlei and Kingsoft Cloud, after its Full Recovery of Investment Cost, approval of the above matters shall no longer be subject to the affirmative vote of such Party; provided that such matters shall still be submitted to the shareholders' meeting for approval under Section 6.3.1(1).

6.3.2 Written Consent

With respect to matters requiring resolution by the shareholders' meeting, if all shareholders unanimously provide written consent, a resolution may be adopted without convening a shareholders' meeting, and all shareholders shall execute the written resolution document.

Section 7 Board of Directors

7.1 Composition of the Board of Directors

- 7.1.1 The Company shall establish a board of directors (the "Board"), which shall consist of directors elected by the shareholders in accordance with the procedures and conditions set forth in this Agreement and the Articles of Association. The Board shall consist of five (5) directors, of whom the CEO and Xinghan Zhilian shall have the right to jointly nominate three (3) directors, Kingsoft Cloud shall have the right to nominate one (1) director for so long as it holds equity interests in the Company ("**Kingsoft Cloud Director**"), and Xunlei shall have the right to nominate one (1) director for so long as it holds equity interests in the Company ("**Xunlei Director**," together with the **Kingsoft Cloud Director**, "**Investor Directors**"). All directors shall be elected by the shareholders' meeting, and each shareholder shall vote in favor of the nominees proposed by the relevant shareholder at the shareholders' meeting. The Company shall not remove any director nominated by an Investor without the consent of the relevant Investor.
- 7.1.2 Each director shall serve a term of three (3) years and may be re-elected upon renomination by the nominating party and approval by the shareholders' meeting. Prior to expiration of the term of any director, the nominating party shall have the right at any time to request replacement of any director nominated by it. For the avoidance of doubt, only the shareholder that nominated a director shall have the right to replace such director or propose to the shareholders' meeting the removal

of such director. If any director ceases to serve for any reason, the nominating party shall promptly nominate a replacement director to serve for the remaining term of the departing director.

- 7.1.3 Each Investor entitled to nominate an Investor Director pursuant to Section 7.1.1 shall have the right, individually or jointly, to request in writing that the committees under the Board of the Group Companies and the composition, quorum requirements and approval mechanisms of the board of directors of each Group Company (other than the Company) be aligned with those of the Board of the Company, and the Guarantors shall procure that such Group Companies implement the foregoing requirements.
- 7.1.4 The Company shall provide the maximum indemnification protection permitted under Applicable Law for the Investor Directors, including indemnification against any liability to third parties arising from the performance of their duties as directors, except for liabilities arising from violations of law, gross negligence or fraud by such Investor Directors.
- 7.1.5 To the extent that this Section 7 does not specify procedural matters relating to meetings of the Board, the procedures set forth in the Articles of Association shall apply, provided that such procedures do not conflict with this Agreement or the Company Law.

7.2 Powers of the Board of Directors

- 7.2.1 The Board shall be the primary decision-making body of the Company and shall bear primary responsibility for the management of the Company. Unless otherwise provided, the Board shall have the authority to appoint or remove the general manager and to authorize the general manager to make decisions on matters relating to the ordinary course of business of the Company. The Board shall have the authority to make all material decisions other than those reserved to the shareholders' meeting. No shareholder or employee of the Company shall take any action that purports to bind the Company with respect to any matter requiring approval by the Board or the shareholders' meeting unless such approval has been obtained. Each shareholder shall procure that the directors nominated by it shall not take any action requiring Board approval without such approval, and shall not authorize any director, supervisor or senior officer to take any action requiring Board approval without such approval. The Board shall adopt resolutions in accordance with this Agreement, the Articles of Association and Applicable Law.

7.3 Procedures of Board Meetings

- 7.3.1 The Board shall meet at least once every half year, and extraordinary meetings shall be convened upon the written request of any director.
- 7.3.2 The Company shall provide notice of each Board meeting, together with the meeting agenda and relevant materials, to all directors at least ten (10) days prior to

the meeting. The notice period required under the Articles of Association for convening a Board meeting may be shortened or waived with the unanimous written consent of a majority of the incumbent directors (which shall include at least one Investor Director).

- 7.3.3 The quorum for a Board meeting shall be a majority of the directors, including all Investor Directors, and no meeting shall be convened nor any resolution adopted unless the number of directors present meets such quorum requirement. If any Investor Director or its duly authorized representative fails to attend the Board meeting on time, such meeting shall be adjourned to the third (3rd) Business Day after the originally scheduled meeting date (“**First Adjourned Board Meeting**”). If such Investor Director or its authorized representative again fails to attend the First Adjourned Board Meeting on time, such meeting shall be further adjourned to the third (3rd) Business Day after the originally scheduled meeting date (“**Second Adjourned Board Meeting**”). At the Second Adjourned Board Meeting, the quorum requirement shall be deemed satisfied so long as a majority of the directors are present, provided that only the matters specified in the written notice of the Board meeting may be discussed and resolved (if applicable).
- 7.3.4 All reasonable expenses incurred by directors in connection with matters relating to the Company, including attendance at Board meetings, shall be borne by the Company. The Company shall provide minutes of each Board meeting to the directors within fifteen (15) days after such meeting.
- 7.4 **Board Resolutions**
- 7.4.1 Except as otherwise provided under the Company Law, resolutions on the following matters shall be adopted by the Board (for the avoidance of doubt, references to the “Company” in this Section shall include all Group Companies):
- (i) convening shareholders’ meetings and reporting to the shareholders’ meeting;
 - (ii) implementing resolutions of the shareholders’ meeting;
 - (iii) determining the internal organizational structure of the Company;
 - (iv) formulating the Company’s business plans and investment plans;
 - (v) formulating the Company’s profit distribution plan and loss recovery plan;
 - (vi) formulating proposals for increase or reduction of registered capital and issuance of corporate bonds;
 - (vii) formulating proposals for merger, division, dissolution or change of corporate form;
 - (viii) granting equity incentives to any individual where such incentive, individually or in aggregate, represents more than one percent (1%) of the equity interests in the Company; determining and adjusting the exercise price

of employee equity incentives of any Group Company; granting employee equity incentives to Key Management;

- (ix) except as already approved in the annual business plan and annual budget, any purchase or disposal (including sale, mortgage, pledge, lease, transfer or exclusive license) of any assets in an amount equal to or exceeding RMB 10 million (in a single transaction or a series of related transactions), or disposal of assets (including material intellectual property) that may have a Material Adverse Effect on the Group and its business even if such amount threshold is not met;
- (x) settlement of any material litigation or arbitration involving any Group Company in an amount exceeding RMB 5 million;
- (xi) approval or amendment of any Affiliate Transaction between any Group Company and any Affiliate, any Management Shareholder, director, senior officer or employee (or any Affiliate of any of the foregoing), or between any Management Shareholder and any Affiliate's senior officers or directors, where the value of such Affiliate Transaction exceeds twenty percent (20%) of the total amount of Affiliate Transactions of the Group Company in the preceding quarter (excluding any approval or amendment pursuant to any equity incentive plan duly approved in accordance with this Agreement and agreements relating to employment relationships entered into in the ordinary course of business, including but not limited to employment contracts, service agreements and confidentiality agreements); and
- (xii) procurement from any single supplier and/or its Affiliates representing more than eight percent (8%) of any Group Company's annual procurement expenses, or payment of fees to any single service provider (other than procurement-related expenses) and/or its Affiliates representing more than eight percent (8%) of the Group Company's total annual non-procurement expenses.

7.4.2 Unless otherwise required by Applicable Law, the matters set forth in Section 7.4.1 shall be approved only if the following conditions are satisfied ("**Board Resolution Approval Requirements**"):

- (1) approval by more than one-half of the directors present at a duly convened Board meeting, whether attending in person or by proxy; and
- (2) (A) with respect to the matters set forth in Sections 7.4.1(viii) through 7.4.1(xii), the approving directors shall include all Investor Directors; (B) with respect to Section 7.4.1(v), if the proposed dividend distribution ratio exceeds sixty percent (60%) of the audited net profit of the preceding fiscal year, the approving directors shall include all Investor Directors; and (C) with respect to each of the Xunlei Director and the Kingsoft Cloud Director, after the relevant

Investor has achieved Full Recovery of Investment Cost, approval of the foregoing matters shall no longer be subject to the affirmative vote of such Investor Director; provided that such matters shall still be submitted to the Board for approval under Section 7.4.2(1).

7.4.3 Written Consent

With respect to matters requiring approval by the Board, if all directors unanimously provide written consent, a resolution may be adopted without convening a Board meeting, and all directors shall sign the written resolution document.

Section 8 Supervisor

8.1 **Composition**

The Company shall not establish a supervisory board and shall instead appoint one (1) supervisor, who shall be elected by the shareholders' meeting. Directors and senior officers shall not concurrently serve as the supervisor.

8.2 **Term of Office**

The supervisor shall serve a term of three (3) years and may be re-elected upon approval by the shareholders' meeting. If the term of the supervisor expires without a timely re-election, or if the supervisor resigns during the term of office, the incumbent supervisor shall continue to perform the duties of the supervisor in accordance with Applicable Law and the Articles of Association until a new supervisor assumes office.

8.3 **Powers of the Supervisor**

8.3.1 The supervisor shall exercise the following powers:

- (1) examining the financial affairs of the Company;
- (2) supervising the performance of duties by directors and senior officers of the Company and proposing removal of any director or senior officer who violates any Law, administrative regulation, this Agreement, the Articles of Association or any resolution of the Board;
- (3) proposing convening an extraordinary shareholders' meeting and convening and presiding over shareholders' meetings where the Board fails to perform its duties to convene and preside over such meetings;
- (4) submitting proposals to the shareholders' meeting; and
- (5) initiating legal proceedings against directors and senior officers in accordance with the Company Law.

8.3.2 The supervisor may attend meetings of the Board as a non-voting participant and may raise inquiries or proposals regarding matters resolved by the Board. Where

the supervisor discovers any abnormality in the operation of the Company, the supervisor may conduct investigations and, where necessary, engage an accounting firm or other professional advisors to assist in the performance of duties, and the related expenses shall be borne by the Company.

- 8.3.3 All reasonable expenses necessary for the supervisor to perform his or her duties shall be borne by the Company.

Section 9 Audit Rights, Information Rights and Inspection Rights

9.1 Audit Rights

- 9.1.1 Each Investor shall have the right, without materially interfering with the normal operations of the Group Companies, to conduct, by itself or through a qualified third-party professional institution, no more than one financial audit of the Group Companies per year, and the costs of such audit shall be borne by such Investor.
- 9.1.2 The Group Companies shall actively cooperate and provide necessary conditions and information to facilitate completion of such audit.

9.2 Information Rights

- 9.2.1 For so long as any Investor holds any equity interests in the Company, from the Closing Date, the Company shall provide the Investors with the following information regarding each Group Company:
- (1) within ninety (90) days after the end of each fiscal year, an annual consolidated audit report and annual consolidated operating report prepared in Chinese in accordance with PRC GAAP by a PRC accounting firm, including the auditor's opinion and any accompanying notes and annexes;
 - (2) within twenty (20) days after the end of each fiscal quarter, unaudited quarterly consolidated financial statements (including income statement, balance sheet and cash flow statement);
 - (3) within twenty (20) days after the end of each fiscal quarter, statistics on the amount of Affiliate Transactions of the Group Companies for such quarter;
 - (4) within twenty (20) days after the end of each month, unaudited monthly consolidated financial statements (including income statement, balance sheet and cash flow statement);
 - (5) at least thirty (30) days prior to the end of each fiscal year, the consolidated budget plan, operating plan and business plan for the following fiscal year;
 - (6) copies of all documents and information delivered to other shareholders, and reasonable access to senior management to enable such Investors to obtain information;
 - (7) notice of any material penalties, administrative investigations or material non-compliance notices issued by any Governmental Authority against any

Group Company (within three (3) Business Days after receipt of the relevant notice);

- (8) notice of any material litigation or arbitration involving any Group Company in an amount exceeding RMB 5 million (within three (3) Business Days after the Group Company becomes aware thereof); and
- (9) any other information reasonably requested by any Investor, including but not limited to periodic operating data, capitalization tables, lists of subsidiaries and investee companies, statistical data, transaction and financial data, financial reports, other business information, and any other information necessary for such Investor to comply with reporting and disclosure obligations under the laws and regulations and listing rules applicable at the place of listing of such Investor (if applicable).

9.3 **Inspection Rights**

Upon reasonable prior written notice and during normal business hours of the Group Companies, the Group Companies shall permit, and each Guarantor (other than Xinghan Zhilian) shall procure that the Group Companies permit, any Investor or its authorized representatives to inspect the premises, facilities, books and accounting records, original accounting vouchers, minutes of meetings of the Board, the supervisor and the shareholders' meeting, as well as other documents and facilities of the Group Companies, to make extracts and copies therefrom, verify their assets and properties, and discuss the business, operations and affairs of the Group Companies with relevant directors, supervisors, senior officers, employees, accountants, legal counsel and investment banks. The Group Companies shall permit, and each Guarantor (other than Xinghan Zhilian) shall ensure that directors, supervisors, senior officers and employees of the Group Companies provide full cooperation to the Investors and their authorized representatives in connection with the foregoing.

Section 10 Profit Distribution

10.1 **Distribution**

- 10.1.1 After taking into account the cash flow and operating conditions of the Company, the shareholders' meeting shall determine whether to distribute profits and the specific arrangements for such distribution. Profit distributions shall be made in proportion to the respective paid-in capital contributions of the shareholders at the relevant time; provided that, pursuant to the employee stock ownership plan, any portion of the equity interests in the Company held by any Employee Shareholding Platform that has not been granted or has been granted but not yet vested shall not participate in profit distribution.
- 10.1.2 If the shareholders' meeting approves a profit distribution, the Company shall distribute profits to the shareholders in accordance with the procedures required by

Section 11 Full-Time Employment and Non-Competition

11.1 Full-Time Employment

- 11.1.1 Unless otherwise approved in writing in advance by the Investors, each Key Employee shall devote all working time and attention exclusively to the business of the Group Companies, and each Management Shareholder (other than Xinghan Zhilian) shall procure that each Key Employee shall use its best efforts to promote the development of the Group Companies and maximize the interests of the Group Companies, and shall not engage in any part-time employment, operate or invest in any other business that is not part of the Group's business (whether or not such business competes with the Group's business); provided that the foregoing shall not restrict Key Employees from holding not more than one percent (1%) of the shares of any listed company.

11.2 Non-Competition

- 11.2.1 Without the prior written consent of the Investors, each Key Employee shall not, and each Guarantor shall procure that its respective Affiliates and Key Employees shall not, during the period in which such Key Employee serves as an employee, shareholder, director or service provider of the Company or any other Group Company or directly or indirectly holds equity interests in any Group Company, and for a period of two (2) years after such Key Employee ceases to provide services to the Company or any other Group Company or ceases to directly or indirectly hold equity interests in any Group Company (whichever is later), directly or indirectly engage in any business that is identical or similar to, or competes directly or indirectly with, the business conducted by the Group Companies ("**Competing Business**"), or be employed by any entity that engages in or intends to engage in any Competing Business and competes with the Group Companies (a "**Competitor**," excluding entities wholly owned or controlled by the Company), including acting as a partner, consultant or otherwise participating in the operations of such Competitor. Such Key Employee shall not directly or indirectly hold any interest in any entity engaging in any Competing Business (including as owner, shareholder, ultimate controller or creditor), or engage in any other conduct detrimental to the interests of the Group Companies, including but not limited to:

- (1) controlling, participating in, indirectly controlling, managing, operating or joining any company or other organization engaging in any Competing Business;
- (2) providing loans, financial assistance, customer information, consulting, advice or any other form of assistance or services to any company or organization engaging in any Competing Business, or maintaining business

dealings with such entity (including acting as agent, supplier or distributor);

- (3) directly or indirectly obtaining benefits from any Competing Business or any company or organization engaging in any Competing Business;
- (4) entering into any agreement, undertaking any commitment or making any arrangement that restricts, harms or may restrict or harm the Group Companies' ability to conduct their existing business;
- (5) engaging in any conduct detrimental to the potential interests or business of the Group Companies, including soliciting, recruiting, canvassing or contacting (or attempting to solicit, recruit, canvass or contact) customers, agents, suppliers and/or independent contractors relating to the Group Companies' business, or conducting abnormal commercial contacts or attempting to conduct transactions with customers relating to the production and sales business of the Group Companies, whether such customers existed prior to or after the Closing Date;
- (6) engaging in any conduct detrimental to the potential interests of the Group Companies by employing, in any manner, any person who has departed from the Group Companies through any individual or organization directly or indirectly controlled by such Key Employee or in which such Key Employee has an interest; and
- (7) soliciting, recruiting or contacting (or attempting to solicit, recruit or contact) any person employed by any Group Company or its Affiliates (regardless of position or whether such departure would constitute a breach), or employing, in any manner, any person who has departed from the Group Companies through any individual or organization directly or indirectly controlled by such Key Employee or in which such Key Employee has an interest.

For the avoidance of doubt, the foregoing provisions shall not restrict Key Employees from holding not more than one percent (1%) of the shares of any listed company.

Section 12 Termination, Dissolution and Liquidation

12.1 Dissolution Events

Upon the occurrence of any of the following circumstances or events, the Company may be dissolved and this Agreement may be terminated upon a motion proposed by any shareholder:

- (1) dissolution of the Company approved by shareholders representing more than two-thirds of the voting rights of the Company (including the affirmative vote of all Financial Investors); or
- (2) any other circumstances for dissolution as provided under the Company

12.2 **Dissolution Resolution**

If any shareholder proposes the dissolution of the Company pursuant to Section 12.1, the Board shall promptly convene a shareholders' meeting, and a resolution for dissolution of the Company shall be adopted only upon approval by shareholders representing more than two-thirds of the voting rights of the Company (including the affirmative vote of the Financial Investors). Dissolution shall not affect any liability for breach or obligations owed by any Party to any other Party arising prior to such dissolution in accordance with this Agreement.

12.3 **Liquidation**

Upon the occurrence of any of the following events, the Board shall, in accordance with Applicable Law, this Agreement and the Articles of Association, establish a liquidation committee within fifteen (15) days from the date of occurrence of such event to carry out liquidation of the Company:

- (1) any statutory liquidation event such as bankruptcy, dissolution or liquidation of the Company;
- (2) any Governmental Authority issues an order, decree or ruling, or takes any other action, rendering the principal business of the Group Companies illegal or causing a Material Adverse Effect thereon, and the Group Companies fail to rectify such situation into lawful business operations or eliminate the Material Adverse Effect within six (6) months from the occurrence of such event without materially changing the principal business (for the avoidance of doubt, prior to implementing any rectification measures, the Guarantors (excluding Xinghan Zhilian) shall provide Investors with a detailed remediation plan, which shall be subject to the Investors' joint approval prior to implementation); and
- (3) any other circumstances provided under the Company Law.

The above events are collectively referred to as the "**Liquidation Events.**"

12.4 **Liquidation Committee**

- 12.4.1 The members of the liquidation committee shall consist of a law firm, an accounting firm or other persons appointed by the Board. The liquidation committee shall notify creditors within ten (10) days from its establishment and make a public announcement within sixty (60) days in newspapers or through the National Enterprise Credit Information Publicity System. Any decision of the liquidation committee shall be approved by more than one-half of the directors of the Company, including the affirmative vote of the Investor Directors.

12.5 **Distribution of Proceeds**

Upon the occurrence of a Liquidation Event, the liquidation committee shall, in accordance with the order of priority prescribed by Applicable Law, apply the assets of the Company to pay liquidation expenses and discharge the debts of the Company (including obligations relating to employees and taxes), and the remaining balance shall be distributed among the shareholders in accordance with Section 5.3 of this Agreement.

If the Company undergoes a Corporate Transaction, each shareholder shall be entitled, in accordance with Section 5.3, to receive equity interests and other rights in the surviving entity (if the Company merges with another company) or to receive its share of the consideration from the sale of the Company (if the Company is acquired).

12.6 **Completion of Liquidation**

Upon completion of liquidation, custody of the Company's books and records shall be determined by the liquidation committee.

Section 13 Liability for Breach

13.1 **General Provisions**

- 13.1.1 Except as otherwise provided in this Agreement, if any Party ("**Breaching Party**") fails to perform or fully perform any of its obligations under this Agreement, such Party shall compensate the non-breaching Party ("**Non-Breaching Party**") for any losses, damages, liabilities and/or expenses incurred as a result thereof. The Breaching Party shall indemnify the Non-Breaching Party for such losses and shall take appropriate measures to prevent further damages. Where more than one Party is in breach, each breaching Party shall bear its respective liabilities in accordance with the actual circumstances.
- 13.1.2 Any breach by any Party of any Transaction Document, including this Agreement, the Equity Transfer Agreement or the Articles of Association, shall constitute a breach of the other Transaction Documents by such Party.
- 13.1.3 Each Party hereby authorizes the Company to deduct from any dividends or other distributions payable to the Breaching Party any amount of compensation payable by such Breaching Party to the Non-Breaching Party (the determination of such compensation and the amount of losses shall be agreed upon by the relevant Parties or determined in accordance with the dispute resolution mechanism set forth in this Agreement), and to pay such deducted amount to the Non-Breaching Party on behalf of the Breaching Party. Such authorization shall not be revoked without the consent of all Parties.

Section 14 Miscellaneous

14.1 **Termination**

- 14.1.1 If any Group Company completes an initial public offering, the rights of the

Investors under this Agreement and similar rights provided in the Articles of Association (“**Special Shareholder Rights**”) shall terminate immediately prior to the completion of such initial public offering in order to comply with the requirements of the stock exchange. Where such Special Shareholder Rights are required to be suspended or terminated at an earlier time in accordance with applicable listing rules or requirements of relevant regulatory authorities, the Investors hereby agree to suspend or terminate such Special Shareholder Rights for the purpose of completing the initial public offering.

- 14.1.2 Subject to the requirements of the CSRC or other listing regulatory authorities, if (a) the relevant Group Company suspends or terminates the initial public offering process, or the relevant application is withdrawn, rejected, denied, lapses or similar circumstances occur, or (b) the relevant Group Company fails to obtain approval from competent authorities within twelve (12) months from the date of submission of the application for the initial public offering, the Special Shareholder Rights of the Investors under this Agreement or the relevant legal documents in effect at such time shall be reinstated, and such Special Shareholder Rights shall be deemed to have remained continuously effective from the effective date of this Agreement as if they had never been amended, suspended or terminated. Upon restoration of the legal effect of such provisions, the Investors shall be entitled to recover any benefits that they should have enjoyed but did not actually enjoy during the period in which such provisions were ineffective in accordance with this Agreement.
- 14.1.3 Each Party further acknowledges and agrees that it shall cooperate in terminating the Special Shareholder Rights, including but not limited to the execution of relevant documents by the Investors and their designated directors, subject to the requirements of the CSRC and other relevant Governmental Authorities.

14.2 Use of Name

Without the prior written consent of Kingsoft Cloud or its Affiliates, regardless of whether Kingsoft Cloud then directly or indirectly holds any equity interests in the Company, none of the Parties hereto (other than Kingsoft Cloud) shall, and each Party shall procure that its Affiliates shall not, use, publish or reproduce the name of Kingsoft Cloud or any of its Affiliates for any marketing, advertising, promotional or other purposes, including but not limited to any use of the name “Kingsoft Cloud” alone or in combination, or any similar company name, trade name, trademark, product or service name, domain name, device mark, logo, symbol or any description that enables a third party to identify Kingsoft Cloud or any of its Affiliates.

Without the prior written consent of Xunlei, regardless of whether Xunlei then directly or indirectly holds any equity interests in the Company, none of the Parties hereto (other than Xunlei) shall, and each Party shall procure that its Affiliates shall not, use, publish or reproduce the name of Xunlei or any of its Affiliates for

any marketing, advertising, promotional or other purposes, including but not limited to any use of the name “Xunlei” alone or in combination, or any similar company name, trade name, trademark, product or service name, domain name, device mark, logo, symbol or any description that enables a third party to identify Xunlei or any of its Affiliates.

14.3 **Force Majeure**

- 14.3.1 A Force Majeure Event means any event that is unforeseeable at the time of execution of this Agreement, the occurrence of which is unavoidable or the consequences of which are insurmountable, and which results in any Party being partially or wholly unable to perform any provision of this Agreement, including earthquakes, typhoons, floods, fires, wars, changes in laws, and any other similar events that are unforeseeable, unavoidable or insurmountable, including events generally recognized as force majeure under international commercial practice.
- 14.3.2 Upon the occurrence of a Force Majeure Event, the Party whose performance is affected may suspend performance of its obligations under this Agreement during the continuance of such Force Majeure Event and shall not be deemed in breach of this Agreement; provided that such affected Party shall promptly notify the other Parties in writing as soon as practicable and shall provide, within fifteen (15) days, supporting documents evidencing the occurrence and/or continuation of such Force Majeure Event in accordance with Applicable law; otherwise, such event shall not be deemed a Force Majeure Event.
- 14.3.3 Upon the occurrence of a Force Majeure Event, the Parties shall promptly consult with each other in good faith to seek a fair and reasonable solution and shall use all reasonable efforts to mitigate the adverse effects of such Force Majeure Event on the performance of this Agreement.

14.4 **Governing Law**

This Agreement shall be governed by the laws of the PRC. The formation, validity, interpretation and performance of this Agreement and the resolution of any disputes arising hereunder shall be governed by the laws of the PRC. If the laws of the PRC contain no relevant provisions, general international commercial practices shall apply.

14.5 **Dispute Resolution**

- 14.5.1 Any dispute or claim arising from or in connection with this Agreement or the performance, interpretation, breach, termination or validity hereof (including the validity, scope of application and enforceability of this dispute resolution clause) shall be submitted by any disputing Party to the People’s Court with competent jurisdiction at the place where the Company is located for resolution through litigation.
- 14.5.2 For the purpose of facilitating litigation, each Party shall take the following

actions: (i) cooperate in good faith and use its best efforts to expedite the litigation process; and (ii) where a court determines that certain documents, books, records or personnel are relevant to the dispute, and such documents, books, records or personnel are in the possession or under the control of a Party or any person who controls or is controlled by such Party, such Party shall provide such documents, books and records for review and extraction by the other Parties and the court, and shall arrange for the relevant personnel to meet with the other Parties and the court.

- 14.5.3 All litigation costs and expenses, including court fees, attorneys' fees and other reasonable costs and expenses, shall ultimately be borne by the losing Party.

14.6 Amendments and Supplements

Any amendment or supplement to this Agreement shall become effective only upon execution of a written document by all Parties hereto. Any amendment or supplement shall form an integral part of this Agreement.

14.7 Severability

If any provision of this Agreement is held invalid by any court or other authority having jurisdiction over this Agreement, the validity of the remaining provisions shall not be affected.

14.8 Confidentiality

Each Party shall keep confidential this Agreement and all information provided hereunder, and shall use such information solely for the purpose of this transaction. Without the prior written consent of the Party providing such information, no Party shall disclose or publish such information, except where disclosure is required by judicial authorities, administrative authorities or securities regulatory authorities, or where disclosure is made to such Party's or its Affiliates' respective directors, senior officers, employees, legal counsel, advisors, other representatives or existing shareholders, provided that such persons are subject to confidentiality obligations with respect to such information.

14.9 Notices

- 14.9.1 All notices, requests or other communications under this Agreement shall be made in writing (including by email) and shall be delivered, sent or mailed to the relevant Party at the address set forth in Annex 3 to this Agreement (or such other address as notified in writing by the recipient to the other Parties at least ten (10) days in advance).
- 14.9.2 Any notice, request or other communication delivered pursuant to this Section 14.9 shall be deemed duly given or delivered: (i) if delivered by hand, upon delivery to the address of the recipient specified in this Agreement; (ii) if sent by email, when the sender's email system indicates successful delivery to the recipient's email address on record; or (iii) if delivered by a nationally recognized courier service,

on the third (3rd) day after delivery to such courier, provided that the correct recipient address and contact details have been completed and the courier fees have been fully prepaid.

14.10 Costs

Except as otherwise provided in the Transaction Documents, each Party shall bear its own costs and expenses incurred in connection with the execution of this Agreement.

14.11 Articles of Association

For any matters not provided in the Articles of Association, or where the provisions of the Articles of Association are inconsistent with this Agreement, this Agreement shall prevail.

14.12 Entire Agreement

This Agreement constitutes the entire understanding among the Parties with respect to the subject matter hereof and supersedes all prior letters of intent, agreements, undertakings, arrangements, communications, representations and/or warranties, whether written or oral, made by the Parties or any of their respective officers, employees or representatives in respect of the same subject matter. This Agreement (including any amendments or supplements hereto, and the other Transaction Documents) constitutes the sole and entire agreement among the Parties with respect to the matters contemplated hereunder (including but not limited to the rights and obligations of the shareholders of the Company). For the avoidance of doubt, the Parties confirm that, as of the effective date of this Agreement, any prior agreements or provisions among the Parties, the Company and/or any shareholder of the Company relating to the matters contemplated under this Agreement or any relevant provisions hereof shall immediately terminate and be superseded by this Agreement or the relevant provisions hereof.

14.13 Language and Text

This Agreement is written and executed in the Chinese language, and the original copies of this Agreement shall be made in fifteen (15) counterparts, each of which shall have equal legal effect.

14.14 Effectiveness

This Agreement shall be established upon due execution by the Parties and shall become effective as of the Closing Date, whereupon it shall be binding upon the Parties. With respect to any shareholder of the Company that becomes a Party hereto after the effectiveness of this Agreement by executing a joinder agreement, this Agreement shall become effective for such shareholder as of the date of execution of such joinder agreement.

[No further text. Signature page follows.]

This Agreement is executed by the following Parties as of the date first written above:

Shenzhen Onething Technology Co., Ltd.
(Company Seal)

/s/ Kening Wu
Legal Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Li Hao

/s/ Li Hao

(Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Li Jinbo

/s/ Li Jinbo
(Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Zhang Yubo

/s/ Zhang Yubo

(Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Liu Yingqiao

/s/ Liu Yingqiao
(Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Wu Lei

/s/ Wu Lei

(Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Nanjing Kehui Zhitu Information Technology Partnership (Limited Partnership)

(Company Seal)

Li Hao

/s/ Li Hao

Authorized Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Nanjing Yimang Yuelian Information Technology Partnership (Limited Partnership)

(Company Seal)

Li Hao

/s/ Li Hao

Authorized Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Nanjing Yuxin Jike Information Technology Partnership (Limited Partnership)

(Company Seal)

Li Hao

/s/ Li Hao

Authorized Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Nanjing Zhihui Yuandong Information Technology Partnership (Limited Partnership)

(Company Seal)

Li Hao

/s/ Li Hao
Authorized Representative (Signature)

This Agreement is executed by the following Parties as of the date first written above:

Nanjing Zhongzhi Gongchuang Information Technology Partnership (Limited Partnership)

(Company Seal)

/s/ Xiangyun Xie
Authorized Representative (Signature)

This Agreement is executed by the following Parties as of the date first written above:

Shenzhen Shuijing Interactive Technology Co., Ltd.
(Company Seal)

/s/ Kening Wu

Legal Representative (Signature)

Shenzhen Qianhai Onething Network Technology Co., Ltd.
(Company Seal)

/s/ Yingqiao Liu

Legal Representative (Signature)

Beijing Onething Technology Co., Ltd.
(Company Seal)

Legal Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Shenzhen Shuijing Interactive Technology Co., Ltd.

(Company Seal)

Legal Representative (Signature)

Shenzhen Qianhai Onething Network Technology Co., Ltd.

(Company Seal)

Legal Representative (Signature)

Beijing Onething Technology Co., Ltd.

(Company Seal)

/s/ Kening Wu

Legal Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Jiangxi Jiedian Technology Service Co., Ltd.

(Company Seal)

/s/ Yingqiao Liu

Legal Representative (Signature)

Xi'an Onething Network Technology Co., Ltd.

(Company Seal)

/s/ Yingqiao Liu

Legal Representative (Signature)

Shanghai Onething Technology Co., Ltd.

(Company Seal)

/s/ Yingqiao Liu

Legal Representative (Signature)

This Agreement is executed by the following Parties as of the date first written above:

Shenzhen Jiuzhang Qidian Technology Co., Ltd.
(Company Seal)

/s/ Yingqiao Liu

Legal Representative (Signature)

This Agreement is executed by the following Parties as of the date first written above:

Shenzhen Xunlei Networking Technologies Co., Ltd.
(Company Seal)

/s/ Kening Wu

Legal Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Wuhan Kingsoft Cloud Information Technology Co., Ltd.
(Company Seal)

/s/ Zou Tao

Legal Representative (Signature)

[Signature Page of Shareholders' Agreement]

This Agreement is executed by the following Parties as of the date first written above:

Shenzhen Xinghan Zhilian Technology Co., Ltd.
(Company Seal)

Li Hao

/s/ Li Hao

Legal Representative (Signature)

[Signature Page of Shareholders' Agreement]

Annex to Shareholders' Agreement

Annex to Shareholders' Agreement

Annex to Shareholders' Agreement

LOAN AGREEMENT

This Loan Agreement (“**Agreement**”) is entered into on **February 27, 2025** in Shenzhen, the People’s Republic of China (“**PRC**”) by and between the following parties:

- (1) **Xunlei Computer (Shenzhen) Co., Ltd. (“Lender”)**, a sino-foreign equity joint venture duly established and validly existing under the the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;
- (2) **Wu Kening (“Borrower”)**, a PRC citizen, ID No. *****, residing at [Room 2-2-501, Fenggang Garden, No. 22 Jinhu Road, Luohu District, Shenzhen];

The Lender and the Borrower are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS:

1. As of the date of this Agreement, the Borrower holds [60]% of the equity interest in Shenzhen Zhilue Xinsi Consulting Co., Ltd. (“**Xinsi**”), representing registered capital of RMB 60,000 in Xinsi. All equity interests currently held or to be held in the future by the Borrower in Xinsi shall be collectively referred to as the “**Equity Interests**.”
2. The Lender, the Borrower and Xinsi entered into an Exclusive Option Agreement on [February 27], 2025 (including any amendments, supplements or restatements thereto, “**Exclusive Option Agreement**”), pursuant to which the Lender has the right to purchase from the Borrower, at any time and from time to time, the equity interest in Xinsi held by the Borrower.
3. The Lender confirms that it agrees to provide to the Borrower, and the Borrower confirms that it has received, a loan in the amount of RMB [60,000] for the purposes set forth in this Agreement.

NOW, THEREFORE, through friendly consultation, the Parties hereby agree as follows:

1. Loan

- 1.1 Subject to the terms of this Agreement, the Lender and the Borrower hereby confirm that the Borrower has obtained from the Lender a loan in the amount of RMB [60,000] (“**Loan**”). Upon expiration of the Loan term, the Loan term shall automatically be extended for successive ten (10)-year periods unless the Lender raises any objection prior to such expiration. The Lender shall have the right, at its sole discretion and based on actual circumstances, to unilaterally extend or shorten the Loan term. During the Loan term or any extended Loan term, upon the occurrence of any of the following events, the Borrower shall immediately prepay the Loan in full, unless otherwise waived by the Lender:
 - 1.1.1 Thirty (30) days have elapsed after the Borrower receives a written notice from the Lender requiring repayment;
 - 1.1.2 for any reason whatsoever, the Borrower no longer holds any position with the Lender, Xinsi or any of their Affiliates;
 - 1.1.3 The Borrower engages in criminal conduct or becomes involved in criminal activities;
 - 1.1.4 pursuant to applicable PRC laws, foreign investors are permitted to hold a controlling interest in and/or wholly own the principal business currently conducted in the PRC by Shenzhen Suqu Network Technology Co., Ltd., a company in which Xinsi holds equity interests, the competent PRC authorities commence approval of such business, and the Lender determines to exercise its exclusive purchase right under the Exclusive Option Agreement.
- 1.2 The Loan provided by the Lender under this Agreement shall be applicable solely to the Borrower and shall not apply to any successor or assignee of the Borrower.
- 1.3 The Borrower agrees to accept the Loan provided by the Lender and hereby agrees and undertakes that the Loan shall be used solely for the purpose of paying the equity transfer consideration for the Borrower’s acquisition of equity interest in Xinsi. Without the prior written consent of the Lender, the Borrower shall not use the Loan for any other purpose.

- 1.4 The Lender and the Borrower hereby agree and confirm that the repayment method of the Borrower shall be determined solely by the Lender from the following methods: pursuant to the Lender's right to purchase the Equity Interests under the Exclusive Option Agreement, the Borrower shall transfer all of the Equity Interests held by it to the Lender or any Person designated by the Lender, and any proceeds obtained by the Borrower from such transfer of the Equity Interests (to the permitted extent) shall be used to repay the Loan owed by the Borrower to the Lender, all of which shall be paid to the Lender in the manner designated by the Lender.
- 1.5 The Lender and the Borrower hereby agree and confirm that, to the extent permitted under applicable laws, the Lender shall have the right, but not the obligation, at any time to purchase or designate any other Person (whether a legal entity or natural person) to purchase all or part of the Equity Interests at the purchase price specified in the Exclusive Option Agreement.
- 1.6 The Borrower undertakes to execute an irrevocable Power of Attorney (including any amendments, supplements or restatements thereto, "Power of Attorney"), pursuant to which all shareholder rights of the Borrower in Xinsi shall be entrusted to the Lender or any legal entity or natural person designated by the Lender for exercise.
- 1.7 Unless otherwise agreed in this Agreement, the Loan shall be interest-free.

2. Representations and Warranties

- 2.1 From the date of execution of this Agreement until the termination hereof, the Lender hereby represents and warrants to the Borrower as follows:
- 2.1.1 The Lender is a company duly incorporated and validly existing under the PRC laws;
- 2.1.2 The Lender has full power and authority to execute and perform this Agreement. The execution and performance of this Agreement are within the Lender's business scope and are not inconsistent with its articles of association or other organizational documents, and the Lender has obtained all necessary and appropriate approvals and authorizations for the execution and performance of this Agreement;

and

- 2.1.3 Upon execution, this Agreement constitutes legal, valid and binding obligations of the Lender, enforceable against the Lender in accordance with its terms.
- 2.2 From the date of execution of this Agreement until the termination hereof, the Borrower hereby represents and warrants as follows:
 - 2.2.1 The Borrower is a natural person with full civil capacity and has the legal authority to execute and perform this Agreement;
 - 2.2.2 Upon execution, this Agreement constitutes legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms; and
 - 2.2.3 There are no disputes, litigation, arbitration, administrative proceedings or any other legal proceedings pending or, to the Borrower's knowledge, threatened against the Borrower.

3. Covenants of the Borrower

- 3.1 The Borrower, in its capacity as a shareholder of Xinsi, hereby irrevocably undertakes that during the term of this Agreement it shall procure that Xinsi shall:
 - 3.1.1 strictly comply with the provisions of the Exclusive Option Agreement, the Equity Pledge Agreement (including any amendments, supplements or restatements thereto, "**Equity Pledge Agreement**") and the Exclusive Business Cooperation Agreement (including any amendments, supplements or restatements thereto, "**Exclusive Business Cooperation Agreement**") to which Xinsi is a party, and shall not take or omit to take any action that may adversely affect the validity or enforceability of the Exclusive Option Agreement, the Equity Pledge Agreement or the Exclusive Business Cooperation Agreement;
 - 3.1.2 upon the request of the Lender (or its designee), enter into business cooperation contracts or agreements with the Lender (or its designee) at any time and ensure strict performance thereof;

- 3.1.3 upon the request of the Lender, provide the Lender with all information relating to its operations and financial condition;
- 3.1.4 promptly notify the Lender of any litigation, arbitration or administrative proceeding relating to the Lender that has occurred or may occur;
- 3.2 During the term of this Agreement, the Borrower shall:
 - 3.2.1 strictly comply with all provisions of this Agreement, the Power of Attorney, the Equity Pledge Agreement and the Exclusive Option Agreement to which it is a party, faithfully perform all of its obligations thereunder, and not take or omit to take any action that may adversely affect the validity or enforceability of this Agreement, the Power of Attorney, the Equity Pledge Agreement or the Exclusive Option Agreement;
 - 3.2.2 except as provided under the Equity Pledge Agreement, not sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the Equity Interests, nor permit any other Security Interest to be created thereon;
 - 3.2.3 procure that the shareholders' meeting and/or the board of directors of Xinsi shall not approve, without the prior written consent of the Lender, any sale, transfer, mortgage or other disposition of any legal or beneficial interest in the Equity Interests, nor permit any Security Interest to be created thereon, except for transfers made to the Lender or any Person designated by the Lender;
 - 3.2.4 procure that the shareholders' meeting and/or the board of directors of Xinsi shall not approve any merger or consolidation with any Person, or any acquisition of or investment in any Person, without the prior written consent of the Lender;
 - 3.2.5 promptly notify the Lender of any litigation, arbitration or administrative proceeding relating to the Equity Interests that has occurred or may occur;
 - 3.2.6 execute all necessary or appropriate documents, take all necessary or

- appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses in order to maintain its ownership of the Equity Interests;
- 3.2.7 without the prior written consent of the Lender, not take or omit to take any action that may materially affect the assets or liabilities of Xinsi;
- 3.2.8 at the request of the Lender, appoint any Person designated by the Lender as a director or supervisor of Xinsi;
- 3.2.9 to the extent permitted under the PRC laws, upon the request of the Lender at any time, unconditionally and immediately transfer the Equity Interests to the Lender or its designated representative, and procure that the other shareholders of Xinsi waive any right of first refusal with respect to such transfer of equity interest described in this paragraph;
- 3.2.10 to the extent permitted under the PRC laws, upon the request of the Lender at any time, procure that the other shareholders of Xinsi unconditionally and immediately transfer all of their equity interests in Xinsi to the Lender or its designated representative, and the Borrower hereby waives any right of first refusal with respect to such transfer described in this paragraph;
- 3.2.11 if the Lender purchases the Equity Interests from the Borrower pursuant to the Exclusive Option Agreement, apply all proceeds obtained from such purchase price toward repayment of the Loan in priority;
- 3.2.12 without the prior written consent of the Lender, not supplement, amend or modify its constitutional documents, increase or decrease its registered capital, or otherwise alter its capital structure; and
- 3.2.13 duly pay in the full amount of registered capital corresponding to the Equity Interests and shall provide the Lender with valid capital contribution certificates evidencing such contribution.

4. Liability for Breach

- 4.1 If the Borrower materially breaches any provision of this Agreement, the Lender shall have the right to terminate this Agreement and require the Borrower to compensate for damages. This Section 4.1 shall not prejudice any other rights of the Lender under this Agreement.
- 4.2 Except as otherwise required by applicable laws, the Borrower shall not have any right to terminate or rescind this Agreement under any circumstances.
- 4.3 If the Borrower fails to perform its repayment obligations within the period specified in this Agreement, the Borrower shall pay overdue interest at a rate of 0.05% per day on the overdue amount until the Borrower has fully repaid the Loan principal, overdue interest and all other amounts payable.

5. Notices

- 5.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:
- 5.1.1 If delivered by hand, courier service or registered mail (postage prepaid), the date of dispatch shall be deemed the effective delivery date;
- 5.1.2 If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

6. Confidentiality

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through

unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

7. Governing Law and Dispute Resolution

- 7.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the the PRC laws.
- 7.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation between the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the court of competent jurisdiction at the place of domicile of the plaintiff for litigation.
- 7.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

8. Miscellaneous

- 8.1 This Agreement shall become effective upon execution by the Parties and shall terminate upon full performance by the Parties of their respective obligations hereunder.
- 8.2 This Agreement is executed in two (2) originals, one held by the Lender and one held by the Borrower, and both originals shall have equal legal effect.
- 8.3 Any amendment or supplement to this Agreement shall be made in writing and signed by the Parties. Any amendment agreement and/or supplemental

agreement relating to this Agreement shall form an integral part hereof and shall have the same legal effect as this Agreement.

- 8.4 If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.
- 8.5 Any annexes (if any) to this Agreement shall form an integral part hereof and shall have the same legal effect as this Agreement.
- 8.6 Any obligations incurred or accrued under this Agreement prior to expiration or early termination shall survive such expiration or termination. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be duly executed by their authorized representatives as of the date first written above.

Lender:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title: Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be duly executed by their authorized representatives as of the date first written above.

Borrower:

Wu Kening

By: /s/ Kening Wu

Signature Page

LOAN AGREEMENT

This Loan Agreement (“**Agreement**”) is entered into on **February 27, 2025** in Shenzhen, the People’s Republic of China (“**PRC**”) by and between the following parties:

- (1) **Xunlei Computer (Shenzhen) Co., Ltd.** (“**Lender**”), a sino-foreign equity joint venture duly established and validly existing under the the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;
- (2) **Li Xiaosong** (“**Borrower**”), a PRC citizen, ID No. *****, residing at [Room 310-4-608, Science Park South Third Zone, Olympic Village Subdistrict, Chaoyang District, Beijing];

The Lender and the Borrower are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS:

1. As of the date of this Agreement, the Borrower holds [40]% of the equity interest in Shenzhen Zhilue Xinsi Consulting Co., Ltd. (“**Xinsi**”), representing registered capital of RMB 40,000 in Xinsi. All equity interests currently held or to be held in the future by the Borrower in Xinsi shall be collectively referred to as the “**Equity Interests**.”
2. The Lender, the Borrower and Xinsi entered into an Exclusive Option Agreement on [February 27], 2025 (including any amendments, supplements or restatements thereto, “**Exclusive Option Agreement**”), pursuant to which the Lender has the right to purchase from the Borrower, at any time and from time to time, the equity interest in Xinsi held by the Borrower.
3. The Lender confirms that it agrees to provide to the Borrower, and the Borrower confirms that it has received, a loan in the amount of RMB [40,000] for the purposes set forth in this Agreement.

NOW, THEREFORE, through friendly consultation, the Parties hereby agree as

follows:

1. Loan

- 1.1 Subject to the terms of this Agreement, the Lender and the Borrower hereby confirm that the Borrower has obtained from the Lender a loan in the amount of RMB [40,000] ("**Loan**"). Upon expiration of the Loan term, the Loan term shall automatically be extended for successive ten (10)-year periods unless the Lender raises any objection prior to such expiration. The Lender shall have the right, at its sole discretion and based on actual circumstances, to unilaterally extend or shorten the Loan term. During the Loan term or any extended Loan term, upon the occurrence of any of the following events, the Borrower shall immediately prepay the Loan in full, unless otherwise waived by the Lender:
 - 1.1.1 Thirty (30) days have elapsed after the Borrower receives a written notice from the Lender requiring repayment;
 - 1.1.2 for any reason whatsoever, the Borrower no longer holds any position with the Lender, Xinsi or any of their Affiliates;
 - 1.1.3 The Borrower engages in criminal conduct or becomes involved in criminal activities;
 - 1.1.4 pursuant to applicable PRC laws, foreign investors are permitted to hold a controlling interest in and/or wholly own the principal business currently conducted in the PRC by Shenzhen Suqu Network Technology Co., Ltd., a company in which Xinsi holds equity interests, the competent PRC authorities commence approval of such business, and the Lender determines to exercise its exclusive purchase right under the Exclusive Option Agreement.
- 1.2 The Loan provided by the Lender under this Agreement shall be applicable solely to the Borrower and shall not apply to any successor or assignee of the Borrower.
- 1.3 The Borrower agrees to accept the Loan provided by the Lender and hereby agrees and undertakes that the Loan shall be used solely for the purpose of paying the equity transfer consideration for the Borrower's acquisition of

equity interest in Xinsi. Without the prior written consent of the Lender, the Borrower shall not use the Loan for any other purpose.

- 1.4 The Lender and the Borrower hereby agree and confirm that the repayment method of the Borrower shall be determined solely by the Lender from the following methods: pursuant to the Lender's right to purchase the Equity Interests under the Exclusive Option Agreement, the Borrower shall transfer all of the Equity Interests held by it to the Lender or any Person designated by the Lender, and any proceeds obtained by the Borrower from such transfer of the Equity Interests (to the permitted extent) shall be used to repay the Loan owed by the Borrower to the Lender, all of which shall be paid to the Lender in the manner designated by the Lender.
- 1.5 The Lender and the Borrower hereby agree and confirm that, to the extent permitted under applicable laws, the Lender shall have the right, but not the obligation, at any time to purchase or designate any other Person (whether a legal entity or natural person) to purchase all or part of the Equity Interests at the purchase price specified in the Exclusive Option Agreement.
- 1.6 The Borrower undertakes to execute an irrevocable Power of Attorney (including any amendments, supplements or restatements thereto, "Power of Attorney"), pursuant to which all shareholder rights of the Borrower in Xinsi shall be entrusted to the Lender or any legal entity or natural person designated by the Lender for exercise.
- 1.7 Unless otherwise agreed in this Agreement, the Loan shall be interest-free.

2. Representations and Warranties

- 2.1 From the date of execution of this Agreement until the termination hereof, the Lender hereby represents and warrants to the Borrower as follows:
 - 2.1.1 The Lender is a company duly incorporated and validly existing under the PRC laws;
 - 2.1.2 The Lender has full power and authority to execute and perform this Agreement. The execution and performance of this Agreement are within the Lender's business scope and are not inconsistent with its articles of association or other organizational documents, and the

Lender has obtained all necessary and appropriate approvals and authorizations for the execution and performance of this Agreement; and

- 2.1.3 Upon execution, this Agreement constitutes legal, valid and binding obligations of the Lender, enforceable against the Lender in accordance with its terms.
- 2.2 From the date of execution of this Agreement until the termination hereof, the Borrower hereby represents and warrants as follows:
 - 2.2.1 The Borrower is a natural person with full civil capacity and has the legal authority to execute and perform this Agreement;
 - 2.2.2 Upon execution, this Agreement constitutes legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms; and
 - 2.2.3 There are no disputes, litigation, arbitration, administrative proceedings or any other legal proceedings pending or, to the Borrower's knowledge, threatened against the Borrower.

3. Covenants of the Borrower

- 3.1 The Borrower, in its capacity as a shareholder of Xinsi, hereby irrevocably undertakes that during the term of this Agreement it shall procure that Xinsi shall:
 - 3.1.1 strictly comply with the provisions of the Exclusive Option Agreement, the Equity Pledge Agreement (including any amendments, supplements or restatements thereto, "**Equity Pledge Agreement**") and the Exclusive Business Cooperation Agreement (including any amendments, supplements or restatements thereto, "**Exclusive Business Cooperation Agreement**") to which Xinsi is a party, and shall not take or omit to take any action that may adversely affect the validity or enforceability of the Exclusive Option Agreement, the Equity Pledge Agreement or the Exclusive Business Cooperation Agreement;
 - 3.1.2 upon the request of the Lender (or its designee), enter into business

- cooperation contracts or agreements with the Lender (or its designee) at any time and ensure strict performance thereof;
- 3.1.3 upon the request of the Lender, provide the Lender with all information relating to its operations and financial condition;
- 3.1.4 promptly notify the Lender of any litigation, arbitration or administrative proceeding relating to the Lender that has occurred or may occur;
- 3.2 During the term of this Agreement, the Borrower shall:
- 3.2.1 strictly comply with all provisions of this Agreement, the Power of Attorney, the Equity Pledge Agreement and the Exclusive Option Agreement to which it is a party, faithfully perform all of its obligations thereunder, and not take or omit to take any action that may adversely affect the validity or enforceability of this Agreement, the Power of Attorney, the Equity Pledge Agreement or the Exclusive Option Agreement;
- 3.2.2 except as provided under the Equity Pledge Agreement, not sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the Equity Interests, nor permit any other Security Interest to be created thereon;
- 3.2.3 procure that the shareholders' meeting and/or the board of directors of Xinsi shall not approve, without the prior written consent of the Lender, any sale, transfer, mortgage or other disposition of any legal or beneficial interest in the Equity Interests, nor permit any Security Interest to be created thereon, except for transfers made to the Lender or any Person designated by the Lender;
- 3.2.4 procure that the shareholders' meeting and/or the board of directors of Xinsi shall not approve any merger or consolidation with any Person, or any acquisition of or investment in any Person, without the prior written consent of the Lender;
- 3.2.5 promptly notify the Lender of any litigation, arbitration or administrative proceeding relating to the Equity Interests that has

occurred or may occur;

- 3.2.6 execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses in order to maintain its ownership of the Equity Interests;
- 3.2.7 without the prior written consent of the Lender, not take or omit to take any action that may materially affect the assets or liabilities of Xinsi;
- 3.2.8 at the request of the Lender, appoint any Person designated by the Lender as a director or supervisor of Xinsi;
- 3.2.9 to the extent permitted under the PRC laws, upon the request of the Lender at any time, unconditionally and immediately transfer the Equity Interests to the Lender or its designated representative, and procure that the other shareholders of Xinsi waive any right of first refusal with respect to such transfer of equity interest described in this paragraph;
- 3.2.10 to the extent permitted under the PRC laws, upon the request of the Lender at any time, procure that the other shareholders of Xinsi unconditionally and immediately transfer all of their equity interests in Xinsi to the Lender or its designated representative, and the Borrower hereby waives any right of first refusal with respect to such transfer described in this paragraph;
- 3.2.11 if the Lender purchases the Equity Interests from the Borrower pursuant to the Exclusive Option Agreement, apply all proceeds obtained from such purchase price toward repayment of the Loan in priority;
- 3.2.12 without the prior written consent of the Lender, not supplement, amend or modify its constitutional documents, increase or decrease its registered capital, or otherwise alter its capital structure; and
- 3.2.13 duly pay in the full amount of registered capital corresponding to the Equity Interests and shall provide the Lender with valid capital

4. Liability for Breach

- 4.1 If the Borrower materially breaches any provision of this Agreement, the Lender shall have the right to terminate this Agreement and require the Borrower to compensate for damages. This Section 4.1 shall not prejudice any other rights of the Lender under this Agreement.
- 4.2 Except as otherwise required by applicable laws, the Borrower shall not have any right to terminate or rescind this Agreement under any circumstances.
- 4.3 If the Borrower fails to perform its repayment obligations within the period specified in this Agreement, the Borrower shall pay overdue interest at a rate of 0.05% per day on the overdue amount until the Borrower has fully repaid the Loan principal, overdue interest and all other amounts payable.

5. Notices

- 5.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:
 - 5.1.1 If delivered by hand, courier service or registered mail (postage prepaid), the date of dispatch shall be deemed the effective delivery date;
 - 5.1.2 If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

6. Confidentiality

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential

Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

7. Governing Law and Dispute Resolution

- 7.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the the PRC laws.
- 7.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation between the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the court of competent jurisdiction at the place of domicile of the plaintiff for litigation.
- 7.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

8. Miscellaneous

- 8.1 This Agreement shall become effective upon execution by the Parties and shall terminate upon full performance by the Parties of their respective obligations hereunder.
- 8.2 This Agreement is executed in two (2) originals, one held by the Lender and

one held by the Borrower, and both originals shall have equal legal effect.

- 8.3 Any amendment or supplement to this Agreement shall be made in writing and signed by the Parties. Any amendment agreement and/or supplemental agreement relating to this Agreement shall form an integral part hereof and shall have the same legal effect as this Agreement.
- 8.4 If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.
- 8.5 Any annexes (if any) to this Agreement shall form an integral part hereof and shall have the same legal effect as this Agreement.
- 8.6 Any obligations incurred or accrued under this Agreement prior to expiration or early termination shall survive such expiration or termination. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be duly executed by their authorized representatives as of the date first written above.

Lender:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title: Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be duly executed by their authorized representatives as of the date first written above.

Borrower:

Li Xiaosong

By: /s/ Li Xiaosong

Signature Page

LOAN AGREEMENT

This Loan Agreement (“**Agreement**”) is entered into on February 20, 2025 in Shenzhen, the People’s Republic of China (“**PRC**”) by and between the following parties:

- (1) **Xunlei Computer (Shenzhen) Co., Ltd. (“Lender”)**, a sino-foreign equity joint venture duly established and validly existing under the PRC laws, with its address at Room 1606A, Building 7, Qianhai Excellence Financial Center (Phase I), Unit 2, Guiwan Area, Nanshan Subdistrict, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen;
- (2) **Wu Kening (“Borrower”)**, a PRC citizen, ID No. *****, residing at [Room 2-2-501, Fenggang Garden, No. 22 Jinhu Road, Luohu District, Shenzhen];

The Lender and the Borrower are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS:

1. As of the date of this Agreement, the Borrower holds [95]% of the partnership interest in Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) (“**Partnership**”), representing registered capital of RMB 95,000 in Suqu. All capital contribution interests currently and to be held in the future by the Borrower in the Partnership shall be collectively referred to as the “**Partnership Interests**.”
2. The Lender, the Borrower and the Partnership entered into an Exclusive Option Agreement on [February 20], 2025 (including any amendments, supplements or restatements thereto, “**Exclusive Option Agreement**”), pursuant to which the Lender has the right to purchase from the Borrower, at any time and from time to time, the Partnership Interests in the Partnership held by the Borrower.
3. The Lender confirms that it agrees to provide to the Borrower, and the Borrower confirms that it has received, a loan in the amount of RMB [95,000] for the purposes set forth in this Agreement.

1. **Loan**

- 1.1. Subject to the terms of this Agreement, the Lender and the Borrower hereby confirm that the Borrower has obtained from the Lender a loan in the amount of RMB [95,000] ("**Loan**"). Upon expiration of the Loan term, the Loan term shall automatically be extended for successive ten (10)-year periods unless the Lender raises any objection prior to such expiration. The Lender shall have the right, at its sole discretion and based on actual circumstances, to unilaterally extend or shorten the Loan term. During the Loan term or any extended Loan term, upon the occurrence of any of the following events, the Borrower shall immediately prepay the Loan in full, unless otherwise waived by the Lender:
 - 1.1.1. Thirty (30) days have elapsed after the Borrower receives a written notice from the Lender requiring repayment;
 - 1.1.2. For any reason whatsoever, the actual controller of the Borrower no longer holds any position with the Lender, the Partnership or any of their Affiliates;
 - 1.1.3. The Borrower engages in criminal conduct or becomes involved in criminal activities;
 - 1.1.4. Pursuant to applicable PRC laws, foreign investors are permitted to hold a controlling interest in and/or wholly own the principal business currently conducted in the PRC by Shenzhen Suqu Network Technology Co., Ltd., a company in which the Partnership holds equity interests, the competent PRC authorities commence approval of such business, and the Lender determines to exercise its exclusive purchase right under the Exclusive Option Agreement.
- 1.2. The Loan provided by the Lender under this Agreement shall be applicable solely to the Borrower and shall not apply to any successor or assignee of the Borrower.
- 1.3. The Borrower agrees to accept the Loan provided by the Lender and hereby

agrees and undertakes that the Loan shall be used solely for the purpose of paying the transfer consideration for the Borrower's acquisition of the Partnership Interests in the Partnership or for capital increase in the Partnership. Without the prior written consent of the Lender, the Borrower shall not use the Loan for any other purpose.

- 1.4. The Lender and the Borrower hereby agree and confirm that the repayment method of the Borrower shall be determined solely by the Lender from the following methods: pursuant to the Lender's right to purchase the Partnership Interests under the Exclusive Option Agreement, the Borrower shall transfer all of the Partnership Interests held by it to the Lender or any Person designated by the Lender, and any proceeds obtained by the Borrower from such transfer of the Partnership Interests (to the permitted extent) shall be used to repay the Loan owed by the Borrower to the Lender, all of which shall be paid to the Lender in the manner designated by the Lender.
- 1.5. The Lender and the Borrower hereby agree and confirm that, to the extent permitted under applicable laws, the Lender shall have the right, but not the obligation, at any time to purchase or designate any other Person (whether a legal entity or natural person) to purchase all or part of the Partnership Interests at the purchase price specified in the Exclusive Option Agreement.
- 1.6. The Borrower undertakes to execute an irrevocable Power of Attorney (including any amendments, supplements or restatements thereto, "**Power of Attorney**"), pursuant to which all partner rights of the Borrower in the Partnership shall be entrusted to the Lender or any legal entity or natural person designated by the Lender for exercise.
- 1.7. Unless otherwise agreed in this Agreement, the Loan shall be interest-free.

2. Representations and Warranties

- 2.1 From the date of execution of this Agreement until the termination hereof, the Lender hereby represents and warrants to the Borrower as follows:
 - 2.1.1 The Lender is a company duly incorporated and validly existing under the PRC laws;

- 2.1.2 The Lender has full power and authority to execute and perform this Agreement. The execution and performance of this Agreement are within the Lender's business scope and are not inconsistent with its articles of association or other organizational documents, and the Lender has obtained all necessary and appropriate approvals and authorizations for the execution and performance of this Agreement; and
- 2.1.3 Upon execution, this Agreement constitutes legal, valid and binding obligations of the Lender, enforceable against the Lender in accordance with its terms.
- 2.2 From the date of execution of this Agreement until the termination hereof, the Borrower hereby represents and warrants as follows:
 - 2.2.1 The Borrower is a natural person with full civil capacity and has the legal authority to execute and perform this Agreement;
 - 2.2.2 Upon execution, this Agreement constitutes legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms; and
 - 2.2.3 There are no disputes, litigation, arbitration, administrative proceedings or any other legal proceedings pending or, to the Borrower's knowledge, threatened against the Borrower.

3. **Covenants of the Borrower**

- 3.1 The Borrower, in its capacity as a partner of the Partnership, hereby irrevocably undertakes that during the term of this Agreement it shall procure that the Partnership shall:
 - 3.1.1 strictly comply with the provisions of the Exclusive Option Agreement, the Partnership Interest Pledge Agreement (including any amendments, supplements or restatements thereto, "**Partnership Interest Pledge Agreement**") and the Exclusive Business Cooperation Agreement (including any amendments, supplements or restatements thereto, "**Exclusive Business Cooperation Agreement**") to which the Partnership is a party, and

- shall not take or omit to take any action that may adversely affect the validity or enforceability of the Exclusive Option Agreement, the Partnership Interest Pledge Agreement or the Exclusive Business Cooperation Agreement;
- 3.1.2 upon the request of the Lender (or its designee), enter into business cooperation contracts or agreements with the Lender (or its designee) at any time and ensure strict performance thereof;
 - 3.1.3 upon the request of the Lender, provide the Lender with all information relating to its operations and financial condition;
 - 3.1.4 promptly notify the Lender of any litigation, arbitration or administrative proceeding relating to the Lender that has occurred or may occur;
- 3.2 During the term of this Agreement, the Borrower shall:
- 3.2.1 strictly comply with all provisions of this Agreement, the Power of Attorney, the Partnership Interest Pledge Agreement and the Exclusive Option Agreement to which it is a party, faithfully perform all of its obligations thereunder, and not take or omit to take any action that may adversely affect the validity or enforceability of this Agreement, the Power of Attorney, the Partnership Interest Pledge Agreement or the Exclusive Option Agreement;
 - 3.2.2 except as provided under the Partnership Interest Pledge Agreement, not sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the Partnership Interests, nor permit any other Security Interest to be created thereon;
 - 3.2.3 promptly notify the Lender of any litigation, arbitration or administrative proceeding relating to the Partnership Interests that has occurred or may occur;
 - 3.2.4 execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses in order to maintain its ownership of the Partnership Interests;

- 3.2.5 without the prior written consent of the Lender, not take or omit to take any action that may materially affect the assets, business or liabilities of the Partnership;
- 3.2.6 to the extent permitted under the PRC laws, upon the request of the Lender at any time, unconditionally and immediately transfer the Partnership Interests to the Lender or its designated representative, and procure that the other partners of the Partnership waive any right of first refusal with respect to such transfer of the Partnership Interests described in this paragraph;
- 3.2.7 to the extent permitted under the PRC laws, upon the request of the Lender at any time, procure that the other partners of the Partnership transfer all of their Partnership Interests in the Partnership to the Lender or its designated representative, and the Borrower hereby waives any right of first refusal with respect to such transfer of the Partnership Interests described in this paragraph;
- 3.2.8 if the Lender purchases the Partnership Interests from the Borrower pursuant to the Exclusive Option Agreement, apply all proceeds obtained from such purchase price toward repayment of the Loan in priority;
- 3.2.9 without the prior written consent of the Lender, not, in any manner, supplement, amend or modify the partnership agreement of the Partnership, increase or decrease its registered capital contribution, or otherwise alter its capital contribution structure in any form; and
- 3.2.10 duly pay in the full amount of registered capital corresponding to the Partnership Interests and shall provide the Lender with valid capital contribution certificates evidencing such contribution.

4. Liability for Breach

- 4.1 If the Borrower materially breaches any provision of this Agreement, the Lender shall have the right to terminate this Agreement and require the Borrower to compensate for damages. This Section 4.1 shall not prejudice any other rights of the Lender under this Agreement.

- 4.2 Except as otherwise required by applicable laws, the Borrower shall not have any right to terminate or rescind this Agreement under any circumstances.
- 4.3 If the Borrower fails to perform its repayment obligations within the period specified in this Agreement, the Borrower shall pay overdue interest at a rate of 0.05% per day on the overdue amount until the Borrower has fully repaid the Loan principal, overdue interest and all other amounts payable.

5. Notices

- 5.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:
- 5.1.1 If delivered by hand, courier service or registered mail (postage prepaid), the date of dispatch shall be deemed the effective delivery date;
- 5.1.2 If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

6. Confidentiality

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such

persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

7. Governing Law and Dispute Resolution

- 7.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the PRC laws.
- 7.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation between the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, either Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its then-effective arbitration rules. The arbitration shall be conducted in Shenzhen. The arbitral award shall be final and binding upon the Parties.
- 7.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

8. Miscellaneous

- 8.1 This Agreement shall become effective upon execution by the Parties and shall terminate upon full performance by the Parties of their respective obligations hereunder.
- 8.2 This Agreement is executed in two (2) originals, one held by the Lender and one held by the Borrower, and both originals shall have equal legal effect.
- 8.3 Any amendment or supplement to this Agreement shall be made in writing and signed by the Parties. Any amendment agreement and/or supplemental agreement relating to this Agreement shall form an integral part hereof and shall have the same legal effect as this Agreement.
- 8.4 If any provision of this Agreement is held invalid, illegal or unenforceable

in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

- 8.5 Any annexes (if any) to this Agreement shall form an integral part hereof and shall have the same legal effect as this Agreement.
- 8.6 Any obligations incurred or accrued under this Agreement prior to expiration or early termination shall survive such expiration or termination. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be duly executed by their authorized representatives as of the date first written above.

Lender:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title: Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be duly executed by their authorized representatives as of the date first written above.

Borrower:

Wu Kening

By: /s/ Kening Wu

Signature Page

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (“**Agreement**”) is entered into on [February 27], 2025 in [Shenzhen], the People’s Republic of China (“**PRC**”) by and among the following parties:

- Party A: **Xunlei Computer (Shenzhen) Co., Ltd.**, a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;
- Party B: **Li Xiaosong**, a PRC citizen, ID No. *****, residing at [Room 310-4-608, Science Park South Third Zone, Olympic Village Subdistrict, Chaoyang District, Beijing]; and
- Party C: **Shenzhen Zhilue Xinsi Consulting Co., Ltd.**, a limited liability company duly established and validly existing under the PRC laws, with its address at Room 1374A, Guoxin Investment Building, No. 07 Gaoxin South 7th Road, High-Tech Zone Community, Yuehai Subdistrict, Nanshan District, Shenzhen.

Party A, Party B, and Party C are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**.”

WHEREAS:

1. Party B is a shareholder of Party C. As of the date of this Agreement, Party B holds [40]% of the equity interest in Party C, representing registered capital of RMB [40,000].
2. Party B agrees, pursuant to this Agreement, to grant Party A an exclusive right to purchase all or part of the equity interest in Party C held by Party B at such time.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Grant of Equity Option and Asset Purchase Option

- 1.1. Equity Purchase Option

Party B hereby irrevocably grants Party A a proprietary right, to the extent permitted under PRC laws, exercisable in accordance with the steps determined by Party A at its sole discretion and at the price set forth in Section 1.3, to purchase from Party B, or designate one or more persons (“**Designee(s)**”) to purchase, at any time and from time to time, all or part of the equity interest in Party C then held by Party B (“**Equity Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Purchase Option or any other rights with respect to the equity interest held by Party B. Party C hereby consents to Party B granting the Equity Purchase Option to Party A. For purposes of this Agreement, “Person” means any individual, company, joint venture, partnership, enterprise, trust or non-corporate organization.

1.2. Exercise Procedures

Party A’s exercise of the Equity Purchase Option shall be subject to compliance with applicable PRC laws and regulations. Upon exercising the Equity Purchase Option, Party A shall deliver a written notice (“**Equity Purchase Notice**”) to Party B, specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Purchase Option; (b) the equity interest to be purchased from Party B (“**Purchased Equity**”); and (c) the purchase date/transfer date of the Purchased Equity.

Within five (5) business days after Party A exercises the Equity Purchase Option and delivers the written notice to Party B, Party B shall cooperate in executing an equity transfer agreement in the form attached hereto as Annex 1 and shall cooperate in completing the relevant registration of change with the competent registration authority. For the avoidance of doubt, provided that the relevant equity transfer agreement complies with applicable laws and the provisions relating to the Equity Purchase Option under this Agreement, Party A shall have the right to make reasonable revisions to the version of such equity transfer agreement.

1.3. Equity Purchase Price

The purchase price for the Purchased Equity (“**Base Purchase Price**”) shall be RMB 1. If the lowest price permitted under PRC laws at the time of exercise

exceeds the Base Purchase Price, the transfer price shall be the lowest price permitted under PRC laws (collectively, “**Equity Purchase Price**”). Subject to Party C having fulfilled its obligations under Section 6 of this Agreement, all Equity Purchase Price received by Party B from the transfer of the Purchased Equity, as well as any other proceeds received by Party B in connection with such transfer, shall be used to repay the loans (if any) extended by Party A to Party B immediately upon receipt. Any remaining balance after repayment of such loans shall be transferred to Party A or the Designee(s) without consideration. For the avoidance of doubt, the Equity Purchase Price payable to Party A or the Designee(s) shall be net of: (i) any capital contribution paid by Party B to Party C using Party B’s own funds (excluding loans provided by Party A to Party B for the purpose of capital increase in Party C); and (ii) any taxes, costs and expenses already paid by Party B in connection with the preparation and execution of this Agreement and each transfer agreement (as defined below) and the consummation of the transactions contemplated hereby and thereby.

1.4. Transfer of Purchased Equity

Each time Party A exercises the Equity Purchase Option:

- 1.4.1. Party C shall promptly convene a shareholders’ meeting at which a resolution approving the transfer of the Purchased Equity by Party B to Party A and/or the Designee(s) shall be adopted;
- 1.4.2. Party C shall procure written consent from its other shareholders approving the transfer of the Purchased Equity by Party B to Party A and/or the Designee(s) and waiving any pre-emptive rights;
- 1.4.3. Party B shall execute, with Party A and/or the Designee(s) (as applicable), an equity transfer agreement in the form attached hereto as Annex 1 for each transfer in accordance with this Agreement and the Equity Purchase Notice;
- 1.4.4. The relevant parties shall execute all other necessary contracts, agreements or documents, obtain all required governmental approvals and consents, and take all necessary actions to transfer good and valid title to the Purchased Equity to Party A and/or the Designee(s), free

and clear of any Security Interest, and cause Party A and/or the Designee(s) to be registered as the holder(s) of the Purchased Equity. For purposes of this Section and this Agreement, "Security Interest" includes any guarantee, mortgage, pledge, third-party right or interest, option, right of acquisition, right of first refusal, right of set-off, title retention arrangement or any other security arrangement; provided, however, for the avoidance of doubt, that any Security Interest arising under this Agreement, the Party B Equity Pledge Agreement and the Party B Power of Attorney shall not be included. For purposes of this Agreement, the "Party B Equity Pledge Agreement" refers to the Equity Pledge Agreement entered into by Party A, Party B and Party C on [February 27], 2025, including any amendments, supplements or restatements thereto; and the "Party B Power of Attorney" refers to the power of attorney executed by Party B in favor of Party A on [February 27], 2025, including any amendments, supplements or restatements thereto.

1.5. Asset Purchase Option

Party C hereby grants Party A an irrevocable and exclusive option, to the extent permitted under PRC laws and regulations, exercisable at Party A's sole discretion and in accordance with procedures determined by Party A, to purchase, or designate the Designee(s) to purchase, at any time, all or part of the assets of Party C at the lowest price permitted under PRC laws. At such time, Party A or the Designee(s) and Party C shall enter into a separate asset transfer agreement to set forth the terms and conditions of such asset transfer.

2. Covenants

2.1. Covenants of Party C

Party C hereby covenants as follows:

- 2.1.1. Without the prior written consent of Party A, Party C shall not, in any manner, supplement, amend or modify its constitutional documents, increase or decrease its registered capital, or otherwise alter its capital structure;
- 2.1.2. Party C shall maintain its corporate existence in accordance with good

financial and business standards and practices, obtain and maintain all governmental approvals, permits and licenses necessary for its business operations, and operate its business and manage its affairs prudently and effectively;

- 2.1.3. Without the prior written consent of Party A, Party C shall not, at any time from the date hereof, sell, transfer, mortgage or otherwise dispose of any material asset, business or lawful or beneficial interest in its revenue, nor permit any Security Interest to be created thereon;
- 2.1.4. Without the prior written consent of Party A, Party C shall not incur, assume, guarantee or permit the existence of any indebtedness, except for accounts payable incurred in the ordinary course of business other than through borrowings;
- 2.1.5. Party C shall conduct all of its business in the ordinary course of business so as to maintain the value of its assets and shall not take or omit to take any action that may materially affect its operating condition or asset value;
- 2.1.6. Without the prior written consent of Party A, Party C shall not enter into any material contract, except for contracts entered into in the ordinary course of business (for purposes of this paragraph, any contract with a total amount exceeding RMB 50,000 shall be deemed a material contract);
- 2.1.7. Without the prior written consent of Party A, Party C shall not provide any loan or credit to any Person;
- 2.1.8. Upon request of Party A, Party C shall provide Party A with all information relating to the operations and financial condition of Party C;
- 2.1.9. At the request of Party A, Party C shall procure and maintain insurance covering its assets and business with an insurance carrier acceptable to Party A, in amounts and types consistent with companies engaged in similar business operations;
- 2.1.10. Without the prior written consent of Party A, Party C shall not merge

or consolidate with any Person, or acquire or invest in any Person;

- 2.1.11. Party C shall promptly notify Party A of any litigation, arbitration or administrative proceeding relating to its assets, business or revenue that has occurred or may occur;
- 2.1.12. In order to maintain Party C's ownership of all of its assets, Party C shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses against any claims;
- 2.1.13. Without the prior written consent of Party A, Party C shall not declare or distribute any dividends to its shareholders; provided that, upon request of Party A, Party C shall promptly distribute all of its distributable profits to its shareholders;
- 2.1.14. At the request of Party A, Party C shall appoint any Person designated by Party A as a director or executive director of Party C;
- 2.1.15. Without the prior written consent of Party A, Party C shall not engage in any business that competes with the business of Party A or any of its Affiliates;
- 2.1.16. Unless required by mandatory provisions of PRC laws, Party C shall not be dissolved or liquidated without the prior written consent of Party A;
- 2.1.17. The shareholders' meeting and/or the directors (or executive director) of Party C shall not approve, without the prior written consent of Party A, any sale, transfer, mortgage or other disposition by Party B of any legal or beneficial interest in the equity interest of Party C held by Party B, nor permit any Security Interest to be created thereon, other than any rights created pursuant to the Party B Equity Pledge Agreement and the Party B Power of Attorney; and
- 2.1.18. The shareholders' meeting or the directors (or executive director) of Party C shall vote in favor of the transfer of the Purchased Equity as provided under this Agreement and shall take any other actions as

requested by Party A.

2.2. Covenants of Party B

Party B hereby covenants as follows:

- 2.2.1. Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the equity interest of Party C held by Party B, nor permit any Security Interest to be created thereon, other than any rights created pursuant to the Party B Equity Pledge Agreement and the Party B Power of Attorney;
- 2.2.2. Party B shall promptly notify Party A of any litigation, arbitration or administrative proceeding relating to the equity interest held by Party B that has occurred or may occur;
- 2.2.3. In order to maintain Party B's ownership of the equity interest, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses against any claims;
- 2.2.4. Party B hereby waives any right of first refusal it may have with respect to any transfer of equity interest in Party C by any other shareholder of Party C to Party A (if any), agrees that such other shareholders of Party C may enter into exclusive option agreements, equity pledge agreements and powers of attorney with Party A and Party C that are substantially similar to this Agreement, the Party B Equity Pledge Agreement and the Party B Power of Attorney, and undertakes that it will not take any action that conflicts with such agreements;
- 2.2.5. To the extent permitted under PRC laws, any profits, dividends, distributions or liquidation proceeds received by Party B from Party C shall be promptly gifted to Party A or any Person designated by Party A; and
- 2.2.6. Party B shall strictly comply with the provisions of this Agreement and

all other agreements executed by Party B and Party C jointly or separately with Party A, duly perform all obligations thereunder, and shall not take or omit to take any action that may adversely affect the validity or enforceability of such agreements. To the extent Party B retains any rights with respect to the equity interest under this Agreement, the Party B Equity Pledge Agreement or the Party B Power of Attorney, Party B shall not exercise such rights without the written instruction of Party A.

3. Representations and Warranties

Party B hereby represents and warrants to Party A as of the date of this Agreement and as of each transfer date as follows:

- 3.1. Party B has the requisite power, capacity and authority to execute and deliver this Agreement and any equity transfer agreement to be entered into by Party B pursuant to this Agreement for each transfer of the Purchased Equity (each, a “**Transfer Agreement**”), and to perform its obligations under this Agreement and any Transfer Agreement. Party B agrees that it shall execute Transfer Agreements consistent with the terms of this Agreement upon Party A’s exercise of the Equity Purchase Option. Upon execution, this Agreement and each Transfer Agreement to which Party B is a party constitute or will constitute legal, valid and binding obligations of Party B, enforceable against Party B in accordance with their respective terms;
- 3.2. Party B has good and marketable title to the equity interest it holds in Party C, free and clear of any Security Interest, other than the equity pledge created under the equity pledge agreement entered into between Party A and Party B and the power of attorney granted by Party B to Party A.

Party C hereby represents and warrants to Party A as of the date of this Agreement and as of each transfer date as follows:

- 3.3. Party C has the requisite power, capacity and authority to execute and deliver this Agreement and any Transfer Agreement, and to perform its obligations under this Agreement and any Transfer Agreement. Party C agrees that it shall execute Transfer Agreements consistent with the terms of this Agreement upon Party A’s exercise of the Equity Purchase Option. Upon execution, this

Agreement and each Transfer Agreement to which Party B is a party constitute or will constitute legal, valid and binding obligations of Party B, enforceable against Party B in accordance with their respective terms;

- 3.4. Party C has obtained all necessary consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement;
- 3.5. Neither the execution and delivery of this Agreement or any Transfer Agreement nor the performance of obligations hereunder or thereunder will: (i) result in a violation of any applicable PRC laws; (ii) conflict with the articles of association or other organizational documents of Party C; (iii) result in a breach of, or constitute a default under, any contract or instrument to which Party C is a party or by which it is bound; (iv) result in a breach of any condition applicable to the grant or continued effectiveness of any license or approval issued to Party C; or (v) result in the suspension, revocation or imposition of additional conditions on any license or approval issued to Party C;
- 3.6. Party C has good and marketable title to all of its assets, free and clear of any Security Interest;
- 3.7. Party C has no outstanding indebtedness, except for (i) liabilities incurred in the ordinary course of business, and (ii) indebtedness disclosed to and approved in writing by Party A;
- 3.8. Party C is in compliance with all applicable laws and regulations relating to the acquisition of assets; and
- 3.9. There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interest, the assets of Party C or Party C itself.

4. Term

This Agreement shall become effective upon execution by all Parties and shall terminate when all equity interests in Party C held by Party B and all assets of Party C have been lawfully transferred to Party A and/or its designated Person(s) in accordance with this Agreement.

5. Governing Law and Dispute Resolution

5.1. Governing Law

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the PRC laws.

5.2. Dispute Resolution

Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation among the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its arbitration rules.

6. Taxes and Expenses

Party C shall bear any and all transfer and registration taxes, costs and expenses incurred by or imposed upon the Parties in connection with the preparation and execution of this Agreement and each Transfer Agreement and the consummation of the transactions contemplated under this Agreement and each Transfer Agreement in accordance with PRC laws.

7. Notices

7.1. All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:

7.1.1. If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date;

7.1.2. If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

7.2. Addresses for Notice:

Party A:

Address: [Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen]

Attn: [Wu Kening]

Party B:

Address: [Room 310-4-608, Science Park South Third Zone, Olympic Village Subdistrict, Chaoyang District, Beijing]

Attn: [Li Xiaosong]

Party C:

Address: [Room 1374A, Guoxin Investment Building, No. 07 Gaoxin South 7th Road, High-Tech Zone Community, Yuehai Subdistrict, Nanshan District, Shenzhen]

Attn: [Wu Kening]

7.3. Any Party may change its address for notice by delivering notice to the other Parties in accordance with this Section.

8. Confidentiality

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Party, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth

herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

9. Further Assurances

The Parties agree to promptly execute all documents and take all further actions reasonably necessary or desirable to carry out the provisions and purposes of this Agreement.

10. Liability for Breach

- 10.1. Subject to Section 10.3, if Party B or Party C materially breaches any provision of this Agreement, Party A shall have the right to terminate this Agreement and/or require Party B or Party C to compensate for damages. Subject to Section 10.3, this Section 10 shall not prejudice any other rights of Party A under this Agreement.
- 10.2. Except as otherwise required by applicable laws, Party B or Party C shall not have any right to terminate or rescind this Agreement under any circumstances.
- 10.3. Notwithstanding any contrary provision in this Agreement, the Party B Equity Pledge Agreement, the Party B Power of Attorney, any other Transaction Document (as defined in the Party B Equity Pledge Agreement), or any applicable law, in the event of any breach by Party B of any representation, warranty, covenant, undertaking, agreement or condition under this Agreement, the Party B Equity Pledge Agreement, the Party B Power of Attorney or any other Transaction Document, Party A's sole remedy shall be limited to exercising its pledge rights over the equity interests in Party C held by Party B pursuant to Section 8 of the Party B Equity Pledge Agreement, and Party B shall not bear any compensation or other liability to Party A or any other Person.

11. Miscellaneous

11.1. Amendment, Modification and Supplement

Any amendment, modification or supplement to this Agreement shall be made in writing and signed by all Parties.

11.2. Entire Agreement

Except for any written amendment, supplement or modification executed after the date hereof, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior oral or written negotiations, representations and agreements relating thereto.

11.3. Headings

The headings of this Agreement are for convenience of reference only and shall not affect the interpretation of any provision hereof.

11.4. Language

This Agreement is executed in three (3) originals, with each Party holding one original, and each original shall have equal legal effect.

11.5. Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any Law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by Law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

11.6. Successors

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7. Survival

11.7.1. Any obligations incurred or accrued under this Agreement prior to expiration or early termination shall survive such expiration or termination.

11.7.2. The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8. Waiver

Any waiver of the terms and conditions of this Agreement must be made in writing and signed by all Parties. A waiver by any Party of a breach by another Party in a particular circumstance shall not be deemed a waiver of any similar breach in any other circumstance.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party B:

Li Xiaosong

By: /s/ Li Xiaosong

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party C:

Shenzhen Zhilue Xinsi Consulting Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Wu Kening
Title Legal Representative

Signature Page

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (“**Agreement**”) is entered into on [February 27], 2025 in [Shenzhen], the People’s Republic of China (“**PRC**”) by and among the following parties:

Party A: **Xunlei Computer (Shenzhen) Co., Ltd.**, a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;

Party B: **Wu Kening**, a PRC citizen, ID No. *****, residing at [Room 2-2-501, Fenggang Garden, No. 22 Jinhu Road, Luohu District, Shenzhen]; and

Party C: **Shenzhen Zhilue Xinsi Consulting Co., Ltd.**, a limited liability company duly established and validly existing under the PRC laws, with its address at Room 1374A, Guoxin Investment Building, No. 07 Gaoxin South 7th Road, High-Tech Zone Community, Yuehai Subdistrict, Nanshan District, Shenzhen.

Party A, Party B, and Party C are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties.**”

WHEREAS:

1. Party B is a shareholder of Party C. As of the date of this Agreement, Party B holds [60]% of the equity interest in Party C, representing registered capital of RMB [60,000].
2. Party B agrees, pursuant to this Agreement, to grant Party A an exclusive right to purchase all or part of the equity interest in Party C held by Party B at such time.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Grant of Equity Option and Asset Purchase Option

1.1. Equity Purchase Option

Party B hereby irrevocably grants Party A a proprietary right, to the extent permitted under PRC laws, exercisable in accordance with the steps determined by Party A at its sole discretion and at the price set forth in Section 1.3, to purchase from Party B, or designate one or more persons (“**Designee(s)**”) to purchase, at any time and from time to time, all or part of the equity interest in Party C then held by Party B (“**Equity Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Purchase Option or any other rights with respect to the equity interest held by Party B. Party C hereby consents to Party B granting the Equity Purchase Option to Party A. For purposes of this Agreement, “Person” means any individual, company, joint venture, partnership, enterprise, trust or non-corporate organization.

1.2. Exercise Procedures

Party A’s exercise of the Equity Purchase Option shall be subject to compliance with applicable PRC laws and regulations. Upon exercising the Equity Purchase Option, Party A shall deliver a written notice (“**Equity Purchase Notice**”) to Party B, specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Purchase Option; (b) the equity interest to be purchased from Party B (“**Purchased Equity**”); and (c) the purchase date/transfer date of the Purchased Equity.

Within five (5) business days after Party A exercises the Equity Purchase Option and delivers the written notice to Party B, Party B shall cooperate in executing an equity transfer agreement in the form attached hereto as Annex 1 and shall cooperate in completing the relevant registration of change with the competent registration authority. For the avoidance of doubt, provided that the relevant equity transfer agreement complies with applicable laws and the provisions relating to the Equity Purchase Option under this Agreement, Party A shall have the right to make reasonable revisions to the version of such equity transfer agreement.

1.3. Equity Purchase Price

The purchase price for the Purchased Equity (“**Base Purchase Price**”) shall be RMB 1. If the lowest price permitted under PRC laws at the time of exercise

exceeds the Base Purchase Price, the transfer price shall be the lowest price permitted under PRC laws (collectively, “**Equity Purchase Price**”). Subject to Party C having fulfilled its obligations under Section 6 of this Agreement, all Equity Purchase Price received by Party B from the transfer of the Purchased Equity, as well as any other proceeds received by Party B in connection with such transfer, shall be used to repay the loans (if any) extended by Party A to Party B immediately upon receipt. Any remaining balance after repayment of such loans shall be transferred to Party A or the Designee(s) without consideration. For the avoidance of doubt, the Equity Purchase Price payable to Party A or the Designee(s) shall be net of: (i) any capital contribution paid by Party B to Party C using Party B’s own funds (excluding loans provided by Party A to Party B for the purpose of capital increase in Party C); and (ii) any taxes, costs and expenses already paid by Party B in connection with the preparation and execution of this Agreement and each transfer agreement (as defined below) and the consummation of the transactions contemplated hereby and thereby.

1.4. Transfer of Purchased Equity

Each time Party A exercises the Equity Purchase Option:

- 1.4.1. Party C shall promptly convene a shareholders’ meeting at which a resolution approving the transfer of the Purchased Equity by Party B to Party A and/or the Designee(s) shall be adopted;
- 1.4.2. Party C shall procure written consent from its other shareholders approving the transfer of the Purchased Equity by Party B to Party A and/or the Designee(s) and waiving any pre-emptive rights;
- 1.4.3. Party B shall execute, with Party A and/or the Designee(s) (as applicable), an equity transfer agreement in the form attached hereto as Annex 1 for each transfer in accordance with this Agreement and the Equity Purchase Notice;
- 1.4.4. The relevant parties shall execute all other necessary contracts, agreements or documents, obtain all required governmental approvals and consents, and take all necessary actions to transfer good and valid title to the Purchased Equity to Party A and/or the Designee(s), free

and clear of any Security Interest, and cause Party A and/or the Designee(s) to be registered as the holder(s) of the Purchased Equity. For purposes of this Section and this Agreement, “Security Interest” includes any guarantee, mortgage, pledge, third-party right or interest, option, right of acquisition, right of first refusal, right of set-off, title retention arrangement or any other security arrangement; provided, however, for the avoidance of doubt, that any Security Interest arising under this Agreement, the Party B Equity Pledge Agreement and the Party B Power of Attorney shall not be included. For purposes of this Agreement, the “Party B Equity Pledge Agreement” refers to the Equity Pledge Agreement entered into by Party A, Party B and Party C on [February 27], 2025, including any amendments, supplements or restatements thereto; and the “Party B Power of Attorney” refers to the power of attorney executed by Party B in favor of Party A on [February 27], 2025, including any amendments, supplements or restatements thereto.

1.5. Asset Purchase Option

Party C hereby grants Party A an irrevocable and exclusive option, to the extent permitted under PRC laws and regulations, exercisable at Party A’s sole discretion and in accordance with procedures determined by Party A, to purchase, or designate the Designee(s) to purchase, at any time, all or part of the assets of Party C at the lowest price permitted under PRC laws. At such time, Party A or the Designee(s) and Party C shall enter into a separate asset transfer agreement to set forth the terms and conditions of such asset transfer.

2. **Covenants**

2.1. Covenants of Party C

Party C hereby covenants as follows:

2.1.1. Without the prior written consent of Party A, Party C shall not, in any manner, supplement, amend or modify its constitutional documents, increase or decrease its registered capital, or otherwise alter its capital structure;

2.1.2. Party C shall maintain its corporate existence in accordance with good

financial and business standards and practices, obtain and maintain all governmental approvals, permits and licenses necessary for its business operations, and operate its business and manage its affairs prudently and effectively;

- 2.1.3. Without the prior written consent of Party A, Party C shall not, at any time from the date hereof, sell, transfer, mortgage or otherwise dispose of any material asset, business or lawful or beneficial interest in its revenue, nor permit any Security Interest to be created thereon;
- 2.1.4. Without the prior written consent of Party A, Party C shall not incur, assume, guarantee or permit the existence of any indebtedness, except for accounts payable incurred in the ordinary course of business other than through borrowings;
- 2.1.5. Party C shall conduct all of its business in the ordinary course of business so as to maintain the value of its assets and shall not take or omit to take any action that may materially affect its operating condition or asset value;
- 2.1.6. Without the prior written consent of Party A, Party C shall not enter into any material contract, except for contracts entered into in the ordinary course of business (for purposes of this paragraph, any contract with a total amount exceeding RMB 50,000 shall be deemed a material contract);
- 2.1.7. Without the prior written consent of Party A, Party C shall not provide any loan or credit to any Person;
- 2.1.8. Upon request of Party A, Party C shall provide Party A with all information relating to the operations and financial condition of Party C;
- 2.1.9. At the request of Party A, Party C shall procure and maintain insurance covering its assets and business with an insurance carrier acceptable to Party A, in amounts and types consistent with companies engaged in similar business operations;
- 2.1.10. Without the prior written consent of Party A, Party C shall not merge

or consolidate with any Person, or acquire or invest in any Person;

- 2.1.11. Party C shall promptly notify Party A of any litigation, arbitration or administrative proceeding relating to its assets, business or revenue that has occurred or may occur;
- 2.1.12. In order to maintain Party C's ownership of all of its assets, Party C shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses against any claims;
- 2.1.13. Without the prior written consent of Party A, Party C shall not declare or distribute any dividends to its shareholders; provided that, upon request of Party A, Party C shall promptly distribute all of its distributable profits to its shareholders;
- 2.1.14. At the request of Party A, Party C shall appoint any Person designated by Party A as a director or executive director of Party C;
- 2.1.15. Without the prior written consent of Party A, Party C shall not engage in any business that competes with the business of Party A or any of its Affiliates;
- 2.1.16. Unless required by mandatory provisions of PRC laws, Party C shall not be dissolved or liquidated without the prior written consent of Party A;
- 2.1.17. The shareholders' meeting and/or the directors (or executive director) of Party C shall not approve, without the prior written consent of Party A, any sale, transfer, mortgage or other disposition by Party B of any legal or beneficial interest in the equity interest of Party C held by Party B, nor permit any Security Interest to be created thereon, other than any rights created pursuant to the Party B Equity Pledge Agreement and the Party B Power of Attorney; and
- 2.1.18. The shareholders' meeting or the directors (or executive director) of Party C shall vote in favor of the transfer of the Purchased Equity as provided under this Agreement and shall take any other actions as

2.2. Covenants of Party B

Party B hereby covenants as follows:

- 2.2.1. Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the equity interest of Party C held by Party B, nor permit any Security Interest to be created thereon, other than any rights created pursuant to the Party B Equity Pledge Agreement and the Party B Power of Attorney;
- 2.2.2. Party B shall promptly notify Party A of any litigation, arbitration or administrative proceeding relating to the equity interest held by Party B that has occurred or may occur;
- 2.2.3. In order to maintain Party B's ownership of the equity interest, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses against any claims;
- 2.2.4. Party B hereby waives any right of first refusal it may have with respect to any transfer of equity interest in Party C by any other shareholder of Party C to Party A (if any), agrees that such other shareholders of Party C may enter into exclusive option agreements, equity pledge agreements and powers of attorney with Party A and Party C that are substantially similar to this Agreement, the Party B Equity Pledge Agreement and the Party B Power of Attorney, and undertakes that it will not take any action that conflicts with such agreements;
- 2.2.5. To the extent permitted under PRC laws, any profits, dividends, distributions or liquidation proceeds received by Party B from Party C shall be promptly gifted to Party A or any Person designated by Party A; and
- 2.2.6. Party B shall strictly comply with the provisions of this Agreement and

all other agreements executed by Party B and Party C jointly or separately with Party A, duly perform all obligations thereunder, and shall not take or omit to take any action that may adversely affect the validity or enforceability of such agreements. To the extent Party B retains any rights with respect to the equity interest under this Agreement, the Party B Equity Pledge Agreement or the Party B Power of Attorney, Party B shall not exercise such rights without the written instruction of Party A.

3. **Representations and Warranties**

Party B hereby represents and warrants to Party A as of the date of this Agreement and as of each transfer date as follows:

- 3.1. Party B has the requisite power, capacity and authority to execute and deliver this Agreement and any equity transfer agreement to be entered into by Party B pursuant to this Agreement for each transfer of the Purchased Equity (each, a “**Transfer Agreement**”), and to perform its obligations under this Agreement and any Transfer Agreement. Party B agrees that it shall execute Transfer Agreements consistent with the terms of this Agreement upon Party A’s exercise of the Equity Purchase Option. Upon execution, this Agreement and each Transfer Agreement to which Party B is a party constitute or will constitute legal, valid and binding obligations of Party B, enforceable against Party B in accordance with their respective terms;
- 3.2. Party B has good and marketable title to the equity interest it holds in Party C, free and clear of any Security Interest, other than the equity pledge created under the equity pledge agreement entered into between Party A and Party B and the power of attorney granted by Party B to Party A.

Party C hereby represents and warrants to Party A as of the date of this Agreement and as of each transfer date as follows:

- 3.3. Party C has the requisite power, capacity and authority to execute and deliver this Agreement and any Transfer Agreement, and to perform its obligations under this Agreement and any Transfer Agreement. Party C agrees that it shall execute Transfer Agreements consistent with the terms of this Agreement upon Party A’s exercise of the Equity Purchase Option. Upon execution, this

Agreement and each Transfer Agreement to which Party B is a party constitute or will constitute legal, valid and binding obligations of Party B, enforceable against Party B in accordance with their respective terms;

- 3.4. Party C has obtained all necessary consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement;
- 3.5. Neither the execution and delivery of this Agreement or any Transfer Agreement nor the performance of obligations hereunder or thereunder will: (i) result in a violation of any applicable PRC laws; (ii) conflict with the articles of association or other organizational documents of Party C; (iii) result in a breach of, or constitute a default under, any contract or instrument to which Party C is a party or by which it is bound; (iv) result in a breach of any condition applicable to the grant or continued effectiveness of any license or approval issued to Party C; or (v) result in the suspension, revocation or imposition of additional conditions on any license or approval issued to Party C;
- 3.6. Party C has good and marketable title to all of its assets, free and clear of any Security Interest;
- 3.7. Party C has no outstanding indebtedness, except for (i) liabilities incurred in the ordinary course of business, and (ii) indebtedness disclosed to and approved in writing by Party A;
- 3.8. Party C is in compliance with all applicable laws and regulations relating to the acquisition of assets; and
- 3.9. There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interest, the assets of Party C or Party C itself.

4. Term

This Agreement shall become effective upon execution by all Parties and shall terminate when all equity interests in Party C held by Party B and all assets of Party C have been lawfully transferred to Party A and/or its designated Person(s) in accordance with this Agreement.

5. Governing Law and Dispute Resolution

5.1. Governing Law

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the PRC laws.

5.2. Dispute Resolution

Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation among the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its arbitration rules.

6. Taxes and Expenses

Party C shall bear any and all transfer and registration taxes, costs and expenses incurred by or imposed upon the Parties in connection with the preparation and execution of this Agreement and each Transfer Agreement and the consummation of the transactions contemplated under this Agreement and each Transfer Agreement in accordance with PRC laws.

7. Notices

7.1. All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:

7.1.1. If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date;

7.1.2. If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

7.2. Addresses for Notice:

Party A:

Address: [Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen]

Attn: [Wu Kening]

Party B:

Address: [Room 16G, Block D, Xihai Mingzhu Garden, No. 1 Taoyuan Road, Nanshan District, Shenzhen]

Attn: [Wu Kening]

Party C:

Address: [Room 1374A, Guoxin Investment Building, No. 07 Gaoxin South 7th Road, High-Tech Zone Community, Yuehai Subdistrict, Nanshan District, Shenzhen]

Attn: [Wu Kening]

7.3. Any Party may change its address for notice by delivering notice to the other Parties in accordance with this Section.

8. **Confidentiality**

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Party, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth

herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

9. Further Assurances

The Parties agree to promptly execute all documents and take all further actions reasonably necessary or desirable to carry out the provisions and purposes of this Agreement.

10. Liability for Breach

- 10.1. Subject to Section 10.3, if Party B or Party C materially breaches any provision of this Agreement, Party A shall have the right to terminate this Agreement and/or require Party B or Party C to compensate for damages. Subject to Section 10.3, this Section 10 shall not prejudice any other rights of Party A under this Agreement.
- 10.2. Except as otherwise required by applicable laws, Party B or Party C shall not have any right to terminate or rescind this Agreement under any circumstances.
- 10.3. Notwithstanding any contrary provision in this Agreement, the Party B Equity Pledge Agreement, the Party B Power of Attorney, any other Transaction Document (as defined in the Party B Equity Pledge Agreement), or any applicable law, in the event of any breach by Party B of any representation, warranty, covenant, undertaking, agreement or condition under this Agreement, the Party B Equity Pledge Agreement, the Party B Power of Attorney or any other Transaction Document, Party A's sole remedy shall be limited to exercising its pledge rights over the equity interests in Party C held by Party B pursuant to Section 8 of the Party B Equity Pledge Agreement, and Party B shall not bear any compensation or other liability to Party A or any other Person.

11. Miscellaneous

11.1. Amendment, Modification and Supplement

Any amendment, modification or supplement to this Agreement shall be made in writing and signed by all Parties.

11.2. Entire Agreement

Except for any written amendment, supplement or modification executed after the date hereof, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior oral or written negotiations, representations and agreements relating thereto.

11.3. Headings

The headings of this Agreement are for convenience of reference only and shall not affect the interpretation of any provision hereof.

11.4. Language

This Agreement is executed in three (3) originals, with each Party holding one original, and each original shall have equal legal effect.

11.5. Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any Law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by Law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

11.6. Successors

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7. Survival

11.7.1. Any obligations incurred or accrued under this Agreement prior to expiration or early termination shall survive such expiration or termination.

11.7.2. The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8. Waiver

Any waiver of the terms and conditions of this Agreement must be made in writing and signed by all Parties. A waiver by any Party of a breach by another Party in a particular circumstance shall not be deemed a waiver of any similar breach in any other circumstance.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party B:

Wu Kening

By: /s/ Kening Wu

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party C:

Shenzhen Zhilue Xinsi Consulting Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Wu Kening

Title: Legal Representative

Signature Page





EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (“**Agreement**”) is entered into on [February 20], 2022 in [Shenzhen], the People’s Republic of China (“**PRC**”) by and among the following parties:

Party A: **Xunlei Computer (Shenzhen) Co., Ltd.**, a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;

Party B: **Wu Kening**, a PRC citizen, ID No. *****, residing at [Room 2-2-501, Fenggang Garden, No. 22 Jinhu Road, Luohu District, Shenzhen]; and

Party C: **Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership)**, a limited partnership duly established and validly existing under the PRC laws, with its address at Room 1402-29, Building 1, Shenzhen Software Industry Base, Nos. 81, 83, 85 Gaoxin South 10th Road, Binhai Community, Yuehai Subdistrict, Nanshan District, Shenzhen.

Party A, Party B, and Party C are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties.**”

WHEREAS:

1. Party B is a partner of Party C. As of the date of this Agreement, Party B holds 95% of the partnership interest in Party C, representing contributed capital of RMB 95,000 to Party C.
2. Party B agrees, pursuant to this Agreement, to grant Party A an exclusive right to purchase all or part of the partnership interest in Party C held by Party B at such time.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Grant of Partnership Interest Option and Asset Purchase Option

1.1 Partnership Interest Purchase Option

Party B hereby irrevocably grants Party A a proprietary right, to the extent permitted under PRC laws, exercisable in accordance with the steps determined by Party A at its sole discretion and at the price set forth in Section 1.3, to purchase from Party B, or designate one or more persons (“**Designee(s)**”) to purchase, at any time and from time to time, all or part of the partnership interest in Party C then held by Party B (“**Partnership Interest Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Partnership Interest Purchase Option or any other rights with respect to the partnership interest held by Party B. Party C hereby consents to Party B granting the Partnership Interest Purchase Option to Party A. For purposes of this Agreement, “Person” means any individual, company, joint venture, partnership, enterprise, trust or non-corporate organization.

1.2 Exercise Procedures

Party A’s exercise of the Partnership Interest Purchase Option shall be subject to compliance with applicable PRC laws and regulations. Upon exercising the Partnership Interest Purchase Option, Party A shall deliver a written notice (“**Partnership Interest Purchase Notice**”) to Party B, specifying: (a) Party A’s or the Designee’s decision to exercise the Partnership Interest Purchase Option; (b) the partnership interest to be purchased from Party B (“**Purchased Partnership Interest**”); and (c) the purchase date/transfer date of the Purchased Partnership Interest.

Within five (5) Business Days after Party A exercises the Partnership Interest Purchase Option and delivers the written notice to Party B, Party B shall cooperate in executing an partnership interest transfer agreement in the form attached hereto as Annex 1 and shall cooperate in completing the relevant registration of change with the competent registration authority. For the avoidance of doubt, provided that the relevant partnership interest transfer agreement complies with applicable laws and the provisions relating to the Partnership Interest Purchase Option under this Agreement, Party A shall have the right to make reasonable revisions to the version of

such partnership interest transfer agreement.

1.3 Partnership Interest Purchase Price

The purchase price for the Purchased Partnership Interest (“**Base Purchase Price**”) shall be RMB 1. If the lowest price permitted under PRC laws at the time of exercise exceeds the Base Purchase Price, the transfer price shall be the lowest price permitted under PRC laws (collectively, “**Partnership Interest Purchase Price**”). Subject to Party C having fulfilled its obligations under Section 6 of this Agreement, all Partnership Interest Purchase Price received by Party B from the transfer of the Purchased Partnership Interest, as well as any other proceeds received by Party B in connection with such transfer, shall be used to repay the loans (if any) extended by Party A to Party B immediately upon receipt. Any remaining balance after repayment of such loans shall be transferred to Party A or the Designee(s) without consideration. For the avoidance of doubt, the Partnership Interest Purchase Price payable to Party A or the Designee(s) shall be net of: (i) any capital contribution paid by Party B to Party C using Party B’s own funds (excluding loans provided by Party A to Party B for the purpose of capital increase in Party C); and (ii) any taxes, costs and expenses already paid by Party B in connection with the preparation and execution of this Agreement and each transfer agreement (as defined below) and the consummation of the transactions contemplated hereby and thereby.

1.4 Transfer of Purchased Partnership Interest

Each time Party A exercises the Partnership Interest Purchase Option:

- 1.4.1 Party C shall promptly convene a partners’ meeting at which a resolution approving the transfer of the Purchased Partnership Interest by Party B to Party A and/or the Designee(s) shall be adopted;
- 1.4.2 Party C shall procure written consent from its other partners approving the transfer of the Purchased Partnership Interest by Party B to Party A and/or the Designee(s) and waiving any pre-emptive rights;

- 1.4.3 Party B shall execute, with Party A and/or the Designee(s) (as applicable), an partnership interest transfer agreement in the form attached hereto as Annex 1 for each transfer in accordance with this Agreement and the Partnership Interest Purchase Notice;
- 1.4.4 The relevant parties shall execute all other necessary contracts, agreements or documents, obtain all required governmental approvals and consents, and take all necessary actions to transfer good and valid title to the Purchased Partnership Interest to Party A and/or the Designee(s), free and clear of any Security Interest, and cause Party A and/or the Designee(s) to be registered as the holder(s) of the Purchased Partnership Interest. For purposes of this Section and this Agreement, "Security Interest" includes any guarantee, mortgage, pledge, third-party right or interest, option, right of acquisition, right of first refusal, right of set-off, title retention arrangement or any other security arrangement; provided, however, for the avoidance of doubt, that any Security Interest arising under this Agreement, the Party B Partnership Interest Pledge Agreement and the Party B Power of Attorney shall not be included. For purpose of this Agreement, the "Party B Partnership Interest Pledge Agreement" refers to the Partnership Interest Pledge Agreement entered into by Party A, Party B and Party C on [February 20], 2025, including any amendments, supplements or restatements thereto; and the "Party B Power of Attorney" refers to the power of attorney executed by Party B in favor of Party A on [February 20], 2025, including any amendments, supplements or restatements thereto.

1.5 Asset Purchase Option

Party C hereby grants Party A an irrevocable and exclusive option, to the extent permitted under PRC laws and regulations, exercisable at Party A's sole discretion and in accordance with procedures determined by Party A, to purchase, or designate the Designee(s) to purchase, at any time, all or part of the assets of Party C at the lowest price permitted under PRC laws. At such time, Party A or the Designee(s) and Party C shall enter into a

separate asset transfer agreement to set forth the terms and conditions of such asset transfer.

2. Covenants

2.1 Covenants of Party C

Party C hereby covenants as follows:

- 2.1.1 Without the prior written consent of Party A, Party C shall not, in any manner, supplement, amend or modify its partnership agreement, increase or decrease its capital contributions, or otherwise alter the capital contribution interests of its partners;
- 2.1.2 Party C shall maintain its partnership existence in accordance with good financial and business standards and practices, obtain and maintain all governmental approvals, permits and licenses necessary for its business operations, and operate its business and manage its affairs prudently and effectively;
- 2.1.3 Without the prior written consent of Party A, Party C shall not, at any time from the date hereof, sell, transfer, mortgage or otherwise dispose of any material asset, business or lawful or beneficial interest in its revenue, nor permit any Security Interest to be created thereon;
- 2.1.4 Without the prior written consent of Party A, Party C shall not incur, assume, guarantee or permit the existence of any indebtedness, except for accounts payable incurred in the ordinary course of business other than through borrowings;
- 2.1.5 Party C shall conduct all of its business in the ordinary course of business so as to maintain the value of its assets and shall not take or omit to take any action that may materially affect its operating condition or asset value;
- 2.1.6 Without the prior written consent of Party A, Party C shall not enter into any material contract, except for contracts entered into in the ordinary course of business (for purposes of this paragraph, any contract with a total amount exceeding RMB 50,000 shall be

deemed a material contract);

- 2.1.7 Without the prior written consent of Party A, Party C shall not provide any loan or credit to any Person;
- 2.1.8 Upon request of Party A, Party C shall provide Party A with all information relating to the operations and financial condition of Party C;
- 2.1.9 At the request of Party A, Party C shall procure and maintain insurance covering its assets and business with an insurance carrier acceptable to Party A, in amounts and types consistent with companies engaged in similar business operations;
- 2.1.10 Without the prior written consent of Party A, Party C shall not merge or consolidate with any Person, or acquire or invest in any Person;
- 2.1.11 Party C shall promptly notify Party A of any litigation, arbitration or administrative proceeding relating to its assets, business or revenue that has occurred or may occur;
- 2.1.12 In order to maintain Party C's ownership of all of its assets, Party C shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses against any claims;
- 2.1.13 Without the prior written consent of Party A, Party C shall not declare or distribute any dividends to its partners; provided that, upon request of Party A, Party C shall promptly distribute all of its distributable profits to its partners;
- 2.1.14 Without the prior written consent of Party A, Party C shall not engage in any business that competes with the business of Party A or any of its Affiliates;
- 2.1.15 Unless required by mandatory provisions of PRC Laws, Party C shall not be dissolved or liquidated without the prior written consent of Party A;

- 2.1.16 The partners and/or executive partner of Party C shall not approve, without the prior written consent of Party A, any sale, transfer, mortgage or other disposition by Party B of any legal or beneficial interest in the partnership interest of Party C held by Party B, nor permit any Security Interest to be created thereon, other than any rights created pursuant to the Party B Partnership Interest Pledge Agreement and the Party B Power of Attorney; and
- 2.1.17 The partners and/or executive partner of Party C shall vote in favor of the transfer of the Purchased Partnership Interest as provided under this Agreement and shall take any other actions as requested by Party A.

2.2 Covenants of Party B

Party B hereby covenants as follows:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the partnership interest of Party C held by Party B, nor permit any Security Interest to be created thereon, other than any rights created pursuant to the Party B Partnership Interest Pledge Agreement and the Party B Power of Attorney;
- 2.2.2 Party B shall promptly notify Party A of any litigation, arbitration or administrative proceeding relating to the partnership interest held by Party B that has occurred or may occur;
- 2.2.3 In order to maintain Party B's ownership of the partnership interest, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate claims, and make all necessary or appropriate defenses against any claims;
- 2.2.4 Party B hereby waives any right of first refusal it may have with respect to any transfer of partnership interest in Party C by any other partner of Party C to Party A (if any), agrees that such other partners of Party C may enter into exclusive option agreements, partnership interest pledge agreements and powers of attorney with Party A and

Party C that are substantially similar to this Agreement, the Party B Partnership Interest Pledge Agreement and the Party B Power of Attorney, and undertakes that it will not take any action that conflicts with such agreements;

- 2.2.5 To the extent permitted under PRC laws, any profits or liquidation proceeds received by Party B from Party C shall be promptly gifted to Party A or any Person designated by Party A; and
- 2.2.6 Party B shall strictly comply with the provisions of this Agreement and all other agreements executed by Party B and Party C jointly or separately with Party A, duly perform all obligations thereunder, and shall not take or omit to take any action that may adversely affect the validity or enforceability of such agreements. To the extent Party B retains any rights with respect to the partnership interest under this Agreement, the Party B Partnership Interest Pledge Agreement or the Party B Power of Attorney, Party B shall not exercise such rights without the written instruction of Party A.

3. **Representations and Warranties**

Party B hereby represents and warrants to Party A as of the date of this Agreement and as of each transfer date as follows:

- 3.1 Party B has the requisite power, capacity and authority to execute and deliver this Agreement and any partnership interest transfer agreement to be entered into by Party B pursuant to this Agreement for each transfer of the Purchased Partnership Interest (each, a “**Transfer Agreement**”), and to perform its obligations under this Agreement and any Transfer Agreement. Party B agrees that it shall execute Transfer Agreements consistent with the terms of this Agreement upon Party A’s exercise of the Partnership Interest Purchase Option. Upon execution, this Agreement and each Transfer Agreement to which Party C is a party constitute or will constitute legal, valid and binding obligations of Party C, enforceable against Party C in accordance with their respective terms;
- 3.2 Party B has good and marketable title to the partnership interest it holds in Party C, free and clear of any Security Interest, other than the partnership

interest pledge created under the partnership interest pledge agreement entered into between Party A and Party B and the power of attorney granted by Party B to Party A.

Party C hereby represents and warrants to Party A as of the date of this Agreement and as of each transfer date as follows:

- 3.3 Party C has the requisite power, capacity and authority to execute and deliver this Agreement and any Transfer Agreement, and to perform its obligations under this Agreement and any Transfer Agreement. Party C agrees that it shall execute Transfer Agreements consistent with the terms of this Agreement upon Party A's exercise of the Partnership Interest Purchase Option. Upon execution, this Agreement and each Transfer Agreement to which Party B is a party constitute or will constitute legal, valid and binding obligations of Party B, enforceable against Party B in accordance with their respective terms;
- 3.4 Party C has obtained all necessary consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement;
- 3.5 Neither the execution and delivery of this Agreement or any Transfer Agreement nor the performance of obligations hereunder or thereunder will: (i) result in a violation of any applicable PRC laws; (ii) conflict with the partnership agreement or other organizational documents of Party C; (iii) result in a breach of, or constitute a default under, any contract or instrument to which Party C is a party or by which it is bound; (iv) result in a breach of any condition applicable to the grant or continued effectiveness of any license or approval issued to Party C; or (v) result in the suspension, revocation or imposition of additional conditions on any license or approval issued to Party C;
- 3.6 Party C has good and transferable title to all of its assets, free and clear of any Security Interest;
- 3.7 Party C has no outstanding indebtedness, except for (i) liabilities incurred in the ordinary course of business, and (ii) indebtedness disclosed to and approved in writing by Party A;

3.8 Party C is in compliance with all applicable laws and regulations relating to the acquisition of assets; and

3.9 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the partnership interest, the assets of Party C or Party C itself.

4. Term

This Agreement shall become effective upon execution by all Parties and shall terminate when all partnership interests in Party C held by Party B and all assets of Party C have been lawfully transferred to Party A and/or its designated Person(s) in accordance with this Agreement.

5. Governing Law and Dispute Resolution

5.1 Governing Law

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the PRC laws.

5.2 Dispute Resolution

Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation among the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its arbitration rules. The arbitration shall be conducted in Shenzhen and the language of arbitration shall be Chinese. The arbitral award shall be final and binding upon the Parties.

6. Taxes and Expenses

Party C shall bear any and all transfer and registration taxes, costs and expenses incurred by or imposed upon the Parties in connection with the preparation and execution of this Agreement and each Transfer Agreement and the consummation of the transactions contemplated under this Agreement and each Transfer Agreement in accordance with PRC laws.

7. Notices

7.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service, or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:

7.1.1 If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date;

7.1.2 If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

7.2 Addresses for Notice

Party A:

Address: [Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen]

Attn: [Wu Kening]

Party B:

Address: [Room 2-2-501, Fenggang Garden, No. 22 Jinhu Road, Luohu District, Shenzhen]

Attn: [Wu Kening]

Party C:

Address: [Room 1402-29, Building 1, Shenzhen Software Industry Base, Nos. 81, 83, 85 Gaoxin South 10th Road, Binhai Community, Yuehai Subdistrict, Nanshan District, Shenzhen]

Attn: [Wu Kening]

7.3 Any Party may change its address for notice by delivering notice to the other Parties in accordance with this Section.

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The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders/partners, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders/partners, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

9. Further Assurances

The Parties agree to promptly execute all documents and take all further actions reasonably necessary or desirable to carry out the provisions and purposes of this Agreement.

10. Liability for Breach

- 10.1 Subject to Section 10.3, if Party B or Party C materially breaches any provision of this Agreement, Party A shall have the right to terminate this Agreement and/or require Party B or Party C to compensate for damages. Subject to Section 10.3, this Section 10 shall not prejudice any other rights of Party A under this Agreement.
- 10.2 Except as otherwise required by law, Party B and Party C shall not have any right to terminate or rescind this Agreement under any circumstances.
- 10.3 Notwithstanding any contrary provision in this Agreement, the Party B Partnership Interest Pledge Agreement, the Party B Power of Attorney,

any other Transaction Document (as defined in the Party B Partnership Interest Pledge Agreement), or any applicable law, in the event of any breach by Party B of any representation, warranty, covenant, undertaking, agreement or condition under this Agreement, the Party B Partnership Interest Pledge Agreement, the Party B Power of Attorney or any other Transaction Document, Party A's sole remedy shall be limited to exercising its pledge rights over the partnership interests in Party C held by Party B pursuant to Section 8 of the Party B Partnership Interest Pledge Agreement, and Party B shall not bear any compensation or other liability to Party A or any other Person.

11. Miscellaneous

11.1 Amendment, Modification and Supplement

Any amendment, modification or supplement to this Agreement shall be made in writing and signed by all Parties.

11.2 Entire Agreement

Except for any written amendment, supplement or modification executed after the date hereof, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior oral or written negotiations, representations and agreements relating thereto.

11.3 Headings

The headings of this Agreement are for convenience of reference only and shall not affect the interpretation of any provision hereof.

11.4 Language

This Agreement is executed in three (3) originals, with each Party holding one original, and each original shall have equal legal effect.

11.5 Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be

affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

11.6 Successors

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligations incurred or accrued under this Agreement prior to its expiration or earlier termination shall survive such expiration or termination.

11.7.2 The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any waiver of the terms and conditions of this Agreement must be made in writing and signed by all Parties. A waiver by any Party of a breach by another Party in a particular circumstance shall not be deemed a waiver of any similar breach in any other circumstance.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title: Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party B:

Wu Kening

By: /s/ Kening Wu

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be duly executed by their authorized representatives as of the date first written above.

Party C:

Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title: Authorized Signatory

Signature Page

EXCLUSIVE BUSINESS COOPERATION AGREEMENT

This Exclusive Business Cooperation Agreement (“**Agreement**”) is entered into on May 1, 2022 in Shenzhen, the People’s Republic of China (“**PRC**”) by and between the following parties:

Party A: **Xunlei Computer (Shenzhen) Co., Ltd.**, a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 1606A, Building 7, Qianhai Excellence Financial Center (Phase I), Unit 2, Guiwan Area, Nanshan Subdistrict, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen;

Party B: **Shenzhen Suqu Network Technology Co., Ltd.**, a limited liability company duly established and validly existing under the PRC laws, with its address at Room 10A1014, Block AB, New Energy Building, No. 2239 Nanhai Avenue, Nanguang Community, Nanshan Subdistrict, Nanshan District, Shenzhen.

Party A and Party B are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties.**”

WHEREAS:

1. Party A is a wholly foreign-owned enterprise established in the PRC and possesses the necessary resources to provide technical and consulting services;
2. Party B is a domestic company established in the PRC. All business activities currently conducted and to be conducted by Party B during the term of this Agreement are hereinafter collectively referred to as the “**Principal Business**”;
3. Party A agrees to utilize its technological expertise, personnel and information advantages to provide Party B with exclusive technical support, consulting and other services related to the Principal Business during the term of this Agreement, and Party B agrees to accept such services provided by Party A or its designee in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Scope of Business Cooperation

- 1.1 Technical Support, Consulting Services and Other Services:

1.1.1 Subject to the terms and conditions of this Agreement, Party B hereby appoints Party A as its exclusive service provider during the term of this Agreement to provide comprehensive technical support, consulting services and other services, including but not limited to:

- (1) development, maintenance and upgrading of relevant application software required for Party B's business;
- (2) design, installation, routine management, maintenance and upgrading of computer network systems, hardware equipment and databases;
- (3) technical support and professional training for relevant personnel of Party B;
- (4) assistance to Party B in consulting on, collecting and researching technical and market information (excluding market surveys prohibited for wholly foreign-owned enterprises under the PRC laws);
- (5) provision of enterprise management consulting services to Party B;
- (6) other related services to be provided from time to time at the request of Party B to the extent permitted under the PRC laws.

1.1.2 The specific scope, methods, personnel and service fees for the services described above shall be confirmed periodically or from time to time by the Parties in accordance with the template set forth in Annex 1 Service Schedule.

1.1.3 Party B agrees to accept the services provided by Party A. Party B further agrees that, unless otherwise agreed in writing by Party A in advance, during the term of this Agreement, Party B shall not, directly or indirectly, obtain from any third party any services identical or similar to the services contemplated under this Agreement, nor establish any similar cooperation relationship with any third party with respect to the matters contemplated herein.

1.2 Intellectual Property License: Party A licenses Party B to use relevant

software, patents and trademarks lawfully owned by Party A. The specific content, method and scope of license, license term and license fees shall be confirmed periodically or from time to time by the Parties in accordance with the template set forth in Annex 2 Intellectual Property License Schedule.

- 1.3 Equipment and Asset Lease: Party A shall lease equipment and assets to Party B. Based on the specific leasing arrangements, the Parties shall confirm the type, scope, lease term and rental fees of such equipment and assets periodically or from time to time in accordance with the template set forth in Annex 3 Equipment and Asset Lease Confirmation Form.
- 1.4 The Parties agree that Party A may designate other Persons (such designated Persons may enter into agreements with Party B as described in Sections 1.1, 1.2, 1.3 and 1.5) to provide the services, licenses or leasing arrangements contemplated under this Agreement.
- 1.5 Miscellaneous
 - 1.5.1 Party A and Party B agree that, during the term of this Agreement, Party B may, as necessary, enter into further service agreements with Party A or any Person designated by Party A to specify the details of the services, including scope, methods, personnel and fees.
 - 1.5.2 For the purpose of better performing this Agreement, Party A and Party B agree that, during the term of this Agreement and as business progresses, Party B shall enter into equipment or asset lease agreements or intellectual property license agreements with Party A or any Person designated by Party A as needed, pursuant to which Party A shall provide relevant equipment or assets to Party B for use or license relevant intellectual property to Party B for use.
- 1.6 Party B hereby grants Party A an irrevocable and exclusive option, pursuant to which Party A shall have the right, to the extent permitted under the PRC laws and at its sole discretion, to purchase any part or all of Party B's assets at the lowest price permitted under the PRC laws. The Parties shall enter into a separate asset transfer agreement to specify the

terms and conditions of such transfer.

2. Service Fees and Payment Method

2.1 During the term of this Agreement, Party B shall pay Party A service fees for the services provided under Section 1.1 as follows:

2.1.1 For the services provided by Party A to Party B, Party B shall pay service fees to Party A on a quarterly basis. The amount of service fees for each quarter shall be determined by Party A based on the following factors:

- (1) the complexity and difficulty of the services;
- (2) the positions of Party A's employees and the time required to provide such services;
- (3) the specific content and commercial value of the services;
- (4) cost factors for similar types of services;
- (5) the operational condition of Party B.

However, the quarterly service fee shall not be less than ninety percent (90%) of the balance of Party B's quarterly revenue after deducting Party B's operating costs and expenses recognized by the Parties and losses carried forward from previous fiscal years.

2.2 During the term of this Agreement, if Party A licenses intellectual property to Party B or leases equipment or assets to Party B, the license fees and rental fees shall be determined by Party A based on actual circumstances.

2.3 Party A shall have the right to unilaterally adjust the fees described in Sections 2.1 and 2.2.

3. Intellectual Property and Confidentiality

3.1 Party A shall exclusively own all intellectual property rights arising from or created in connection with the performance of this Agreement, including but not limited to copyrights, patent rights, patent application

rights, software, technical secrets, trade secrets and other rights and interests. Party B shall execute all appropriate documents, take all appropriate actions, file all appropriate documents and/or applications, provide all appropriate assistance, and take all other actions deemed necessary by Party A at its sole discretion to vest such intellectual property rights, title and interests in Party A and/or perfect Party A's protection of such intellectual property rights.

- 3.2 The Parties acknowledge and confirm that this Agreement, the contents hereof and any oral or written information exchanged between the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

4. Representations, Warranties and Covenants

4.1 Representations, Warranties and Covenants of Party A :

- 4.1.1 Party A is a wholly foreign-owned enterprise duly established and validly existing under the PRC laws. Party A or its designated service provider shall obtain all necessary governmental permits and licenses required for providing the services under this

Agreement prior to providing such services.

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations and secured all required consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement. The execution, delivery and performance of this Agreement by Party A do not violate any applicable laws or regulations.

4.1.3 This Agreement constitutes legal, valid and binding obligations of Party A and is enforceable against Party A in accordance with its terms.

4.2 Representations, Warranties and Covenants of Party B :

4.2.1 Party B is a company duly established and validly existing under the PRC laws and has obtained and shall maintain all necessary governmental permits and licenses required for conducting the Principal Business.

4.2.2 Party B has taken all necessary corporate actions, obtained all necessary authorizations and secured all required consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement. The execution, delivery and performance of this Agreement by Party B do not violate any applicable laws or regulations.

4.2.3 This Agreement constitutes legal, valid and binding obligations of Party B and is enforceable against Party B in accordance with its terms.

5. Term of Agreement

5.1 This Agreement shall become effective upon execution by the Parties and shall remain in force permanently unless otherwise expressly provided herein or terminated by Party A in writing.

5.2 If, during the term of this Agreement, the business term of either Party

expires, such Party shall promptly apply for renewal of its business term so as to ensure the continued validity and performance of this Agreement. If such application for renewal is not approved or consented to by the competent authorities, this Agreement shall terminate upon the expiration of such Party's business term.

- 5.3 Upon termination of this Agreement, the rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive such termination.

6. Governing Law and Dispute Resolution

- 6.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes arising hereunder shall be governed by the PRC laws.
- 6.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation between the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its arbitration rules. The arbitration shall be conducted in Shenzhen, and the language of arbitration shall be Chinese. The arbitral award shall be final and binding upon the Parties.
- 6.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

7. Liability for Breach and Indemnification

- 7.1 If Party B materially breaches any provision of this Agreement, Party A shall have the right to terminate this Agreement and/or require Party B to compensate for damages. This Section 7.1 shall not prejudice any other rights of Party A under this Agreement.
- 7.2 Except as otherwise required by applicable laws, Party B shall not have

any right to terminate or rescind this Agreement under any circumstances.

- 7.3 Party B shall indemnify Party A against any and all losses, damages, liabilities or expenses incurred by Party A arising from or in connection with any litigation, claim or other demand against Party A in connection with the services provided by Party A to Party B under this Agreement, except to the extent that such losses, damages, liabilities or expenses arise from Party A's gross negligence or willful misconduct. 8.

8. Force Majeure

- 8.1 If either Party is prevented from performing or is unable to fully perform this Agreement due to any earthquake, typhoon, flood, fire, epidemic, war, riot, hostile action, public disturbance, strike or any other event that is unforeseeable, unavoidable and insurmountable ("Force Majeure"), the affected Party shall not be liable for such non-performance or partial non-performance caused directly by such Force Majeure event. The affected Party shall promptly notify the other Party in writing without delay and shall provide details of the Force Majeure event within fifteen (15) days after issuing such written notice, explaining the reasons for such non-performance, partial non-performance or delay in performance.
- 8.2 If the Party claiming Force Majeure fails to notify the other Party and provide appropriate supporting evidence in accordance with the above provisions, such Party shall not be exempted from liability for failure to perform its obligations under this Agreement. The affected Party shall use reasonable efforts to mitigate the consequences of the Force Majeure event and shall resume performance of its obligations as soon as practicable after the Force Majeure event ceases. If the affected Party fails to resume performance of its obligations after the reasons for suspension of performance due to Force Majeure have ceased to exist, such Party shall bear liability to the other Party.
- 8.3 Upon the occurrence of a Force Majeure event, the Parties shall

immediately consult with each other to seek an equitable solution and shall use all reasonable efforts to minimize the consequences of such Force Majeure event.

9. Notices

9.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:

9.1.1 If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date;

9.1.2 If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

10. Assignment

10.1 Party B shall not assign its rights or obligations under this Agreement to any third party without the prior written consent of Party A.

10.2 Party B hereby agrees that Party A may assign its rights and obligations under this Agreement to any third party, and Party A shall only be required to provide written notice to Party B upon such assignment, and no further consent from Party B shall be required.

11. Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

12. Amendment and Supplement

Any amendment or supplement to this Agreement may be made in writing and signed by the Parties. Any such signed amendment or supplement to this Agreement shall form an integral part of this Agreement and have the same legal effect.

13. Counterparts

This Agreement is executed in two (2) originals, with each Party holding one original, and each original shall have equal legal effect.

[No further text. Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Exclusive Business Cooperation Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Party B:

Shenzhen Suqu Network Technology Co., Ltd. (Seal)

By: /s/ Hongfei Jia

Name: Hongfei Jia

Title: Authorized Signatory

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EXCLUSIVE BUSINESS COOPERATION AGREEMENT

This Exclusive Business Cooperation Agreement (“**Agreement**”) is entered into on May 1, 2022 in Shenzhen, the People’s Republic of China (“**PRC**”) by and between the following parties:

- Party A: **Xunlei Computer (Shenzhen) Co., Ltd.**, a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 1606A, Building 7, Qianhai Excellence Financial Center (Phase I), Unit 2, Guiwan Area, Nanshan Subdistrict, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen;
- Party B: **Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership)**, a limited partnership duly established and validly existing under the PRC laws, with its address at Room 1402-29, Building 1, Shenzhen Software Industry Base, Nos. 81, 83, 85 Gaoxin South 10th Road, Binhai Community, Yuehai Subdistrict, Nanshan District, Shenzhen

Party A and Party B are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties.**”

WHEREAS:

1. Party A is a wholly foreign-owned enterprise established in the PRC and possesses the necessary resources to provide technical and consulting services;
2. Party B is a domestic company established in the PRC. All business activities currently conducted and to be conducted by Party B during the term of this Agreement are hereinafter collectively referred to as the “**Principal Business**”;
3. Party A agrees to utilize its technological expertise, personnel and information advantages to provide Party B with exclusive technical support, consulting and other services related to the Principal Business during the term of this Agreement, and Party B agrees to accept such services provided by Party A or its designee in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

1. **Scope of Business Cooperation**

- 1.1 Technical Support, Consulting Services and Other Services:

1.1.1 Subject to the terms and conditions of this Agreement, Party B hereby appoints Party A as its exclusive service provider during the term of this Agreement to provide comprehensive technical support, consulting services and other services, including but not limited to:

- (1) development, maintenance and upgrading of relevant application software required for Party B's business;
- (2) design, installation, routine management, maintenance and upgrading of computer network systems, hardware equipment and databases;
- (3) technical support and professional training for relevant personnel of Party B;
- (4) assistance to Party B in consulting on, collecting and researching technical and market information (excluding market surveys prohibited for wholly foreign-owned enterprises under the PRC laws);
- (5) provision of enterprise management consulting services to Party B;
- (6) other related services to be provided from time to time at the request of Party B to the extent permitted under the PRC laws.

1.1.2 The specific scope, methods, personnel and service fees for the services described above shall be confirmed periodically or from time to time by the Parties in accordance with the template set forth in Annex 1 Service Schedule.

1.1.3 Party B agrees to accept the services provided by Party A. Party B further agrees that, unless otherwise agreed in writing by Party A in advance, during the term of this Agreement, Party B shall not, directly or indirectly, obtain from any third party any services identical or similar to the services contemplated under this Agreement, nor establish any similar cooperation relationship with any third party with respect to the matters contemplated herein.

1.2 Intellectual Property License: Party A licenses Party B to use relevant

software, patents and trademarks lawfully owned by Party A. The specific content, method and scope of license, license term and license fees shall be confirmed periodically or from time to time by the Parties in accordance with the template set forth in Annex 2 Intellectual Property License Schedule.

- 1.3 Equipment and Asset Lease: Party A shall lease equipment and assets to Party B. Based on the specific leasing arrangements, the Parties shall confirm the type, scope, lease term and rental fees of such equipment and assets periodically or from time to time in accordance with the template set forth in Annex 3 Equipment and Asset Lease Confirmation Form.
- 1.4 The Parties agree that Party A may designate other Persons (such designated Persons may enter into agreements with Party B as described in Sections 1.1, 1.2, 1.3 and 1.5) to provide the services, licenses or leasing arrangements contemplated under this Agreement.
- 1.5 Miscellaneous
 - 1.5.1 Party A and Party B agree that, during the term of this Agreement, Party B may, as necessary, enter into further service agreements with Party A or any Person designated by Party A to specify the details of the services, including scope, methods, personnel and fees.
 - 1.5.2 For the purpose of better performing this Agreement, Party A and Party B agree that, during the term of this Agreement and as business progresses, Party B shall enter into equipment or asset lease agreements or intellectual property license agreements with Party A or any Person designated by Party A as needed, pursuant to which Party A shall provide relevant equipment or assets to Party B for use or license relevant intellectual property to Party B for use.
- 1.6 Party B hereby grants Party A an irrevocable and exclusive option, pursuant to which Party A shall have the right, to the extent permitted under the PRC laws and at its sole discretion, to purchase any part or all of Party B's assets at the lowest price permitted under the PRC laws. The Parties shall enter into a separate asset transfer agreement to specify the

terms and conditions of such transfer.

2. Service Fees and Payment Method

2.1 During the term of this Agreement, Party B shall pay Party A service fees for the services provided under Section 1.1 as follows:

2.1.1 For the services provided by Party A to Party B, Party B shall pay service fees to Party A on a quarterly basis. The amount of service fees for each quarter shall be determined by Party A based on the following factors:

- (1) the complexity and difficulty of the services;
- (2) the positions of Party A's employees and the time required to provide such services;
- (3) the specific content and commercial value of the services;
- (4) cost factors for similar types of services;
- (5) the operational condition of Party B.

However, the quarterly service fee shall not be less than ninety percent (90%) of the balance of Party B's quarterly revenue after deducting Party B's operating costs and expenses recognized by the Parties and losses carried forward from previous fiscal years.

2.2 During the term of this Agreement, if Party A licenses intellectual property to Party B or leases equipment or assets to Party B, the license fees and rental fees shall be determined by Party A based on actual circumstances.

2.3 Party A shall have the right to unilaterally adjust the fees described in Sections 2.1 and 2.2.

3. Intellectual Property and Confidentiality

3.1 Party A shall exclusively own all intellectual property rights arising from or created in connection with the performance of this Agreement, including but not limited to copyrights, patent rights, patent application

rights, software, technical secrets, trade secrets and other rights and interests. Party B shall execute all appropriate documents, take all appropriate actions, file all appropriate documents and/or applications, provide all appropriate assistance, and take all other actions deemed necessary by Party A at its sole discretion to vest such intellectual property rights, title and interests in Party A and/or perfect Party A's protection of such intellectual property rights.

- 3.2 The Parties acknowledge and confirm that this Agreement, the contents hereof and any oral or written information exchanged between the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

4. Representations, Warranties and Covenants

4.1 Representations, Warranties and Covenants of Party A :

- 4.1.1 Party A is a wholly foreign-owned enterprise duly established and validly existing under the PRC laws. Party A or its designated service provider shall obtain all necessary governmental permits and licenses required for providing the services under this

Agreement prior to providing such services.

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations and secured all required consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement. The execution, delivery and performance of this Agreement by Party A do not violate any applicable laws or regulations.

4.1.3 This Agreement constitutes legal, valid and binding obligations of Party A and is enforceable against Party A in accordance with its terms.

4.2 Representations, Warranties and Covenants of Party B :

4.2.1 Party B is a company duly established and validly existing under the PRC laws and has obtained and shall maintain all necessary governmental permits and licenses required for conducting the Principal Business.

4.2.2 Party B has taken all necessary corporate actions, obtained all necessary authorizations and secured all required consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement. The execution, delivery and performance of this Agreement by Party B do not violate any applicable laws or regulations.

4.2.3 This Agreement constitutes legal, valid and binding obligations of Party B and is enforceable against Party B in accordance with its terms.

5. Term of Agreement

5.1 This agreement shall come into effect as of the date of its formal signing by both parties. Unless otherwise explicitly stipulated in this agreement or decided in writing by Party A to terminate it, the term of this agreement shall be 20 years. If Party A has no objection before the

expiration date, the term of this agreement shall be automatically extended for another 10 years, and so on. Party A has the right to unilaterally decide to extend or shorten the term of this agreement based on the actual situation.

- 5.2 If, during the term of this Agreement, the business term of either Party expires, such Party shall promptly apply for renewal of its business term so as to ensure the continued validity and performance of this Agreement. If such application for renewal is not approved or consented to by the competent authorities, this Agreement shall terminate upon the expiration of such Party's business term.
- 5.3 Upon termination of this Agreement, the rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive such termination.

6. Governing Law and Dispute Resolution

- 6.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes arising hereunder shall be governed by the PRC laws.
- 6.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation between the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its arbitration rules. The arbitration shall be conducted in Shenzhen, and the language of arbitration shall be Chinese. The arbitral award shall be final and binding upon the Parties.
- 6.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

7. Taxation

- 7.1 The tax burden arising from the execution of this agreement by each party shall be borne by each party respectively.

8. Liability for Breach and Indemnification

- 7.1 If Party B materially breaches any provision of this Agreement, Party A shall have the right to terminate this Agreement and/or require Party B to compensate for damages. This Section 7.1 shall not prejudice any other rights of Party A under this Agreement.
- 7.2 Except as otherwise required by applicable laws, Party B shall not have any right to terminate or rescind this Agreement under any circumstances.
- 7.3 Party B shall indemnify Party A against any and all losses, damages, liabilities or expenses incurred by Party A arising from or in connection with any litigation, claim or other demand against Party A in connection with the services provided by Party A to Party B under this Agreement, except to the extent that such losses, damages, liabilities or expenses arise from Party A's gross negligence or willful misconduct. 8.

9. Force Majeure

- 8.1 If either Party is prevented from performing or is unable to fully perform this Agreement due to any earthquake, typhoon, flood, fire, epidemic, war, riot, hostile action, public disturbance, strike or any other event that is unforeseeable, unavoidable and insurmountable ("Force Majeure"), the affected Party shall not be liable for such non-performance or partial non-performance caused directly by such Force Majeure event. The affected Party shall promptly notify the other Party in writing without delay and shall provide details of the Force Majeure event within fifteen (15) days after issuing such written notice, explaining the reasons for such non-performance, partial non-performance or delay in performance.
- 8.2 If the Party claiming Force Majeure fails to notify the other Party and provide appropriate supporting evidence in accordance with the above

provisions, such Party shall not be exempted from liability for failure to perform its obligations under this Agreement. The affected Party shall use reasonable efforts to mitigate the consequences of the Force Majeure event and shall resume performance of its obligations as soon as practicable after the Force Majeure event ceases. If the affected Party fails to resume performance of its obligations after the reasons for suspension of performance due to Force Majeure have ceased to exist, such Party shall bear liability to the other Party.

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11. Assignment

- 10.1 Party B shall not assign its rights or obligations under this Agreement to any third party without the prior written consent of Party A.
- 10.2 Party B hereby agrees that Party A may assign its rights and obligations under this Agreement to any third party, and Party A shall only be required to provide written notice to Party B upon such assignment, and no further consent from Party B shall be required.

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(No further text. Signature page follows.)

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Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name:Kening Wu

Title: Authorized Signatory

Party B:

Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership). (Seal)

By: /s/ Hongfei Jia

Name:Hongfei Jia

Title: Authorized Signatory

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Party B: **Shenzhen Zhilue Xinsi Consulting Co., Ltd.**, a limited liability company duly established and validly existing under the PRC laws, with its address at Room 7A758, Block AB, New Energy Building, No. 2239 Nanhai Avenue, Nanguang Community, Nanshan Subdistrict, Nanshan District, Shenzhen

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NOW, THEREFORE, the Parties hereby agree as follows:

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1.1 Technical Support, Consulting Services and Other Services:

1.1.1 Subject to the terms and conditions of this Agreement, Party B

hereby appoints Party A as its exclusive service provider during the term of this Agreement to provide comprehensive technical support, consulting services and other services, including but not limited to:

- (1) development, maintenance and upgrading of relevant application software required for Party B's business;
 - (2) design, installation, routine management, maintenance and upgrading of computer network systems, hardware equipment and databases;
 - (3) technical support and professional training for relevant personnel of Party B;
 - (4) assistance to Party B in consulting on, collecting and researching technical and market information (excluding market surveys prohibited for wholly foreign-owned enterprises under the PRC laws);
 - (5) provision of enterprise management consulting services to Party B;
 - (6) other related services to be provided from time to time at the request of Party B to the extent permitted under the PRC laws.
- 1.1.2 The specific scope, methods, personnel and service fees for the services described above shall be confirmed periodically or from time to time by the Parties in accordance with the template set forth in Annex 1 Service Schedule.
- 1.1.3 Party B agrees to accept the services provided by Party A. Party B further agrees that, unless otherwise agreed in writing by Party A in advance, during the term of this Agreement, Party B shall not, directly or indirectly, obtain from any third party any services identical or similar to the services contemplated under this Agreement, nor establish any similar cooperation relationship with any third party with respect to the matters contemplated herein.
- 1.2 Intellectual Property License: Party A licenses Party B to use relevant software, patents and trademarks lawfully owned by Party A. The

specific content, method and scope of license, license term and license fees shall be confirmed periodically or from time to time by the Parties in accordance with the template set forth in Annex 2 Intellectual Property License Schedule.

- 1.3 Equipment and Asset Lease: Party A shall lease equipment and assets to Party B. Based on the specific leasing arrangements, the Parties shall confirm the type, scope, lease term and rental fees of such equipment and assets periodically or from time to time in accordance with the template set forth in Annex 3 Equipment and Asset Lease Confirmation Form.
- 1.4 The Parties agree that Party A may designate other Persons (such designated Persons may enter into agreements with Party B as described in Sections 1.1, 1.2, 1.3 and 1.5) to provide the services, licenses or leasing arrangements contemplated under this Agreement.
- 1.5 Miscellaneous
 - 1.5.1 Party A and Party B agree that, during the term of this Agreement, Party B may, as necessary, enter into further service agreements with Party A or any Person designated by Party A to specify the details of the services, including scope, methods, personnel and fees.
 - 1.5.2 For the purpose of better performing this Agreement, Party A and Party B agree that, during the term of this Agreement and as business progresses, Party B shall enter into equipment or asset lease agreements or intellectual property license agreements with Party A or any Person designated by Party A as needed, pursuant to which Party A shall provide relevant equipment or assets to Party B for use or license relevant intellectual property to Party B for use.
- 1.6 Party B hereby grants Party A an irrevocable and exclusive option, pursuant to which Party A shall have the right, to the extent permitted under the PRC laws and at its sole discretion, to purchase any part or all of Party B's assets at the lowest price permitted under the PRC laws. The Parties shall enter into a separate asset transfer agreement to specify the terms and conditions of such transfer.

2. Service Fees and Payment Method

2.1 During the term of this Agreement, Party B shall pay Party A service fees for the services provided under Section 1.1 as follows:

2.1.1 For the services provided by Party A to Party B, Party B shall pay service fees to Party A on a quarterly basis. The amount of service fees for each quarter shall be determined by Party A based on the following factors:

- (1) the complexity and difficulty of the services;
- (2) the positions of Party A's employees and the time required to provide such services;
- (3) the specific content and commercial value of the services;
- (4) cost factors for similar types of services;
- (5) the operational condition of Party B.

However, the quarterly service fee shall not be less than ninety percent (90%) of the balance of Party B's quarterly revenue after deducting Party B's operating costs and expenses recognized by the Parties and losses carried forward from previous fiscal years.

2.2 During the term of this Agreement, if Party A licenses intellectual property to Party B or leases equipment or assets to Party B, the license fees and rental fees shall be determined by Party A based on actual circumstances.

2.3 Party A shall have the right to unilaterally adjust the fees described in Sections 2.1 and 2.2.

3. Intellectual Property and Confidentiality

3.1 Party A shall exclusively own all intellectual property rights arising from or created in connection with the performance of this Agreement, including but not limited to copyrights, patent rights, patent application rights, software, technical secrets, trade secrets and other rights and interests. Party B shall execute all appropriate documents, take all

appropriate actions, file all appropriate documents and/or applications, provide all appropriate assistance, and take all other actions deemed necessary by Party A at its sole discretion to vest such intellectual property rights, title and interests in Party A and/or perfect Party A's protection of such intellectual property rights.

- 3.2 The Parties acknowledge and confirm that this Agreement, the contents hereof and any oral or written information exchanged between the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

4. Representations, Warranties and Covenants

4.1 Representations, Warranties and Covenants of Party A:

4.1.1 Party A is a wholly foreign-owned enterprise duly established and validly existing under the PRC laws. Party A or its designated service provider shall obtain all necessary governmental permits and licenses required for providing the services under this Agreement prior to providing such services.

4.1.2 Party A has taken all necessary corporate actions, obtained all

necessary authorizations and secured all required consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement. The execution, delivery and performance of this Agreement by Party A do not violate any applicable laws or regulations.

- 4.1.3 This Agreement constitutes legal, valid and binding obligations of Party A and is enforceable against Party A in accordance with its terms.

4.2 Representations, Warranties and Covenants of Party B:

- 4.2.1 Party B is a company duly established and validly existing under the PRC laws and has obtained and shall maintain all necessary governmental permits and licenses required for conducting the Principal Business.
- 4.2.2 Party B has taken all necessary corporate actions, obtained all necessary authorizations and secured all required consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement. The execution, delivery and performance of this Agreement by Party B do not violate any applicable laws or regulations.
- 4.2.3 This Agreement constitutes legal, valid and binding obligations of Party B and is enforceable against Party B in accordance with its terms.

5. Term of Agreement

- 5.1 This agreement shall come into effect as of the date of its formal signing by both parties. Unless otherwise explicitly stipulated in this agreement or decided in writing by Party A to terminate it, the term of this agreement shall be 20 years. If Party A has no objection before the expiration date, the term of this agreement shall be automatically extended for another 10 years, and so on. Party A has the right to

unilaterally decide to extend or shorten the term of this agreement based on the actual situation.

- 5.2 If, during the term of this Agreement, the business term of either Party expires, such Party shall promptly apply for renewal of its business term so as to ensure the continued validity and performance of this Agreement. If such application for renewal is not approved or consented to by the competent authorities, this Agreement shall terminate upon the expiration of such Party's business term.
- 5.3 Upon termination of this Agreement, the rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive such termination.

6. Governing Law and Dispute Resolution

- 6.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes arising hereunder shall be governed by the PRC laws.
- 6.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation between the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its arbitration rules. The arbitration shall be conducted in Shenzhen, and the language of arbitration shall be Chinese. The arbitral award shall be final and binding upon the Parties.
- 6.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

7. Taxation

- 7.1 The tax burden arising from the execution of this agreement by each party shall be borne by each party respectively.

8. Liability for Breach and Indemnification

- 7.1 If Party B materially breaches any provision of this Agreement, Party A shall have the right to terminate this Agreement and/or require Party B to compensate for damages. This Section 7.1 shall not prejudice any other rights of Party A under this Agreement.
- 7.2 Except as otherwise required by applicable laws, Party B shall not have any right to terminate or rescind this Agreement under any circumstances.
- 7.3 Party B shall indemnify Party A against any and all losses, damages, liabilities or expenses incurred by Party A arising from or in connection with any litigation, claim or other demand against Party A in connection with the services provided by Party A to Party B under this Agreement, except to the extent that such losses, damages, liabilities or expenses arise from Party A's gross negligence or willful misconduct. 8.

9. Force Majeure

- 8.1 If either Party is prevented from performing or is unable to fully perform this Agreement due to any earthquake, typhoon, flood, fire, epidemic, war, riot, hostile action, public disturbance, strike or any other event that is unforeseeable, unavoidable and insurmountable ("Force Majeure"), the affected Party shall not be liable for such non-performance or partial non-performance caused directly by such Force Majeure event. The affected Party shall promptly notify the other Party in writing without delay and shall provide details of the Force Majeure event within fifteen (15) days after issuing such written notice, explaining the reasons for such non-performance, partial non-performance or delay in performance.
- 8.2 If the Party claiming Force Majeure fails to notify the other Party and provide appropriate supporting evidence in accordance with the above provisions, such Party shall not be exempted from liability for failure to perform its obligations under this Agreement. The affected Party shall use reasonable efforts to mitigate the consequences of the Force

Majeure event and shall resume performance of its obligations as soon as practicable after the Force Majeure event ceases. If the affected Party fails to resume performance of its obligations after the reasons for suspension of performance due to Force Majeure have ceased to exist, such Party shall bear liability to the other Party.

- 8.3 Upon the occurrence of a Force Majeure event, the Parties shall immediately consult with each other to seek an equitable solution and shall use all reasonable efforts to minimize the consequences of such Force Majeure event.

10. Notices

- 9.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:

9.1.1 If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date;

9.1.2 If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

11. Assignment

- 10.1 Party B shall not assign its rights or obligations under this Agreement to any third party without the prior written consent of Party A.

- 10.2 Party B hereby agrees that Party A may assign its rights and obligations under this Agreement to any third party, and Party A shall only be required to provide written notice to Party B upon such assignment, and no further consent from Party B shall be required.

12. Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and

enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

13. Amendment and Supplement

Any amendment or supplement to this Agreement may be made in writing and signed by the Parties. Any such signed amendment or supplement to this Agreement shall form an integral part of this Agreement and have the same legal effect.

14. Counterparts

This Agreement is executed in two (2) originals, with each Party holding one original, and each original shall have equal legal effect.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Exclusive Business Cooperation Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Party B:

Shenzhen Zhilue Xinsi Consulting Co., Ltd. (Seal)

By: /s/ Hongfei Jia

Name: Hongfei Jia

Title: Authorized Signatory

Signature Page

Signature Page



Signature Page

EQUITY PLEDGE AGREEMENT

This Equity Pledge Agreement (“**Agreement**”) is entered into on [February 27], 2025 in Shenzhen, the People’s Republic of China (“**PRC**”) by and among the following parties:

Party A: **Xunlei Computer (Shenzhen) Co., Ltd.** (“**Pledgee**”), a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;

Party B: **Li Xiaosong** (“**Pledgor**”), a PRC citizen, ID No. *****, residing at [Room 310-4-608, Science Park South Third Zone, Olympic Village Subdistrict, Chaoyang District, Beijing]; and

Party C: **Shenzhen Zhilue Xinsi Consulting Co., Ltd.**, a limited liability company duly established and validly existing under the PRC laws, with its address at Room 1374A, Guoxin Investment Building, No. 07 Gaoxin South 7th Road, High-Tech Zone Community, Yuehai Subdistrict, Nanshan District, Shenzhen.

The Pledgee, the Pledgor and Party C are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS:

1. The Pledgor is a limited liability company in the PRC. As of the date of this Agreement, Pledgor holds [40]% of the equity interest in Party C, representing registered capital of RMB [40,000]. Party C agrees to confirm the rights and obligations of the Pledgor and the Pledgee under this Agreement and to provide necessary assistance in registering the equity pledge.
2. The Pledgee is a wholly foreign-owned enterprise duly registered in the PRC. The Pledgee has entered into an Exclusive Business Cooperation Agreement (as defined below) with Party C in which the Pledgor holds an equity interest; the

Pledgee, the Pledgor and Party C have entered into an Exclusive Option Agreement (as defined below); the Pledgee and the Pledgor have entered into a Loan Agreement (as defined below); and the Pledgor has executed a Power of Attorney in favor of the Pledgee (as defined below).

3. In order to secure the performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, the Pledgor agrees to pledge all of its equity interest in Party C in favor of the Pledgee as security for the performance of such obligations.

In order to perform the provisions of the Transaction Documents, the Parties hereby agree as follows:

1. Definitions

Unless otherwise provided herein, the following terms shall have the meanings set forth below:

- 1.1 “Pledge” means the security interest granted by the Pledgor to the Pledgee pursuant to Section 2 of this Agreement, pursuant to which the Pledgee shall be entitled to priority in receiving repayment from the proceeds derived from the conversion into value, auction or sale of the Pledged Equity.
- 1.2 “Pledged Equity” means all equity interests in Party C currently held or to be held in the future by the Pledgor.
- 1.3 “Pledge Term” means the period set forth in Section 3 of this Agreement.
- 1.4 “Transaction Documents” means the Exclusive Business Cooperation Agreement entered into between Party C and the Pledgee on [May 1], 2022 (“**Exclusive Business Cooperation Agreement**”); the Exclusive Option Agreement entered into among the Pledgee, the Pledgor and Party C on [February 27], 2025 (“**Exclusive Option Agreement**”); the Loan Agreement entered into between the Pledgee and the Pledgor on [February 27], 2025 (“**Loan Agreement**”); the Power of Attorney executed by the Pledgor in favor of the Pledgee on [February 27], 2025 (“**Power of Attorney**”); and any amendments, supplements and/or

restatements to the foregoing documents.

- 1.5 “Contractual Obligations” means all obligations of the Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement, and all obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.
- 1.6 “Secured Obligations” means all direct, indirect and consequential losses suffered by the Pledgee arising from any Event of Default of the Pledgor and/or Party C, including any reasonably anticipated loss of profits, the calculation of which shall be based on, including but not limited to, the Pledgee’s reasonable business plan and profit forecast, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all expenses incurred by the Pledgee in enforcing the Contractual Obligations of the Pledgor and/or Party C. The amount of the Secured Obligations under this Agreement shall not be less than RMB 50,000,000.
- 1.7 “Event of Default” means any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 “Default Notice” means the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

- 2.1 The Pledgor hereby agrees to pledge the Pledged Equity to the Pledgee in accordance with the provisions of this Agreement as security for the performance of the Contractual Obligations and the repayment of the Secured Obligations. Party C hereby agrees to the Pledgor pledging the Pledged Equity to the Pledgee in accordance with the provisions of this Agreement.
- 2.2 During the Pledge Term, the Pledgee shall have the right to receive dividends or distributions generated from the Pledged Equity. The Pledgor may receive dividends or distributions in respect of the Pledged Equity only with the prior written consent of the Pledgee. Any dividends or distributions received by the Pledgor in connection with the Pledged

Equity, after deduction of applicable individual income tax paid by the Pledgor, shall, at the request of the Pledgee, either: (1) be deposited into an account designated by the Pledgee and be subject to the supervision of the Pledgee and used as security for the performance of the Contractual Obligations and for priority repayment of the Secured Obligations; or (2) to the extent permitted under PRC laws, be unconditionally gifted to the Pledgee or any Person designated by the Pledgee.

- 2.3 The Pledgor may increase the registered capital of Party C only with the prior written consent of the Pledgee. Any additional capital contribution made by the Pledgor to Party C shall form part of the Pledged Equity.
- 2.4 In the event that Party C is required to be dissolved or liquidated pursuant to mandatory provisions of PRC laws, any distribution received by the Pledgor from Party C upon completion of the lawful dissolution or liquidation of Party C shall, at the request of the Pledgee: (1) be deposited into an account designated by the Pledgee, subject to the supervision of the Pledgee, and used as security for the performance of the Contractual Obligations and for priority repayment of the Secured Obligations; or (2) to the extent permitted under PRC laws, be unconditionally gifted to the Pledgee or any Person designated by the Pledgee.

3. Pledge Term

- 3.1 The Pledge shall become effective on the date when the pledge of the Pledged Equity under this Agreement is duly registered with the competent administration for market regulation, and shall remain effective until all Contractual Obligations have been fully performed and all Secured Obligations have been fully satisfied. The Pledgor and Party C shall: (1) within three (3) business days after the execution of this Agreement, register the Pledge in Party C's register of shareholders; and (2) within [30] business days after the execution of this Agreement, apply for registration of the Pledge under this Agreement with the competent authority for business registration. The Parties hereby confirm that, for the purpose of completing the registration of the equity pledge, the Parties and the other shareholders of Party C shall submit this Agreement or an

equity pledge agreement reflecting the pledge information under this Agreement in such form as required by the competent authority for business registration at the place where Party C is registered ("Registered Pledge Agreement"). Any matters not specified in the Registered Pledge Agreement shall be governed by this Agreement. The Pledgor and Party C shall, in accordance with the PRC laws and the requirements of the competent authority for business registration, submit all necessary documents and complete all necessary procedures to ensure that the Pledge is duly registered as soon as practicable after submission of the application.

- 3.2 During the Pledge Term, if the Pledgor and/or Party C fails to perform the Contractual Obligations or repay the Secured Obligations, the Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

4. Custody of Certificates Evidencing the Pledge

- 4.1 During the Pledge Term as stipulated under this Agreement, the Pledgor shall deliver to the Pledgee for custody the capital contribution certificate evidencing its equity interest in Party C and the register of shareholders reflecting the record of the Pledge. The Pledgor shall deliver the aforesaid capital contribution certificate and register of shareholders to the Pledgee within one (1) week after the execution of this Agreement. The Pledgee shall retain custody of such documents throughout the entire Pledge Term as provided under this Agreement.

5. Representations and Warranties of the Pledgor and Party C

The Pledgor and Party C hereby jointly and severally represent and warrant to Party A as of the date of execution of this Agreement as follows:

- 5.1 The Pledgor is the sole legal and beneficial owner of the Pledged Equity.
- 5.2 The Pledgee shall have the right to dispose of and transfer the Pledged Equity in accordance with the provisions of this Agreement.
- 5.3 Other than the Pledge created under this Agreement, the Pledgor has not

created any other pledge or other Security Interest over the Pledged Equity. There are no lawsuits, arbitrations, or administrative proceedings pending or, to the knowledge of the Pledgor, threatened against the Pledgor or the Pledged Equity.

- 5.4 The Pledgor and Party C have obtained all necessary consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement.
- 5.5 All documents delivered by the Pledgor to the Pledgee in connection with this Agreement are true, complete, and accurate in all material respects, and do not omit any information that would render any statement therein incorrect or misleading in any respect.
- 5.6 The execution, delivery and performance of this Agreement shall not: (i) result in any violation of applicable PRC laws; (ii) conflict with the articles of association or other organizational documents of Party C; (iii) result in a breach of, or constitute a default under, any contract or instrument to which the Pledgor or Party C is a party or by which it is bound; (iv) result in a breach of any condition applicable to the grant or continued effectiveness of any license or approval issued to any Party; or (v) result in the suspension, revocation or imposition of additional conditions on any license or approval issued to any Party.

6. Covenants of the Pledgor and Party C

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally covenant to the Pledgee as follows:
 - 6.1.1 Except as required for the performance of the Transaction Documents, without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity or any part thereof, nor create or permit the creation of any Security Interest or other Encumbrance over the Pledged Equity.
 - 6.1.2 The Pledgor and Party C shall comply with all applicable laws and regulations relating to pledges of rights. Upon receipt of any notice, order or recommendation from any competent authority

relating to the Pledge, the Pledgor and Party C shall promptly present such notice, order or recommendation to the Pledgee within five (5) days and shall comply with such notice, order or recommendation, or raise objections and representations with respect thereto upon the reasonable request of, or with the consent of, the Pledgee.

- 6.1.3. The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received that may affect the Pledgor's rights in the Pledged Equity or any part thereof, or may affect any of the representations, obligations or undertakings of the Pledgor under this Agreement, or may affect the Pledgor's performance of its obligations under this Agreement.
- 6.1.4. Party C shall, no later than three (3) months prior to the expiration of its business term, complete the procedures for extension of its business term so as to ensure the continued validity of this Agreement.
- 6.1.5. Without the prior written consent of the Pledgee, the Pledgor shall not amend or otherwise modify the articles of association of Party C, nor take any action that may adversely affect the Pledgee's rights with respect to the Pledged Equity or any of its rights under this Agreement.
- 6.2 The Pledgor agrees that the rights of the Pledgee with respect to the Pledge obtained pursuant to this Agreement shall not be interrupted or impaired by the Pledgor, the Pledgor's heirs, the Pledgor's authorized representatives or any other Person through any legal proceedings.
- 6.3 The Pledgor hereby undertakes to the Pledgee that, in order to protect or perfect the security created under this Agreement for the Contractual Obligations and the Secured Obligations, the Pledgor shall faithfully execute, and procure other interested parties to execute, all certificates of rights, deeds and/or take, and procure other interested parties to take, all actions as reasonably required by the Pledgee. The Pledgor shall facilitate the exercise of the rights and powers granted to the Pledgee under this

Agreement, execute all documents relating to the ownership of the Pledged Equity with the Pledgee or any Person designated by the Pledgee (whether a natural person or legal entity), and provide to the Pledgee, within a reasonable period, all notices, orders and decisions relating to the Pledge as the Pledgee may reasonably deem necessary.

- 6.4 The Pledgor hereby undertakes to the Pledgee that it shall comply with and perform all representations, warranties, covenants, agreements and conditions under this Agreement.

7. Events of Default

- 7.1 Each of the following events shall constitute an Event of Default:

7.1.1. Any breach by the Pledgor of any obligation under any Transaction Document and/or this Agreement;

7.1.2. Any breach by Party C of any obligation under any Transaction Document and/or this Agreement.

- 7.2 If the Pledgor or Party C becomes aware of or discovers that any event described in Section 7.1 has occurred or may occur, the Pledgor and Party C shall immediately notify the Pledgee in writing.

- 7.3 Unless any Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has issued a notice requiring remedy of such breach to the Pledgor and/or Party C, the Pledgee may, at any time thereafter, subject to Section 8.1, issue a written Default Notice to the Pledgor and require the exercise of the Pledge in accordance with Section 8.

8. Enforcement of the Pledge

- 8.1 Notwithstanding any provision to the contrary in this Agreement, any Transaction Document or any other agreement entered into among the Pledgee, the Pledgor and/or Party C, the Pledgee shall not enforce the Pledge under this Agreement unless the Pledgee simultaneously enforces all pledges or other Security Interests granted to the Pledgee by the other shareholders of Party C over the equity interests held by such other

shareholders in Party C pursuant to other equity pledge agreements; provided, however, that where the Pledgor breaches any obligation under any Transaction Document and/or this Agreement, the Pledgee's exercise of the Pledge shall not be subject to the limitation under this Section 8.1.

- 8.2 When exercising the Pledge, the Pledgee shall issue a written Default Notice to the Pledgor.
- 8.3 Subject to Sections 7.3 and 8.1, the Pledgee may, at any time after issuing the Default Notice in accordance with Section 8.2, exercise the right to dispose of the Pledge. Upon the Pledgee's decision to exercise its right to dispose of the Pledge, the Pledgor shall no longer have any rights or interests with respect to the Pledged Equity.
- 8.4 After issuing the Default Notice in accordance with Section 8.2, the Pledgee shall have the right to exercise all remedies available to it under PRC laws, the Transaction Documents and this Agreement, including, without limitation, obtaining priority repayment from the proceeds derived from conversion into value, auction or sale of the Pledged Equity. The Pledgee shall not be liable for any loss arising from its reasonable exercise of such rights and powers.
- 8.5 Any proceeds obtained by the Pledgee from the enforcement of the Pledge shall first be used to pay any taxes and expenses payable as a result of the disposal of the Pledged Equity and to perform the Contractual Obligations and repay the Secured Obligations owed to the Pledgee. Any remaining balance after deduction of the foregoing amounts shall be returned to the Pledgor or any other Person entitled thereto under applicable laws and regulations, or deposited with a notary office at the place where the Pledgor is located (any expenses arising therefrom shall be borne by the Pledgor). To the extent permitted under PRC laws, the Pledgor shall unconditionally gift such remaining balance to the Pledgee or any Person designated by the Pledgee.
- 8.6 Subject to Section 8.1, the Pledgee shall have the right to exercise any of its remedies for breach either simultaneously or sequentially. The Pledgee shall not be required to first exercise any other remedy before exercising

its right to priority repayment from the proceeds derived from conversion into value, auction or sale of the Pledged Equity under this Agreement.

- 8.7 The Pledgee shall have the right to designate its attorneys or other agents in writing to exercise the Pledge on its behalf, and the Pledgor and Party C shall raise no objection thereto.
- 8.8 When disposing of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide all necessary assistance to enable the Pledgee to realize its rights under the Pledge.

9. Liability for Breach

- 9.1 Subject to Section 9.3, if the Pledgor or Party C materially breaches any provision of this Agreement, the Pledgee shall have the right to terminate this Agreement and/or require the breaching party to compensate for damages. Subject to Section 9.3, this Section 9 shall not prejudice any other rights of the Pledgee under this Agreement.
- 9.2 Except as otherwise required by applicable laws, the Pledgor or Party C shall not have any right to terminate or rescind this Agreement under any circumstances.
- 9.3 If the Pledgor breaches any representation, warranty, covenant, agreement, or condition under this Agreement or any other Transaction Document, the Pledgee shall have the right to exercise the Pledge over the equity in Party C held by the Pledgor in accordance with Article 8 of this Agreement.

10. Assignment

- 10.1 Without the prior written consent of the Pledgee, the Pledgor and Party C shall not assign or transfer any of their rights or obligations under this Agreement by way of gift or otherwise.
- 10.2 This Agreement shall be binding upon the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 The Pledgee may, at any time, assign all or any of its rights and

obligations under the Transaction Documents and this Agreement to any Person designated by it, in which case the assignee shall enjoy and assume the rights and obligations of the Pledgee under the Transaction Documents and this Agreement as if it were an original party hereto.

- 10.4 Upon any change of the Pledgee resulting from an assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, enter into a new equity pledge agreement with the new pledgee on terms substantially identical to those of this Agreement and complete the relevant registration with the competent authority for business registration.
- 10.5 The Pledgor and Party C shall strictly comply with the provisions of this Agreement and other agreements entered into individually or jointly by the Parties, including the Transaction Documents, perform their obligations under the Transaction Documents, and shall not take or omit to take any action that may affect the validity or enforceability of such agreements. Unless otherwise instructed in writing by the Pledgee, the Pledgor shall not exercise any rights remaining in the Pledged Equity.

11. Termination

- 11.1 After the Pledgor and Party C have fully performed all Contractual Obligations and fully repaid all Secured Obligations, the Pledgee shall, upon the request of the Pledgor, release the Pledge over the Pledged Equity under this Agreement as soon as reasonably practicable and cooperate with the Pledgor in completing the deregistration of the equity pledge recorded in Party C's register of shareholders and the deregistration of the Pledge with the competent authority for business registration.
- 11.2 The provisions of Sections 9, 13, 14 and this Section 11.2 shall survive the termination of this Agreement.

12. Fees and Other Expenses

All costs and actual expenses incurred in connection with this Agreement, including but not limited to legal fees, production costs, stamp duty and any other taxes and expenses, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

14. Governing Law and Dispute Resolution

- 14.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the PRC laws.
- 14.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation among the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the court of competent jurisdiction at the place of domicile of the plaintiff for litigation.
- 14.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

15. Notices

- 15.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:
- 15.2 If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date.
- 15.3 If delivered by facsimile, the date of successful transmission (as evidenced by the automatically generated transmission confirmation) shall be deemed the effective delivery date.

16. Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

17. Annexes

The annexes attached hereto shall form an integral part of this Agreement.

18. Effectiveness

- 18.1 This Agreement shall become effective upon execution by all Parties.
- 18.2 Any amendment, supplement or modification to this Agreement shall be made in writing, signed or sealed by the Parties and registered with the relevant governmental authority (if required) before becoming effective.

19. Language and Counterparts

This Agreement is executed in four (4) originals. The Pledgee, the Pledgor and Party C shall each hold one original, and the remaining original shall be used for registration purposes. Each original shall have equal legal effect.

[No further text. Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu
Name:Kening Wu
Title: Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party B:

Li Xiaosong

By: /s/ Li Xiaosong

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party C:

Shenzhen Zhilue Xinsi Consulting Co., Ltd. (Seal)

By: /s/ Kening Wu
Name:Kening Wu
Title: Authorized Signatory

Signature Page

Annexes:

Register of Shareholders of Party C;

Annexes



EQUITY PLEDGE AGREEMENT

This Equity Pledge Agreement (“**Agreement**”) is entered into on [February 27], 2025 in Shenzhen, the People’s Republic of China (“**PRC**”) by and among the following parties:

Party A: **Xunlei Computer (Shenzhen) Co., Ltd.** (“**Pledgee**”), a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;

Party B: **Wu Kening** (“**Pledgor**”), a PRC citizen, ID No. *****, residing at [Room 16G, Block D, Xihai Mingzhu Garden, No. 1 Taoyuan Road, Nanshan District, Shenzhen]; and

Party C: **Shenzhen Zhilue Xinsi Consulting Co., Ltd.**, a limited liability company duly established and validly existing under the PRC laws, with its address at Room 7A758, Block AB, New Energy Building, No. 2239 Nanhai Avenue, Nanguang Community, Nanshan Subdistrict, Nanshan District, Shenzhen.

The Pledgee, the Pledgor and Party C are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS:

1. The Pledgor is a limited liability company in the PRC. As of the date of this Agreement, Pledgor holds [60]% of the equity interest in Party C, representing registered capital of RMB [60,000]. Party C agrees to confirm the rights and obligations of the Pledgor and the Pledgee under this Agreement and to provide necessary assistance in registering the equity pledge.
2. The Pledgee is a wholly foreign-owned enterprise duly registered in the PRC. The Pledgee has entered into an Exclusive Business Cooperation Agreement (as defined below) with Party C in which the Pledgor holds an equity interest; the Pledgee, the Pledgor and Party C have entered into an Exclusive Option Agreement (as defined below); the Pledgee and the Pledgor have entered into a Loan Agreement (as defined below); and the Pledgor has executed a Power of

Attorney in favor of the Pledgee (as defined below).

3. In order to secure the performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, the Pledgor agrees to pledge all of its equity interest in Party C in favor of the Pledgee as security for the performance of such obligations.

In order to perform the provisions of the Transaction Documents, the Parties hereby agree as follows:

1. Definitions

Unless otherwise provided herein, the following terms shall have the meanings set forth below:

- 1.1 “Pledge” means the security interest granted by the Pledgor to the Pledgee pursuant to Section 2 of this Agreement, pursuant to which the Pledgee shall be entitled to priority in receiving repayment from the proceeds derived from the conversion into value, auction or sale of the Pledged Equity.
- 1.2 “Pledged Equity” means all equity interests in Party C currently held or to be held in the future by the Pledgor.
- 1.3 “Pledge Term” means the period set forth in Section 3 of this Agreement.
- 1.4 “Transaction Documents” means the Exclusive Business Cooperation Agreement entered into between Party C and the Pledgee on [May 1], 2022 (“**Exclusive Business Cooperation Agreement**”); the Exclusive Option Agreement entered into among the Pledgee, the Pledgor and Party C on [February 27], 2025 (“**Exclusive Option Agreement**”); the Loan Agreement entered into between the Pledgee and the Pledgor on [February 27], 2025 (“**Loan Agreement**”); the Power of Attorney executed by the Pledgor in favor of the Pledgee on [February 27], 2025 (“**Power of Attorney**”); and any amendments, supplements and/or restatements to the foregoing documents.
- 1.5 “Contractual Obligations” means all obligations of the Pledgor under the

Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement, and all obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.

- 1.6 “Secured Obligations” means all direct, indirect and consequential losses suffered by the Pledgee arising from any Event of Default of the Pledgor and/or Party C, including any reasonably anticipated loss of profits, the calculation of which shall be based on, including but not limited to, the Pledgee’s reasonable business plan and profit forecast, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all expenses incurred by the Pledgee in enforcing the Contractual Obligations of the Pledgor and/or Party C. The amount of the Secured Obligations under this Agreement shall not be less than RMB 50,000,000.
- 1.7 “Event of Default” means any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 “Default Notice” means the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

- 2.1 The Pledgor hereby agrees to pledge the Pledged Equity to the Pledgee in accordance with the provisions of this Agreement as security for the performance of the Contractual Obligations and the repayment of the Secured Obligations. Party C hereby agrees to the Pledgor pledging the Pledged Equity to the Pledgee in accordance with the provisions of this Agreement.
- 2.2 During the Pledge Term, the Pledgee shall have the right to receive dividends or distributions generated from the Pledged Equity. The Pledgor may receive dividends or distributions in respect of the Pledged Equity only with the prior written consent of the Pledgee. Any dividends or distributions received by the Pledgor in connection with the Pledged Equity, after deduction of applicable individual income tax paid by the Pledgor, shall, at the request of the Pledgee, either: (1) be deposited into an account designated by the Pledgee and be subject to the supervision of

the Pledgee and used as security for the performance of the Contractual Obligations and for priority repayment of the Secured Obligations; or (2) to the extent permitted under PRC laws, be unconditionally gifted to the Pledgee or any Person designated by the Pledgee.

- 2.3 The Pledgor may increase the registered capital of Party C only with the prior written consent of the Pledgee. Any additional capital contribution made by the Pledgor to Party C shall form part of the Pledged Equity.
- 2.4 In the event that Party C is required to be dissolved or liquidated pursuant to mandatory provisions of PRC laws, any distribution received by the Pledgor from Party C upon completion of the lawful dissolution or liquidation of Party C shall, at the request of the Pledgee: (1) be deposited into an account designated by the Pledgee, subject to the supervision of the Pledgee, and used as security for the performance of the Contractual Obligations and for priority repayment of the Secured Obligations; or (2) to the extent permitted under PRC laws, be unconditionally gifted to the Pledgee or any Person designated by the Pledgee.

3. Pledge Term

- 3.1 The Pledge shall become effective on the date when the pledge of the Pledged Equity under this Agreement is duly registered with the competent administration for market regulation, and shall remain effective until all Contractual Obligations have been fully performed and all Secured Obligations have been fully satisfied. The Pledgor and Party C shall: (1) within three (3) business days after the execution of this Agreement, register the Pledge in Party C's register of shareholders; and (2) within [30] business days after the execution of this Agreement, apply for registration of the Pledge under this Agreement with the competent authority for business registration. The Parties hereby confirm that, for the purpose of completing the registration of the equity pledge, the Parties and the other shareholders of Party C shall submit this Agreement or an equity pledge agreement reflecting the pledge information under this Agreement in such form as required by the competent authority for business registration at the place where Party C is registered ("Registered

Pledge Agreement”). Any matters not specified in the Registered Pledge Agreement shall be governed by this Agreement. The Pledgor and Party C shall, in accordance with the PRC laws and the requirements of the competent authority for business registration, submit all necessary documents and complete all necessary procedures to ensure that the Pledge is duly registered as soon as practicable after submission of the application.

- 3.2 During the Pledge Term, if the Pledgor and/or Party C fails to perform the Contractual Obligations or repay the Secured Obligations, the Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

4. Custody of Certificates Evidencing the Pledge

- 4.1 During the Pledge Term as stipulated under this Agreement, the Pledgor shall deliver to the Pledgee for custody the capital contribution certificate evidencing its equity interest in Party C and the register of shareholders reflecting the record of the Pledge. The Pledgor shall deliver the aforesaid capital contribution certificate and register of shareholders to the Pledgee within one (1) week after the execution of this Agreement. The Pledgee shall retain custody of such documents throughout the entire Pledge Term as provided under this Agreement.

5. Representations and Warranties of the Pledgor and Party C

The Pledgor and Party C hereby jointly and severally represent and warrant to Party A as of the date of execution of this Agreement as follows:

- 5.1 The Pledgor is the sole legal and beneficial owner of the Pledged Equity.
- 5.2 The Pledgee shall have the right to dispose of and transfer the Pledged Equity in accordance with the provisions of this Agreement.
- 5.3 Other than the Pledge created under this Agreement, the Pledgor has not created any other pledge or other Security Interest over the Pledged Equity. There are no lawsuits, arbitrations, or administrative proceedings pending or, to the knowledge of the Pledgor, threatened against the

Pledgor or the Pledged Equity.

- 5.4 The Pledgor and Party C have obtained all necessary consents and approvals from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement.
- 5.5 All documents delivered by the Pledgor to the Pledgee in connection with this Agreement are true, complete, and accurate in all material respects, and do not omit any information that would render any statement therein incorrect or misleading in any respect.
- 5.6 The execution, delivery and performance of this Agreement shall not: (i) result in any violation of applicable PRC laws; (ii) conflict with the articles of association or other organizational documents of Party C; (iii) result in a breach of, or constitute a default under, any contract or instrument to which the Pledgor or Party C is a party or by which it is bound; (iv) result in a breach of any condition applicable to the grant or continued effectiveness of any license or approval issued to any Party; or (v) result in the suspension, revocation or imposition of additional conditions on any license or approval issued to any Party.

6. Covenants of the Pledgor and Party C

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally covenant to the Pledgee as follows:
 - 6.1.1 Except as required for the performance of the Transaction Documents, without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity or any part thereof, nor create or permit the creation of any Security Interest or other Encumbrance over the Pledged Equity.
 - 6.1.2 The Pledgor and Party C shall comply with all applicable laws and regulations relating to pledges of rights. Upon receipt of any notice, order or recommendation from any competent authority relating to the Pledge, the Pledgor and Party C shall promptly present such notice, order or recommendation to the Pledgee within five (5) days and shall comply with such notice, order or

recommendation, or raise objections and representations with respect thereto upon the reasonable request of, or with the consent of, the Pledgee.

- 6.1.3. The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received that may affect the Pledgor's rights in the Pledged Equity or any part thereof, or may affect any of the representations, obligations or undertakings of the Pledgor under this Agreement, or may affect the Pledgor's performance of its obligations under this Agreement.
- 6.1.4. Party C shall, no later than three (3) months prior to the expiration of its business term, complete the procedures for extension of its business term so as to ensure the continued validity of this Agreement.
- 6.1.5. Without the prior written consent of the Pledgee, the Pledgor shall not amend or otherwise modify the articles of association of Party C, nor take any action that may adversely affect the Pledgee's rights with respect to the Pledged Equity or any of its rights under this Agreement.
- 6.2 The Pledgor agrees that the rights of the Pledgee with respect to the Pledge obtained pursuant to this Agreement shall not be interrupted or impaired by the Pledgor, the Pledgor's heirs, the Pledgor's authorized representatives or any other Person through any legal proceedings.
- 6.3 The Pledgor hereby undertakes to the Pledgee that, in order to protect or perfect the security created under this Agreement for the Contractual Obligations and the Secured Obligations, the Pledgor shall faithfully execute, and procure other interested parties to execute, all certificates of rights, deeds and/or take, and procure other interested parties to take, all actions as reasonably required by the Pledgee. The Pledgor shall facilitate the exercise of the rights and powers granted to the Pledgee under this Agreement, execute all documents relating to the ownership of the Pledged Equity with the Pledgee or any Person designated by the Pledgee (whether a natural person or legal entity), and provide to the Pledgee,

within a reasonable period, all notices, orders and decisions relating to the Pledge as the Pledgee may reasonably deem necessary.

- 6.4 The Pledgor hereby undertakes to the Pledgee that it shall comply with and perform all representations, warranties, covenants, agreements and conditions under this Agreement.

7. Events of Default

- 7.1 Each of the following events shall constitute an Event of Default:
- 7.1.1. Any breach by the Pledgor of any obligation under any Transaction Document and/or this Agreement;
 - 7.1.2. Any breach by Party C of any obligation under any Transaction Document and/or this Agreement.
- 7.2 If the Pledgor or Party C becomes aware of or discovers that any event described in Section 7.1 has occurred or may occur, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless any Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has issued a notice requiring remedy of such breach to the Pledgor and/or Party C, the Pledgee may, at any time thereafter, subject to Section 8.1, issue a written Default Notice to the Pledgor and require the exercise of the Pledge in accordance with Section 8.

8. Enforcement of the Pledge

- 8.1 Notwithstanding any provision to the contrary in this Agreement, any Transaction Document or any other agreement entered into among the Pledgee, the Pledgor and/or Party C, the Pledgee shall not enforce the Pledge under this Agreement unless the Pledgee simultaneously enforces all pledges or other Security Interests granted to the Pledgee by the other shareholders of Party C over the equity interests held by such other shareholders in Party C pursuant to other equity pledge agreements; provided, however, that where the Pledgor breaches any obligation under any Transaction Document and/or this Agreement, the Pledgee's exercise

of the Pledge shall not be subject to the limitation under this Section 8.1.

- 8.2 When exercising the Pledge, the Pledgee shall issue a written Default Notice to the Pledgor.
- 8.3 Subject to Sections 7.3 and 8.1, the Pledgee may, at any time after issuing the Default Notice in accordance with Section 8.2, exercise the right to dispose of the Pledge. Upon the Pledgee's decision to exercise its right to dispose of the Pledge, the Pledgor shall no longer have any rights or interests with respect to the Pledged Equity.
- 8.4 After issuing the Default Notice in accordance with Section 8.2, the Pledgee shall have the right to exercise all remedies available to it under PRC laws, the Transaction Documents and this Agreement, including, without limitation, obtaining priority repayment from the proceeds derived from conversion into value, auction or sale of the Pledged Equity. The Pledgee shall not be liable for any loss arising from its reasonable exercise of such rights and powers.
- 8.5 Any proceeds obtained by the Pledgee from the enforcement of the Pledge shall first be used to pay any taxes and expenses payable as a result of the disposal of the Pledged Equity and to perform the Contractual Obligations and repay the Secured Obligations owed to the Pledgee. Any remaining balance after deduction of the foregoing amounts shall be returned to the Pledgor or any other Person entitled thereto under applicable laws and regulations, or deposited with a notary office at the place where the Pledgor is located (any expenses arising therefrom shall be borne by the Pledgor). To the extent permitted under PRC laws, the Pledgor shall unconditionally gift such remaining balance to the Pledgee or any Person designated by the Pledgee.
- 8.6 Subject to Section 8.1, the Pledgee shall have the right to exercise any of its remedies for breach either simultaneously or sequentially. The Pledgee shall not be required to first exercise any other remedy before exercising its right to priority repayment from the proceeds derived from conversion into value, auction or sale of the Pledged Equity under this Agreement.
- 8.7 The Pledgee shall have the right to designate its attorneys or other agents

in writing to exercise the Pledge on its behalf, and the Pledgor and Party C shall raise no objection thereto.

- 8.8 When disposing of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide all necessary assistance to enable the Pledgee to realize its rights under the Pledge.

9. Liability for Breach

- 9.1 Subject to Section 9.3, if the Pledgor or Party C materially breaches any provision of this Agreement, the Pledgee shall have the right to terminate this Agreement and/or require the breaching party to compensate for damages. Subject to Section 9.3, this Section 9 shall not prejudice any other rights of the Pledgee under this Agreement.
- 9.2 Except as otherwise required by applicable laws, the Pledgor or Party C shall not have any right to terminate or rescind this Agreement under any circumstances.
- 9.3 If the Pledgor breaches any representation, warranty, covenant, agreement, or condition under this Agreement or any other Transaction Document, the Pledgee shall have the right to exercise the Pledge over the equity in Party C held by the Pledgor in accordance with Article 8 of this Agreement.

10. Assignment

- 10.1 Without the prior written consent of the Pledgee, the Pledgor and Party C shall not assign or transfer any of their rights or obligations under this Agreement by way of gift or otherwise.
- 10.2 This Agreement shall be binding upon the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 The Pledgee may, at any time, assign all or any of its rights and obligations under the Transaction Documents and this Agreement to any Person designated by it, in which case the assignee shall enjoy and assume the rights and obligations of the Pledgee under the Transaction

Documents and this Agreement as if it were an original party hereto.

- 10.4 Upon any change of the Pledgee resulting from an assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, enter into a new equity pledge agreement with the new pledgee on terms substantially identical to those of this Agreement and complete the relevant registration with the competent authority for business registration.
- 10.5 The Pledgor and Party C shall strictly comply with the provisions of this Agreement and other agreements entered into individually or jointly by the Parties, including the Transaction Documents, perform their obligations under the Transaction Documents, and shall not take or omit to take any action that may affect the validity or enforceability of such agreements. Unless otherwise instructed in writing by the Pledgee, the Pledgor shall not exercise any rights remaining in the Pledged Equity.

11. Termination

- 11.1 After the Pledgor and Party C have fully performed all Contractual Obligations and fully repaid all Secured Obligations, the Pledgee shall, upon the request of the Pledgor, release the Pledge over the Pledged Equity under this Agreement as soon as reasonably practicable and cooperate with the Pledgor in completing the deregistration of the equity pledge recorded in Party C's register of shareholders and the deregistration of the Pledge with the competent authority for business registration.
- 11.2 The provisions of Sections 9, 13, 14 and this Section 11.2 shall survive the termination of this Agreement.

12. Fees and Other Expenses

All costs and actual expenses incurred in connection with this Agreement, including but not limited to legal fees, production costs, stamp duty and any other taxes and expenses, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

14. Governing Law and Dispute Resolution

- 14.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the PRC laws.
- 14.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation among the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the court of competent jurisdiction at the place of domicile of the plaintiff for litigation.
- 14.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

15. Notices

- 15.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:
- 15.2 If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date.
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16. Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

17. Annexes

The annexes attached hereto shall form an integral part of this Agreement.

18. Effectiveness

- 18.1 This Agreement shall become effective upon execution by all Parties.
- 18.2 Any amendment, supplement or modification to this Agreement shall be made in writing, signed or sealed by the Parties and registered with the relevant governmental authority (if required) before becoming effective.

19. Language and Counterparts

This Agreement is executed in four (4) originals. The Pledgee, the Pledgor and

Party C shall each hold one original, and the remaining original shall be used for registration purposes. Each original shall have equal legal effect.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title: Authorized Signatory

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party B:

Wu Kening

By: /s/ Kening Wu

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party C:

Shenzhen Zhilue Xinsi Consulting Co., Ltd. (Seal)

By: /s/ Kening Wu
Name: Kening Wu
Title: Authorized Signatory

Signature Page

Annexes:

Register of Shareholders of Party C;

Annexes

PARTNERSHIP INTEREST PLEDGE AGREEMENT

This Partnership Interest Pledge Agreement (“**Agreement**”) is entered into on [February 20], 2025 in Shenzhen, the People’s Republic of China (“**PRC**”) by and among the following parties:

- Party A: **Xunlei Computer (Shenzhen) Co., Ltd. (“Pledgee”)**, a wholly foreign-owned enterprise duly established and validly existing under the PRC laws, with its address at Room 0610-E12, Port Building, Maritime Center, No. 59 Linhai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone, Shenzhen;
- Party B: **Wu Kening (“Pledgor”)**, a PRC citizen, ID No. *****, residing at [Room 2-2-501, Fenggang Garden, No. 22 Jinhu Road, Luohu District, Shenzhen]; and
- Party C: **Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership)**, a limited partnership duly established and validly existing under the PRC laws, with its address at Room 1402-29, Building 1, Shenzhen Software Industry Base, Nos. 81, 83, 85 Gaoxin South 10th Road, Binhai Community, Yuehai Subdistrict, Nanshan District, Shenzhen.

The Pledgee, the Pledgor and Party C are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS:

1. The Pledgor is a PRC citizen. As of the date of this Agreement, the Pledgor holds [95]% of the partnership interest in Party C, representing registered capital of RMB [95,000] in Party C. Party C agrees to confirm the rights and obligations of the Pledgor and the Pledgee under this Agreement and to provide necessary assistance in registering the partnership interest pledge.
2. The Pledgee is a wholly foreign-owned enterprise duly registered in the PRC. The Pledgee has entered into an Exclusive Business Cooperation Agreement (as defined below) with Party C in which the Pledgor holds a partnership interest; the

Pledgee, the Pledgor and Party C have entered into an Exclusive Option Agreement (as defined below); the Pledgee and the Pledgor have entered into a Loan Agreement (as defined below); and the Pledgor has executed a Power of Attorney in favor of the Pledgee (as defined below).

3. In order to secure the performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, the Pledgor agrees to pledge all of its partnership interest in Party C in favor of the Pledgee as security for the performance of such obligations.

In order to perform the provisions of the Transaction Documents, the Parties hereby agree as follows:

1. Definitions

Unless otherwise provided herein, the following terms shall have the meanings set forth below:

- 1.1 “Pledge” means the security interest granted by the Pledgor to the Pledgee pursuant to Section 2 of this Agreement, pursuant to which the Pledgee shall be entitled to priority in receiving repayment from the proceeds derived from the conversion into value, auction or sale of the Pledged Partnership Interest.
- 1.2 “Pledged Partnership Interest” means all partnership interests in Party C currently held or to be held in the future by the Pledgor.
- 1.3 “Pledge Term” means the period set forth in Section 3 of this Agreement.
- 1.4 “Transaction Documents” means the Exclusive Business Cooperation Agreement entered into between Party C and the Pledgee on [May 1], 2022 (“**Exclusive Business Cooperation Agreement**”); the Exclusive Option Agreement entered into among the Pledgee, the Pledgor and Party C on [February 20], 2025 (“**Exclusive Option Agreement**”); the Loan Agreement entered into between the Pledgee and the Pledgor on [February 20], 2025 (“**Loan Agreement**”); the Power of Attorney executed by the Pledgor in favor of the Pledgee on [February 20], 2025 (“**Power of Attorney**”); and any amendments, supplements and/or restatements to the foregoing documents.

- 1.5 “Contractual Obligations” means all obligations of the Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement, and all obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.
- 1.6 “Secured Obligations” means all direct, indirect and consequential losses suffered by the Pledgee arising from any Event of Default of the Pledgor and/or Party C, including any reasonably anticipated loss of profits, the calculation of which shall be based on, including but not limited to, the Pledgee’s reasonable business plan and profit forecast, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all expenses incurred by the Pledgee in enforcing the Contractual Obligations of the Pledgor and/or Party C. The amount of the Secured Obligations under this Agreement shall not be less than RMB 50,000,000.
- 1.7 “Event of Default” means any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 “Default Notice” means the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

- 2.1 The Pledgor hereby agrees to pledge the Pledged Partnership Interest to the Pledgee in accordance with the provisions of this Agreement as security for the performance of the Contractual Obligations and the repayment of the Secured Obligations. Party C hereby agrees to the Pledgor pledging the Pledged Partnership Interest to the Pledgee in accordance with the provisions of this Agreement.
- 2.2 During the Pledge Term, the Pledgee shall have the right to receive profits generated from the Pledged Partnership Interest. The Pledgor may receive profits in respect of the Pledged Partnership Interest only with the prior written consent of the Pledgee. Any profits received by the Pledgor in connection with the Pledged Partnership Interest, after deduction of applicable individual income tax paid by the Pledgor, shall, at the request of the Pledgee, either: (1) be deposited into an account designated by the Pledgee

and be subject to the supervision of the Pledgee and used as security for the performance of the Contractual Obligations and for priority repayment of the Secured Obligations; or (2) to the extent permitted under PRC laws, be unconditionally gifted to the Pledgee or any Person designated by the Pledgee.

- 2.3 The Pledgor may increase the registered capital of Party C only with the prior written consent of the Pledgee. Any additional capital contribution made by the Pledgor to Party C shall form part of the Pledged Partnership Interest.
- 2.4 In the event that Party C is required to be dissolved or liquidated pursuant to mandatory provisions of PRC laws, any distribution received by the Pledgor from Party C upon completion of the lawful dissolution or liquidation of Party C shall, at the request of the Pledgee: (1) be deposited into an account designated by the Pledgee, subject to the supervision of the Pledgee, and used as security for the performance of the Contractual Obligations and for priority repayment of the Secured Obligations; or (2) to the extent permitted under PRC laws, be unconditionally gifted to the Pledgee or any Person designated by the Pledgee.

3. Pledge Term

- 3.1 The Pledge shall become effective on the date when this Agreement is executed, and shall remain effective until all Contractual Obligations have been fully performed and all Secured Obligations have been fully satisfied. The Pledgor and Party C shall: (1) within three (3) business days after the execution of this Agreement, register the Pledge in Party C's register of partners; and (2) after the execution of this Agreement, use its best efforts to apply for registration of the Pledge under this Agreement with the competent authority for business registration (if applicable). The Parties hereby confirm that, for the purpose of completing the registration of the partnership interest pledge, the Parties and the other partners of Party C shall submit this Agreement or a partnership interest pledge agreement reflecting the pledge information under this Agreement in such form as required by the competent authority for business registration at the place where Party C is registered ("Registered Pledge Agreement"). Any matters not specified in the Registered

Pledge Agreement shall be governed by this Agreement. The Pledgor and Party C shall, in accordance with the PRC laws and the requirements of the competent authority for business registration, submit all necessary documents and complete all necessary procedures to ensure that the Pledge is duly registered as soon as practicable after submission of the application.

- 3.2 During the Pledge Term, if the Pledgor and/or Party C fails to perform the Contractual Obligations or repay the Secured Obligations, the Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

4. Custody of Certificates Evidencing the Pledge

- 4.1 During the Pledge Term as stipulated under this Agreement, the Pledgor shall deliver to the Pledgee for custody the capital contribution certificate evidencing its partnership interest in Party C and the register of partners reflecting the record of the Pledge. The Pledgor shall deliver the aforesaid capital contribution certificate and register of partners to the Pledgee within one (1) week after the execution of this Agreement. The Pledgee shall retain custody of such documents throughout the entire Pledge Term as provided under this Agreement.

5. Representations and Warranties of the Pledgor and Party C

The Pledgor and Party C hereby jointly and severally represent and warrant to Party A as of the date of execution of this Agreement as follows:

- 5.1 The Pledgor is the sole legal and beneficial owner of the Pledged Partnership Interest.
- 5.2 The Pledgee shall have the right to dispose of and transfer the Pledged Partnership Interest in accordance with the provisions of this Agreement.
- 5.3 Other than the Pledge created under this Agreement, the Pledgor has not created any other pledge or other Security Interest over the Pledged Partnership Interest. There are no lawsuits, arbitrations, or administrative proceedings pending or, to the knowledge of the Pledgor, threatened against the Pledgor or the Pledged Partnership Interest.
- 5.4 The Pledgor and Party C have obtained all necessary consents and approvals

from third parties and governmental authorities (if required) for the execution, delivery and performance of this Agreement.

- 5.5 All documents delivered by the Pledgor to the Pledgee in connection with this Agreement are true, complete, and accurate in all material respects, and do not omit any information that would render any statement therein incorrect or misleading in any respect.
- 5.6 The execution, delivery and performance of this Agreement shall not: (i) result in any violation of applicable PRC laws; (ii) conflict with the partnership agreement or other organizational documents of Party C; (iii) result in a breach of, or constitute a default under, any contract or instrument to which the Pledgor or Party C is a party or by which it is bound; (iv) result in a breach of any condition applicable to the grant or continued effectiveness of any license or approval issued to any Party; or (v) result in the suspension, revocation or imposition of additional conditions on any license or approval issued to any Party.

6. Covenants of the Pledgor and Party C

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally covenant to the Pledgee as follows:
- 6.1.1 Except as required for the performance of the Transaction Documents, without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Partnership Interest or any part thereof, nor create or permit the creation of any Security Interest or other encumbrance over the Pledged Partnership Interest.
- 6.1.2 The Pledgor and Party C shall comply with all applicable laws and regulations relating to pledges of rights. Upon receipt of any notice, order or recommendation from any competent authority relating to the Pledge, the Pledgor and Party C shall promptly present such notice, order or recommendation to the Pledgee within five (5) days and shall comply with such notice, order or recommendation, or raise objections and representations with respect thereto upon the reasonable request of, or with the consent of, the Pledgee.
- 6.1.3 The Pledgor and Party C shall promptly notify the Pledgee of any

event or notice received that may affect the Pledgor's rights in the Pledged Partnership Interest or any part thereof, or may affect any of the representations, obligations or undertakings of the Pledgor under this Agreement, or may affect the Pledgor's performance of its obligations under this Agreement.

- 6.1.4 Party C shall, no later than three (3) months prior to the expiration of its business term, complete the procedures for extension of its business term so as to ensure the continued validity of this Agreement.
- 6.1.5 Without the prior written consent of the Pledgee, the Pledgor shall not amend or otherwise modify the partnership agreement of Party C, nor take any action that may adversely affect the Pledgee's rights with respect to the Pledged Partnership Interest or any of its rights under this Agreement.
- 6.2 The Pledgor agrees that the rights of the Pledgee with respect to the Pledge obtained pursuant to this Agreement shall not be interrupted or impaired by the Pledgor, the Pledgor's heirs, the Pledgor's authorized representatives or any other Person through any legal proceedings.
- 6.3 The Pledgor hereby undertakes to the Pledgee that, in order to protect or perfect the security created under this Agreement for the Contractual Obligations and the Secured Obligations, the Pledgor shall faithfully execute, and procure other interested parties to execute, all certificates of rights, deeds and/or take, and procure other interested parties to take, all actions as reasonably required by the Pledgee. The Pledgor shall facilitate the exercise of the rights and powers granted to the Pledgee under this Agreement, execute all documents relating to the ownership of the Pledged Partnership Interest with the Pledgee or any Person designated by the Pledgee (whether a natural person or legal entity), and provide to the Pledgee, within a reasonable period, all notices, orders and decisions relating to the Pledge as the Pledgee may reasonably deem necessary.
- 6.4 The Pledgor hereby undertakes to the Pledgee that it shall comply with and perform all representations, warranties, covenants, agreements and conditions under this Agreement.

7. Events of Default

- 7.1 Each of the following events shall constitute an Event of Default:
 - 7.1.1 Any breach by the Pledgor of any obligation under any Transaction Document and/or this Agreement;
 - 7.1.2 Any breach by Party C of any obligation under any Transaction Document and/or this Agreement.
- 7.2 If the Pledgor or Party C becomes aware of or discovers that any event described in Section 7.1 has occurred or may occur, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless any Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has issued a notice requiring remedy of such breach to the Pledgor and/or Party C, the Pledgee may, at any time thereafter, subject to Section 8.1, issue a written Default Notice to the Pledgor and require the exercise of the Pledge in accordance with Section 8.

8. Enforcement of the Pledge

- 8.1 Notwithstanding any provision to the contrary in this Agreement, any Transaction Document or any other agreement entered into among the Pledgee, the Pledgor and/or Party C, the Pledgee shall not enforce the Pledge under this Agreement unless the Pledgee simultaneously enforces all pledges or other Security Interests granted to the Pledgee by the other partners of Party C over the partnership interests held by such other partners in Party C pursuant to other partnership interest pledge agreements; provided, however, that where the Pledgor breaches any obligation under any Transaction Document and/or this Agreement, the Pledgee's exercise of the Pledge shall not be subject to the limitation under this Section 8.1.
- 8.2 When exercising the Pledge, the Pledgee shall issue a written Default Notice to the Pledgor.
- 8.3 Subject to Sections 7.3 and 8.1, the Pledgee may, at any time after issuing the Default Notice in accordance with Section 8.2, exercise the right to dispose of the Pledge. Upon the Pledgee's decision to exercise its right to dispose of the

Pledge, the Pledgor shall no longer have any rights or interests with respect to the Pledged Partnership Interest.

- 8.4 After issuing the Default Notice in accordance with Section 8.2, the Pledgee shall have the right to exercise all remedies available to it under PRC laws, the Transaction Documents and this Agreement, including, without limitation, obtaining priority repayment from the proceeds derived from conversion into value, auction or sale of the Pledged Partnership Interest. The Pledgee shall not be liable for any loss arising from its reasonable exercise of such rights and powers.
- 8.5 Any proceeds obtained by the Pledgee from the enforcement of the Pledge shall first be used to pay any taxes and expenses payable as a result of the disposal of the Pledged Partnership Interest and to perform the Contractual Obligations and repay the Secured Obligations owed to the Pledgee. Any remaining balance after deduction of the foregoing amounts shall be returned to the Pledgor or any other Person entitled thereto under applicable laws and regulations, or deposited with a notary office at the place where the Pledgor is located (any expenses arising therefrom shall be borne by the Pledgor). To the extent permitted under PRC laws, the Pledgor shall unconditionally gift such remaining balance to the Pledgee or any Person designated by the Pledgee.
- 8.6 Subject to Section 8.1, the Pledgee shall have the right to exercise any of its remedies for breach either simultaneously or sequentially. The Pledgee shall not be required to first exercise any other remedy before exercising its right to priority repayment from the proceeds derived from conversion into value, auction or sale of the Pledged Partnership Interest under this Agreement.
- 8.7 The Pledgee shall have the right to designate its attorneys or other agents in writing to exercise the Pledge on its behalf, and the Pledgor and Party C shall raise no objection thereto.
- 8.8 When disposing of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide all necessary assistance to enable the Pledgee to realize its rights under the Pledge.

9. Liability for Breach

- 9.1 Subject to Section 9.3, if the Pledgor or Party C materially breaches any

provision of this Agreement, the Pledgee shall have the right to terminate this Agreement and/or require the breaching party to compensate for damages. Subject to Section 9.3, this Section 9 shall not prejudice any other rights of the Pledgee under this Agreement.

- 9.2 Except as otherwise required by applicable laws, the Pledgor or Party C shall not have any right to terminate or rescind this Agreement under any circumstances.
- 9.3 If the Pledgor breaches any representation, warranty, covenant, agreement, or condition under this Agreement or any other Transaction Document, the Pledgee shall have the right to exercise the Pledge over the partnership Interest in Party C held by the Pledgor in accordance with Article 8 of this Agreement.

10. Assignment

- 10.1 Without the prior written consent of the Pledgee, the Pledgor and Party C shall not assign or transfer any of their rights or obligations under this Agreement by way of gift or otherwise.
- 10.2 This Agreement shall be binding upon the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 The Pledgee may, at any time, assign all or any of its rights and obligations under the Transaction Documents and this Agreement to any Person designated by it, in which case the assignee shall enjoy and assume the rights and obligations of the Pledgee under the Transaction Documents and this Agreement as if it were an original party hereto.
- 10.4 Upon any change of the Pledgee resulting from an assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, enter into a new equity pledge agreement with the new pledgee on terms substantially identical to those of this Agreement and complete the relevant registration with the competent authority for business registration.
- 10.5 The Pledgor and Party C shall strictly comply with the provisions of this Agreement and other agreements entered into individually or jointly by the

Parties, including the Transaction Documents, perform their obligations under the Transaction Documents, and shall not take or omit to take any action that may affect the validity or enforceability of such agreements. Unless otherwise instructed in writing by the Pledgee, the Pledgor shall not exercise any rights remaining in the Pledged Partnership Interest.

11. Termination

11.1 After the Pledgor and Party C have fully performed all Contractual Obligations and fully repaid all Secured Obligations, the Pledgee shall, upon the request of the Pledgor, release the Pledge over the Pledged Partnership Interest under this Agreement as soon as reasonably practicable and cooperate with the Pledgor in completing the deregistration of the equity pledge recorded in Party C's register of partners and the deregistration of the Pledge with the competent authority for business registration.

11.2 The provisions of Sections 9, 13, 14 and this Section 11.2 shall survive the termination of this Agreement.

12. Fees and Other Expenses

All costs and actual expenses incurred in connection with this Agreement, including but not limited to legal fees, production costs, stamp duty and any other taxes and expenses, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge and agree that this Agreement, the contents hereof, and any oral or written information exchanged among the Parties in connection with the preparation or performance of this Agreement shall constitute Confidential Information. Each Party shall maintain the confidentiality of all such Confidential Information and shall not disclose any Confidential Information to any third party without the prior written consent of the other Parties, except for: (a) any information that is or will become publicly available other than through unauthorized disclosure by the receiving Party; (b) any information required to be disclosed pursuant to applicable laws, stock exchange rules, or orders of governmental authorities or courts; or (c) any information disclosed by any Party to its shareholders, partners, directors, employees, legal or financial advisors in connection with the transactions contemplated under this Agreement, provided that

such persons shall be subject to confidentiality obligations substantially similar to those set forth herein. Any breach of confidentiality by a Party's shareholders, partners, directors, employees or engaged institutions shall be deemed a breach by such Party, which shall bear liability for breach in accordance with this Agreement.

14. Governing Law and Dispute Resolution

- 14.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of any disputes hereunder shall be governed by the PRC laws.
- 14.2 Any dispute arising from the interpretation or performance of this Agreement shall first be resolved through friendly consultation among the Parties. If the dispute cannot be resolved within thirty (30) days after one Party delivers a written notice requesting consultation, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration in accordance with its arbitration rules. The arbitration shall be conducted in Shenzhen, and the language of arbitration shall be Chinese. The arbitral award shall be final and binding upon the Parties.
- 14.3 During the resolution of any dispute arising from the interpretation or performance of this Agreement, except for the matters in dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement.

15. Notices

- 15.1 All notices and other communications required or permitted under this Agreement shall be delivered by hand, by registered mail (postage prepaid), by commercial courier service, or by facsimile to the addresses set forth below. Each notice shall also be delivered by email. The effective date of delivery shall be determined as follows:
- 15.2 If delivered by hand, courier service or registered mail (postage prepaid), the date of receipt or rejection at the designated address shall be deemed the effective delivery date.
- 15.3 If delivered by facsimile, the date of successful transmission (as evidenced by

the automatically generated transmission confirmation) shall be deemed the effective delivery date.

16. Severability

If any provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall, through good faith consultation, replace such invalid, illegal or unenforceable provision with a valid provision to the maximum extent permitted by law that most closely achieves the intended economic effect of the invalid, illegal or unenforceable provision.

17. Annexes

The annexes attached hereto shall form an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by all Parties.

18.2 Any amendment, supplement or modification to this Agreement shall be made in writing, signed or sealed by the Parties and registered with the relevant governmental authority (if required) before becoming effective.

19. Language and Counterparts

This Agreement is executed in four (4) originals. The Pledgee, the Pledgor and Party C shall each hold one original, and the remaining original shall be used for registration purposes. Each original shall have equal legal effect.

(No further text. Signature page follows.)

IN WITNESS WHEREOF, the Parties have caused this Partnership Interest Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party A:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Wu Kening

Title: Legal Representative

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Partnership Interest Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party B:

Wu Kening

By: /s/ Kening Wu

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Partnership Interest Pledge Agreement to be duly executed by their authorized representatives as of the date first written above.

Party C:

Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) (Seal)

By: /s/ Kening Wu

Name: Wu Kening

Title: Authorized Representative of Executive Partner

Signature Page

Annexes:

Register of Partners of Party C;

Annex

POWER OF ATTORNEY

I, **Wu Kening**, a PRC citizen with ID No. *****, hold [60]% of the equity interest in Shenzhen Zhilue Xinsi Consulting Co., Ltd. ("**Xinsi**") as of the date of this Power of Attorney. With respect to the equity interests currently held or to be held in the future by me in Xinsi ("**Equity Interests**"), I hereby irrevocably appoint Xunlei Computer (Shenzhen) Co., Ltd. ("**WFOE**") to exercise, during the term of this Power of Attorney, the following rights:

I hereby authorize the WFOE as my sole and exclusive proxy to exercise all rights relating to the Equity Interests on my behalf, including, without limitation: 1) attending shareholders' meetings of Xinsi; 2) exercising all shareholder rights and voting rights to which I am entitled under applicable law and the articles of association of Xinsi, including without limitation the right to sell, transfer, pledge, or otherwise dispose of all or any portion of the Equity Interests, and amend the articles of association of Xinsi; and 3) designating and appointing the directors and supervisors of Xinsi.

The WFOE shall have the right to execute, on my behalf, all documents required to be executed by me under the Exclusive Option Agreement entered into by and among me, the WFOE, and Xinsi on [February 27], 2025, the Equity Pledge Agreement entered into by and among me, the WFOE, and Xinsi on [February 27], 2025, and the Loan Agreement entered into by and between me and the WFOE on [February 27], 2025 (including any amendments, supplements, or restatements thereof, collectively, "**Transaction Documents**"), and to perform my obligations under the Transaction Documents in a timely manner. The exercise of such rights shall not constitute any limitation on the authority granted under this Power of Attorney.

Any act carried out by the WFOE in relation to the Equity Interests shall be deemed an act of me, and any document executed by the WFOE shall be deemed executed by me. I hereby acknowledge and agree to all such acts and documents.

The WFOE shall have the right to further delegate or sub-delegate the authority granted hereunder to any other person or entity without prior notice to or consent from me. Where required under the PRC laws, the WFOE shall designate a PRC citizen to exercise the foregoing rights.

This Power of Attorney shall remain irrevocable and continuously valid for so

long as I remain a shareholder of Xinsi, commencing on the date of execution hereof.

During the term of this Power of Attorney, I hereby waive all rights relating to the Equity Interests that have been authorized to the WFOE hereunder, and shall not exercise such rights independently.

This Power of Attorney is executed as of February 27, 2025.

(No text below)

(Signature Page Follows)

Wu Kening

By: /s/ Kening Wu

Accepted by:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Acknowledged by:

Shenzhen Zhilue Xinsi Consulting Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Signature Page

POWER OF ATTORNEY

I, **Li Xiaosong**, a PRC citizen with ID No. *****, hold [40]% of the equity interest in Shenzhen Zhilue Xinsi Consulting Co., Ltd. ("**Xinsi**") as of the date of this Power of Attorney. With respect to the equity interests currently held or to be held in the future by me in Xinsi ("**Equity Interests**"), I hereby irrevocably appoint Xunlei Computer (Shenzhen) Co., Ltd. ("**WFOE**") to exercise, during the term of this Power of Attorney, the following rights:

I hereby authorize the WFOE as my sole and exclusive proxy to exercise all rights relating to the Equity Interests on my behalf, including, without limitation: 1) attending shareholders' meetings of Xinsi; 2) exercising all shareholder rights and voting rights to which I am entitled under applicable law and the articles of association of Xinsi, including without limitation the right to sell, transfer, pledge, or otherwise dispose of all or any portion of the Equity Interests, and amend the articles of association of Xinsi; and 3) designating and appointing the directors and supervisors of Xinsi.

The WFOE shall have the right to execute, on my behalf, all documents required to be executed by me under the Exclusive Option Agreement entered into by and among me, the WFOE, and Xinsi on [February 27], 2025, the Equity Pledge Agreement entered into by and among me, the WFOE, and Xinsi on [February 27], 2025, and the Loan Agreement entered into by and between me and the WFOE on [February 27], 2025 (including any amendments, supplements, or restatements thereof, collectively, "**Transaction Documents**"), and to perform my obligations under the Transaction Documents in a timely manner. The exercise of such rights shall not constitute any limitation on the authority granted under this Power of Attorney.

Any act carried out by the WFOE in relation to the Equity Interests shall be deemed an act of me, and any document executed by the WFOE shall be deemed executed by me. I hereby acknowledge and agree to all such acts and documents.

The WFOE shall have the right to further delegate or sub-delegate the authority granted hereunder to any other person or entity without prior notice to or consent from me. Where required under the PRC laws, the WFOE shall designate a PRC citizen to exercise the foregoing rights.

This Power of Attorney shall remain irrevocable and continuously valid for so

long as I remain a shareholder of Xinsi, commencing on the date of execution hereof.

During the term of this Power of Attorney, I hereby waive all rights relating to the Equity Interests that have been authorized to the WFOE hereunder, and shall not exercise such rights independently.

This Power of Attorney is executed as of February 27, 2025.

(No text below)

Li Xiaosong

By: /s/ Li Xiaosong

Accepted by:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Acknowledged by:

Shenzhen Zhilue Xinsi Consulting Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

POWER OF ATTORNEY

I, **Wu Kening**, a PRC citizen with ID No. *****, hold [95]% of the partnership interest in Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) ("**Wensi**") as of the date of this Power of Attorney. With respect to the partnership interests currently held or to be held in the future by me in Wensi ("**Partnership Interests**"), I hereby irrevocably appoint Xunlei Computer (Shenzhen) Co., Ltd. ("**WFOE**") to exercise, during the term of this Power of Attorney, the following rights:

I hereby authorize WFOE to act as my sole and exclusive proxy as a limited partner, to exercise all rights of a limited partner in connection with the Partnership Interests, including, without limitation: 1) attending partners' meetings of Wensi; 2) exercising all rights and voting rights to which I am entitled as a limited partner under applicable law and the partnership agreement of Wensi, including but not limited to resolving on amendments to the partnership agreement of Wensi; resolving on changes to the scope of business of Wensi; resolving on the transfer of partnership interests by any partner of Wensi to any person other than an existing partner; resolving on the provision of guarantees by Wensi in favor of any third party; and 3) executing, on my behalf, all documents required to be executed by me as a limited partner, including but not limited to business registration amendment documents of the Partnership, documents relating to admission or withdrawal of partners, increase or decrease of any partner's capital contribution interest, and documents relating to the dissolution and liquidation of the Partnership.

The WFOE shall have the right to execute, on my behalf, all documents required to be executed by me under the Exclusive Option Agreement entered into by and among me, the WFOE, and Wensi on [February 20], 2025, the Partnership Interest Pledge Agreement entered into by and among me, the WFOE, and Wensi on [February 20], 2025, and the Loan Agreement entered into by and between me and the WFOE on [February 20], 2025 (including any amendments, supplements, or restatements thereof, collectively, "**Transaction Documents**"), and to perform my obligations under the Transaction Documents in a timely manner. The exercise of such rights shall not

constitute any limitation on the authority granted under this Power of Attorney.

Any act carried out by the WFOE in relation to the Partnership Interests shall be deemed an act of me, and any document executed by the WFOE shall be deemed executed by me. I hereby acknowledge and agree to all such acts and documents.

The WFOE shall have the right to further delegate or sub-delegate the authority granted hereunder to any other person or entity without prior notice to or consent from me. Where required under the PRC laws, the WFOE shall designate a PRC citizen to exercise the foregoing rights.

This Power of Attorney shall remain irrevocable and continuously valid for so long as I remain a limited partner of Wensi, commencing on the date of execution hereof.

During the term of this Power of Attorney, I hereby waive all rights relating to the Partnership Interests that have been authorized to the WFOE hereunder, and shall not exercise such rights independently.

This Power of Attorney is executed as of February 20, 2025.

(No text below)

(Signature Page Follows)

Wu Kening

By: /s/ Kening Wu

Accepted by:

Xunlei Computer (Shenzhen) Co., Ltd. (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Acknowledged by:

Shenzhen Zhiyi Wensi Consulting Partnership (Limited Partnership) (Seal)

By: /s/ Kening Wu

Name: Kening Wu

Title: Authorized Signatory

Signature Page

List of principal subsidiaries, the VIEs and principal subsidiaries of the VIEs of the Registrant

Name	Place of Incorporation
Subsidiaries	
Giganology (Shenzhen) Co., Ltd.	PRC
Xunlei Network Technologies Limited	British Virgin Islands
Xunlei Network Technologies Limited	Hong Kong
Xunlei Computer (Shenzhen) Co., Ltd.	PRC
Funi. Pte. Ltd.	Singapore
Fuconnect. Pte. Ltd.	Singapore
Variable Interest Entities	
Shenzhen Xunlei Networking Technologies, Co., Ltd.	PRC
Shenzhen Suqu Network Technology Co., Ltd	PRC
Subsidiaries of the Variable Interest Entities	
Xunlei Games Development (Shenzhen) Co., Ltd.	PRC
Shenzhen Xunlei Wangwenhua Co., Ltd.	PRC
Beijing Xunzhi Technology Co., Ltd.	PRC
Henan Tourism Information Co., Ltd.	PRC
Shanghai Kuanghui Network Technology Co., Ltd.	PRC
Hupu (Shanghai) Information Technology Co., Ltd.	PRC

**Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jinbo Li, certify that:

1. I have reviewed this annual report on Form 20-F of Xunlei Limited;
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 the 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/ Jinbo Li
Name: Jinbo Li
Title: Chief Executive Officer

**Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Naijiang (Eric) Zhou, certify that:

1. I have reviewed this annual report on Form 20-F of Xunlei Limited;
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 the 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/ Naijiang (Eric) Zhou

Name: Naijiang (Eric) Zhou

Title: Chief Financial Officer

**Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Xunlei Limited (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, Jinbo 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:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) 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/ Jinbo Li

Name: Jinbo 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 Xunlei Limited (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, Naijiang (Eric) Zhou, Chief Financial 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:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) 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/ Naijiang (Eric) Zhou

Name: Naijiang (Eric) Zhou

Title: Chief Financial Officer



Our ref: MCR/660874-000001/32189079v1
 Xunlei Limited
 3709 Baishi Road
 Nanshan District, Shenzhen, 518000
 The People's Republic of China

28 April 2026

Dear Sirs

Xunlei Limited

We have acted as legal advisers as to the laws of the Cayman Islands to Xunlei Limited, an exempted company incorporated with limited liability in 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 ("Form 20-F").

We hereby consent to the reference of our name under the heading "Item 10. Additional Information – E. Taxation – Cayman Islands Taxation" and "Item 16G. Corporate Governance" in the Form 20-F, and further consent to the incorporation by reference into the Registration Statement on Form S-8 (File No. 333-200633) filed on 28 November 2014, the Registration Statement on Form S-8 (File No. 333-257701) filed on 6 July 2021, the Registration Statement on Form S-8 (File No. 333-272690) filed on 16 June 2023 and the Registration Statement on Form S-8 (File No. 333-281272) filed on 6 August 2024 of the summary of our opinion under these headings in the Form 20-F. We also consent to the filing of this consent letter with the SEC as an exhibit to the Form 20-F.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP

Maples and Calder (Hong Kong) LLP

Maples and Calder (Hong Kong) LLP

26th Floor Central Plaza 18 Harbour Road Wanchai Hong Kong
 Tel +852 2522 9333 Fax +852 2537 2955 maples.com

Resident Hong Kong Partners: Ann Ng (Victoria (Australia)), Aisling Dwyer (British Virgin Islands),
 John Trehey (New Zealand), Matthew Roberts (Western Australia (Australia)), Terence Ho (New South Wales (Australia)), L.K. Kan (England and Wales),
 W.C. Pao (England and Wales), Richard Spooner (England and Wales), Sharon Yap (New Zealand), Nick Stern (England and Wales),
 Juno Huang (Queensland (Australia)), Karen Pallaras (Victoria (Australia)), Joscelyne Ainley (England and Wales), Andrew Wood (England and Wales)

Non-Resident Partners: Jonathan Green (Cayman Islands)

Cayman Islands Attorneys at Law | British Virgin Islands Solicitors

April 28, 2026

Xunlei Limited (the “Company”)
21/F, Xunlei Building,
3709 Baishi Road, Yuehai Street,
Nanshan District, Shenzhen, 518057
People’s Republic of China

We hereby consent to references to our name under the heading “Item 3.D. Key Information—Risk Factors—Risks Related to Our Business”, “Item 3.D. Key Information— Risk Factors—Risks Related to Our Corporate Structure”, “Item 4.B Information on the Company—Business Overview—Regulation” and “Item 4.C.Information on the Company— Organizational Structure—Contractual arrangements with the Variable Interest Entities” in the Company’s annual report on Form 20-F for the year ended December 31, 2025 (the “Annual Report”), and further consent to the incorporation by reference of the summaries of our opinions under these headings into Xunlei Limited’s registration statement on Form S-8 (File No. 333 – 200633) that was filed on November 28, 2014, registration statement on Form S-8 (File No. 333 – 257701) that was filed on July 6, 2021, the registration statement on Form S-8 (File No. 333-272690) filed on June 16, 2023, and the registration statement on Form S-8 (File No. 333-281272) filed on August 6, 2024. We also consent to the filing of this consent letter with the U.S. Securities and Exchange Commission as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

For and on behalf of

/s/ Kewei Law Firm

Kewei Law Firm

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-200633, No. 333-257701, No. 333-272690 and No. 333-281272) of Xunlei Limited 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 Zhong Tian LLP
Shenzhen, the People's Republic of China

April 28, 2026
