Use these links to rapidly review the document
Table of Contents
Index to consolidated financial statements

Table of Contents

As confidentially submitted to the Securities and Exchange Commission on March 21, 2014

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

XUNLEI LIMITED

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands	**7370**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

4/F, Hans Innovation Mansion, North Ring Road
No. 9018 High-Tech Park, Nanshan District
Shenzhen, 518057
People's Republic of China
(86-755) 3391-2900
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Z. Julie Gao, Esq. **Skadden, Arps, Slate, Meagher & Flom LLP** **c/o 42/F, Edinburgh Tower** **The Landmark** **15 Queen's Road Central** **Hong Kong** **(852) 3740-4700**	**James C. Lin, Esq.** **Davis Polk & Wardwell LLP** **c/o 18th Floor, The Hong Kong Club Building** **3A Chater Road** **Hong Kong** **(852) 2533-3300**

Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Proposed maximum aggregate offering price(2)(3)**	**Amount of registration fee**
Class A Common shares, par value US$0.00025 per share(1)	US$	US$

(1) American depositary shares issuable upon the deposit of the common shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents Class A common shares.

(2) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(3) Includes Class A common shares that may be purchased by the underwriters pursuant to an over-allotment option. Also includes Class A common shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A common shares are not being registered for the purpose of sales outside the United States.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. [Neither we nor the selling shareholders] may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)

Issued , 2014

American Depositary Shares

Xunlei Limited

Representing Class A common shares

This is an initial public offering of American Depositary Shares, or ADSs, of Xunlei Limited, or Xunlei. We are offering ADSs [, and the selling shareholders are offering ADSs]. Each ADS represents C lass A common shares, par value US$0.00025 per share. [We will not receive any proceeds from the sale of our ADSs by the selling shareholders.] Upon the completion of this offering, we will have a dual-class common share structure; our common shares will be divided into Class A common shares and Class B common shares. Holders of Class A common shares are entitled to one vote per share, while holders of Class B common shares are entitled to votes per share. We anticipate the initial public offering price of the ADSs will be between US$ and US$ per ADS.

We have applied for listing of our ADSs on the [NYSE/NASDAQ Global Market] under the symbol "XNET."

We are an "emerging growth company" under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.

	Per ADS	Total
Initial public offering price	US$	US$
Underwriting discounts and commissions	US$	US$
Proceeds to Xunlei Limited, before expenses	US$	US$
[Proceeds to the selling shareholders, before expenses]	US$	US$

We have granted the underwriters an option for a period of 30 days to purchase up to an aggregate of additional ADSs from us at the public offering price less underwriting discounts and commissions to cover over-allotments.

The underwriters expect to deliver the ADSs to purchasers on or about , 2014.

Concurrently with, and subject to, the completion of this offering, Xiaomi Venture Limited, our existing Series E preferred shareholder, has agreed to purchase from us US$50.0 million in common shares at a price per share equal to the initial public offering price adjusted to reflect the ADS-to-common share ratio. Our proposed issuance and sale of common shares to this investor are being made through private placement pursuant to an exemption from registration with the Securities and Exchange Commission under Regulation S of the Securities Act of 1933, as amended.

Investing in our ADSs involves a high degree of risk. See "Risk factors" beginning on page 16.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

J.P. Morgan **Citigroup**

, 2014.

Table of Contents

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Table of Contents

You should rely only on the information contained in this prospectus or in any related free writing prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, the ADSs only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the ADSs.

We have not taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside the United States.

Until 2014 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Prospectus summary

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under "Risk factors," before deciding whether to buy our ADSs. This summary and other sections of this prospectus contain (i) information from a report, referred to in this prospectus as the iResearch Report, which we commissioned from iResearch Consulting Group or iResearch, a third-party market research firm, to provide certain information including the number of monthly active users of Xunlei Accelerator and (ii) information from other publicly available reports by China Internet Network Information Center, or CNNIC, Analysys International or iResearch, which are identified by the statement "according to CNNIC", "according to Analysys International" or "according to iResearch" in this prospectus, as appropriate, and include, among others, information from the iUser Tracker database of iResearch containing overall market data on the internet industry in China.

Our business

We are one of the top 10 largest internet companies in China, as measured by user base. According to iResearch, we had over 300 million monthly unique visitors in December 2013. Digital media content, such as video, music and games, is one of the most popular usages for internet users in China. We operate a powerful internet platform in China based on cloud computing to enable users to quickly access, manage, and consume digital media content. We are increasingly extending to mobile devices in part through potentially pre-installed acceleration products in mobile phones and t living rooms through TV coverage (set-top boxes and IPTV) to further expand our user base and offer our users a wider range of access points. We aspire to deliver superior user experience in ease of access, management and consumption of digital media content anywhere, anytime, and on any device.

We are the No. 1 acceleration product provider in China as measured by market share in December 2013, according to iResearch. To address deficiencies of digital media transmission over the internet in China, such as low speed and high delivery failure rates, we provide users with quick and easy access to online digital media content through two core products and services:

- Xunlei Accelerator, which enables users to accelerate digital transmission over the internet, is our most popular and free product, with approximately 147 million monthly active users in December 2013, according to the iResearch Report. Xunlei Accelerator enjoys a market share of 80.5% based on the number of launches among all transmission and acceleration products in China in December 2013, according to iResearch; and
- Our cloud acceleration subscription services (delivered through products such as Green Channel, Offline Accelerator and Yunbo), offer users premium services for speed and reliability, with approximately 5.1 million subscribers as of December 31, 2013, up from approximately 1.1 million as of January 31, 2011.

Benefitting from the large user base for our core product, Xunlei Accelerator, we have further developed various value-added services to meet a fuller spectrum of our users' digital media content access and consumption needs including:

- Xunlei Kankan, the 7th largest online video streaming platform in China, with monthly unique visitors of approximately 136.0 million in December 2013, according to iResearch. Users can watch what they want for free from our comprehensive content library;
- Pay per view services, launched in the second half of 2012 and serving approximately 144,000 subscribers as of December 31, 2013, providing them with access to our premium content library of over 800 movies, primarily new releases. As of December 31, 2013, about 62% of our pay per view subscribers are also subscribers for our premium acceleration services, presenting opportunities for further cross-selling; and
- Online game services, including web games and massive multiplayer online games, or MMOGs, offered on our gaming platform.

We are increasingly expanding our services to mobile devices and living rooms through internet-enabled devices, as part of our cloud-based mobile and home strategies. Starting in August 2013, we began to pre-install our acceleration products in set-top boxes distributed by third-party hardware providers. We also plan to pre-install our acceleration products in Xiaomi phones. Xiaomi is a well recognized smart phone brand in China and its affiliated investment vehicle, Xiaomi Ventures Limited, or Xiaomi Ventures, made a strategic investment in approximately 25% of our company in March 2014. As of December 31, 2013, we had accumulated an installed base of approximately 530,000 set-top boxes across China. We believe our living room strategy combined with our success on PC internet will provide a seamless user experience to access digital media content from any devices. We also target to make our mobile applications as the center user interface for accessing and managing digital media content in a synchronized manner. We expect that these strategies would further grow our user base with a more compelling value proposition, allowing users to access and enjoy digital media content regardless of devices or locations of their choice.

The technological backbone of our products and services is our cloud acceleration technology, comprised of a proprietary file locating system and massive file index database. Our technology enables us to support greater user expansion with incremental increases in server and bandwidth costs. This technology, based on distributed computing architecture, along with our indexing technology, enables users to access content in an efficient manner.

We have successfully monetized our large user base. We generate revenues primarily through the following services:

- Cloud subscription services. We provide premium acceleration services for subscribers to enable faster and more reliable access to digital media content;
- Online advertising services. We offer advertising services by providing marketing opportunities on our online video streaming websites and platform to our advertisers; and
- Other internet value-added services. We offer multiple other value-added services to our users, including online games and pay per view services.

We have grown significantly in recent years. Our revenues increased from US$87.5 million in 2011 to US$148.2 million in 2012 and US$180.2 million in 2013. We had net loss attributable to Xunlei Limited of US$0.01 million in 2011 and net income attributable to Xunlei Limited of US$0.5 million in 2012 and US$10.7 million in 2013, respectively.

Our industry

The proliferation of internet usage in China in recent years has made China the largest internet market in the world. According to China Internet Network Information Center, or CNNIC, the number o internet users in China had reached 618 million as of December 31, 2013. In addition, China had a broadband penetration rate of 88.8% among internet users as of December 31, 2012, according to iResearch. With the increasing internet penetration in China, several leading internet platforms have emerged and attracted large user base. According to iResearch, there are only 10 internet platforms in China with over 300 million monthly unique visitors, based on the data for the month ended December 31, 2013, including Xunlei.

As internet penetration continues to increase in China and throughout the world, digital media has proliferated, resulting in enormous amount of digital media content flow through the internet.

Online video. Online video usage in China grew significantly in recent years after an initial lag caused by bandwidth limitations and software and hardware compatibility requirements. According to iResearch, the size of China's online video market, as measured by revenues, is expected to grow from 6.3 billion Renminbi, or RMB, in 2011 to RMB29.8 billion in 2016, representing a CAGR of 36.6%.

Online games. Online games are one of the most popular online activities in China. According to iResearch, the size of China's online gaming market, as measured by revenues, is expected to grow from RMB53.4 billion in 2011 to RMB183.7 billion in 2016, representing a CAGR of 27.8%.

In addition to PC and mobile, TV is also emerging as a new outlet for Internet consumption. According to Analysys International, the installed base of OTT (over-the-top) TVs in China, including sma TVs and TVs with smart set-top boxes connections, was 17.0 million as of December 31, 2012, and is expected to increase to 239.0 million as of December 31, 2016, representing a CAGR of 93.6%

Although the internet has become the mainstream channel for accessing digital media content, challenges for data transmission still exist. The size of digital media content files continues to grow to provide better user experience, which generates significant demand and opportunities for accelerated data transmission. Increasing consumption of digital media content, especially data-intensive content, may cause latency and other network performance issues. In China, most of the internet traffic goes through the networks of three carriers, China Telecom, China Unicom and China Mobile which form the internet backbone of the country. However, major subnets are operated by different carriers in each province with limited interconnectivity between each other of the three carriers, which causes network congestion despite improving last mile access enabled by increasing bandwidth. As a result, internet users in China constantly seek advanced technologies to enhance the accessibility of internet content.

Our strengths

We believe the following key strengths contribute to our success and differentiate us from our competitors:

- Leading consumer internet platform in China;
- Large and loyal user base with growing number of subscribers;
- Highly scalable and cost-efficient distributed computing network;
- Proven monetization track record; and
- Culture of innovation and experienced management team.

Our strategies

Our mission is to become the leading technology company for internet users in China to access, manage and consume digital media content through internet-enabled devices. We intend to achieve this mission by pursuing the following strategies:

- Continue to grow our user base, and improve user engagement and retention through user experience enhancement;
- Further monetize our large user base;
- Endeavor to provide seamless cross device user access;
- Strengthen relationships with strategic partners to further build our ecosystem;
- Continue to focus on research and development and maintain our technological leadership; and
- Selectively pursue business expansion via partnerships and acquisitions.

Our challenges

Our ability to achieve our mission and execute our strategies is subject to risks and uncertainties, including but not limited to those relating to our ability to:

- continue developing innovative technologies in response to evolving user demand and maintain our technological leadership;
- maintain and further monetize our user base, expand our subscription services and grow our subscriber base;
- develop, maintain and protect intellectual property and other proprietary rights;
- license and protect third-party intellectual property rights;
- attract and retain qualified personnel;
- maintain and develop relationships with advertisers;
- successfully adapt our business model to changes in our industry; and

- maintain control over our variable interest entities, which is based upon contractual arrangements rather than equity ownership.

Our history and structure

We commenced operations in January 2003 through the establishment of Shenzhen Xunlei Networking Technologies Co., Ltd., or Shenzhen Xunlei, in China. We established Xunlei Limited (formerly known as Giganology Limited) as our holding company in February 2005 in the Cayman Islands. Xunlei Limited directly owns Giganology (Shenzhen) Ltd., or Giganology Shenzhen, our wholly owned subsidiary in China established in June 2005.

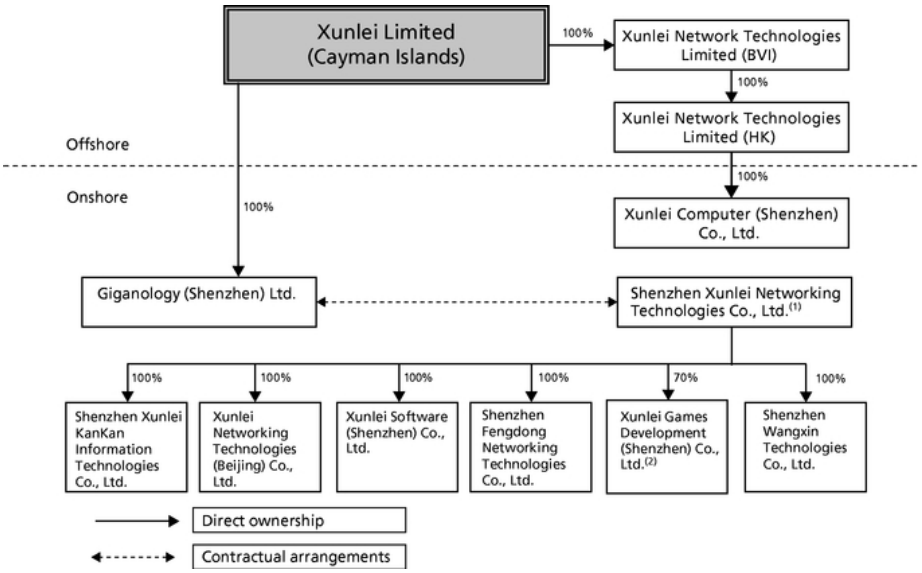
Giganology Shenzhen has entered into a series of contractual arrangements with Shenzhen Xunlei and its shareholders. The contractual arrangements between Giganology Shenzhen, Shenzhen Xunlei and its shareholders enable us to (1) exercise effective control over Shenzhen Xunlei; (2) receive substantially all of the economic benefits of Shenzhen Xunlei in consideration for the technical and consulting services provided and the intellectual property rights licensed by Giganology Shenzhen; and (3) have an exclusive option to purchase all of the equity interests in Shenzhen Xunlei when and to the extent permitted under laws and regulations of People's Republic of China, or PRC.

As a result of these contractual arrangements, we are considered the primary beneficiary of Shenzhen Xunlei, and we treat it as our variable interest entity, or VIE, under the generally accepted accounting principles in the United States, or U.S. GAAP. We have consolidated the financial results of Shenzhen Xunlei and its subsidiaries in our consolidated financial statements in accordance with U.S. GAAP.

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.

In November 2011, we established Xunlei Computer (Shenzhen) Co., Ltd. (also known as Thunder Computer (Shenzhen) Limited), or Xunlei Computer, in China, which is the direct wholly owned subsidiary of Xunlei Network HK.

The following diagram illustrates our corporate structure and subsidiaries and variable interest entities as of the date of this prospectus:



(1) Shenzhen Xunlei is our variable interest entity. Mr. Sean Shenglong Zou, our co-founder, chairman and chief executive officer, Mr. Hao Cheng, our co-founder and director, Mr. Jianming Shi, Guangzhou Shulian Information Investment Co., Ltd. and Ms. Fang Wang respectively own 76.0%, 8.3%, 8.3%, 6.7% and 0.7% of Shenzhen Xunlei's equity interests.

(2) The remaining 30% of the equity interest is owned by Mr. Hao Cheng.

In March 2014, we completed the series E preferred shares financing with Xiaomi Ventures, pursuant to which Xiaomi Ventures subscribed for 70,975,491 series E preferred shares for a total purchase price of US$200 million, or approximately US$2.8 per share. As of the date of this prospectus, Xiaomi Ventures holds approximately 25% of our total issued and outstanding shares on an as-converted basis. Within three months after the closing, Xiaomi Ventures will have the right to purchase, or designate any other person(s) to purchase, an additional 35,487,746 series E preferred shares at approximately US$2.8 per share. In addition, concurrent with the closing of Xiaomi Ventures' subscription, we issued warrants to Xiaomi Ventures with an exercise price of approximately US$2.8 per share. Xiaomi Ventures is entitled to subscribe for up to 17,743,873 series E preferred shares upon exercise of the warrants. If we are unable to complete this offering by December 31, 2014, then such warrants are exercisable at Xiaomi Ventures' option starting from January 1, 2015 and ending on March 1, 2015. Xiaomi Ventures has also agreed to purchase common shares from us in a concurrent private placement at the per share equivalent of the price to the public in this offering with a total purchase amount of US$50 million. Moreover, in relation to the series E preferred shares financing, we also issued warrants to Skyline Global Company Holdings Limited, or Skyline, with an exercise price of approximately US$2.8 per share. Skyline is entitled to subscribe for up to 3,406,824 series E

preferred shares upon its exercise of the warrants. Such warrants are exercisable at Skyline's option no later than the pricing date of this offering or March 1, 2015, whichever is earlier.

Corporate information

Our principal executive offices are located at 4/F, Hans Innovation Mansion, North Ring Road, No. 9018 High-Tech Park, Nanshan District, Shenzhen, 518057, People's Republic of China. Our telephone number at this address is (86-755) 3391-2900. 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. Our agent for service of process in the United States is .

Investors should contact us for any inquiries through the address and telephone number of our principal executive offices. Our website is . The information contained on our website is not a part of this prospectus.

Our Dual Class Share Structure

Upon the completion of this offering, we will have a dual class common share structure. Our ordinary shares will be divided into Class A common shares and Class B common shares. All of our outstanding ordinary shares held by Vantage Point Global Limited and Alden & Jasmine Limited, our co-founders' wholly owned companies, and series E preferred shares will be redesignated as Class B common shares. Holders of Class A common shares and Class B common shares will have the same rights including dividend rights, except that holders of Class A common shares will be entitled to one vote per share, while holders of Class B common shares will be entitled to votes per share. Due to the disparate voting powers attached to these two classes, we anticipate that our existing principal shareholders will continue to collectively own approximately % of the total voting power of our outstanding common shares immediately after this offering, assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs. These shareholders will have considerable influence over matters requiring shareholder approval including election of directors and significant corporate transactions, such as a merger or sale of our company or substantially all of our assets.

Implications of being an emerging growth company

As a company with less than US$1.0 billion in revenue for the last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (a) the last day of our fiscal year during which we have total annual gross revenues of at least US$1.0 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the previous three year period, issued more than US$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value o our ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company we will not be entitled to the exemptions provided in the JOBS Act discussed above.

The offering

The following information assumes that the underwriters will not exercise their option to purchase additional ADSs in the offering, unless otherwise indicated.

Offering price	We currently estimate that the initial public offering price will be between US$ and US$ per ADS.
ADSs offered by us	ADSs.
[ADSs offered by the selling shareholders]	ADSs.
Concurrent private placement	Concurrently with, and subject to, the completion of this offering, Xiaomi Ventures Limited, our existing series E preferred shareholder, has agreed to purchase from us US$50 millio in common shares in a concurrent private placement at a price per share equal to the initial public offering price adjusted to reflect the ADS-to-common share ratio. Assuming an initial offering price of US$ per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus, this investor will purchase common shares from us. Our proposed issuance and sale of common shares to Xiaomi Ventures Limited are being made through a private placement pursuant to an exemption from registration with the Securities and Exchange Commission under Regulation S of the Securities Act of 1933, as amended.
ADSs outstanding immediately after this offering	ADSs (or ADSs, if the underwriters exercise in full their over-allotment option to purchase additional ADSs).

Common shares outstanding immediately after this offering	We will adopt a dual class common share structure immediately upon the completion of this offering. As a result, we will have common shares (or common shares if the underwriters exercise their over-allotment option in full) outstanding immediately upon the completion of this offering, comprised of (i) Class A common shares, par value $0.0002 per share (or Class A common shares if the underwriters exercise their over-allotment option in full) and (ii) Class B common shares, par value $0.00025 per share. The Class B common shares outstanding immediately after the completion of this offering will represent % of the total outstanding share capital and % of the then total voting power (assuming the underwriters do not exercise the over-allotment option). Our co-founder and chief executive officer, Mr. Sean Shenglong Zou, will beneficially own Class A common shares and Class B common shares after the completion of this offering, which represent % of the then total voting power (assuming the underwriters do not exercise the over-allotment option).
The ADSs	Each ADS represents Class A common shares, par value US$0.00025 per share. The depositary will hold the Class A common shares underlying your ADSs. You will have rights as provided in the deposit agreement. If we declare dividends on our Class A common shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A common shares, after deducting its fees and expenses. You may turn in your ADSs to the depositary in exchange for Class A common shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.

Common shares	We will redesignate our common shares and convert our preferred shares into Class A common shares or Class B common shares, as applicable, immediately upon the completion of this offering. Holders of Class A common shares will be entitled to one vote per share, while holders of Class B common shares will be entitled to votes per share on most corporate matters. Immediately upon the completion of this offering, we will have Class B common shares outstanding. We plan to issue Class A common shares represented by our ADSs in this offering. Each Class B common share is convertible into one Class A common share at any time by the holder. Class A common shares will not be convertible into Class B common shares under any circumstance.
Over-allotment option	We have granted to the underwriters an option, which is exercisable within 30 days from the date of this prospectus, to purchase up to an additional ADSs.
Use of proceeds	We plan to use the net proceeds we receive from this offering to invest in technology, infrastructure and product development efforts, to acquire digital media conten and exclusive online game licenses and for other general corporate purposes, including working capital needs and potential acquisitions. See "Use of proceeds" for additional information. [We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.]
Lock-up	We, our directors and executive officers, our existing shareholders and holders of [most of the options] to purchase our common shares have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or dispose of, directly or indirectly, any of our ADSs or common shares or securities convertible into o exercisable or exchangeable for our ADSs or common shares for a period of 180 days following the date of this prospectus. Furthermore, all of our directors, executive officers, existing shareholders and holders of the options to purchase our common shares are restricted by our agreement with the depositary from depositing common shares in our ADS facility or having new ADSs issued to them during the same period. See "Underwriting" for more information.
Listing	We have applied to have the ADSs listed on the [NYSE/NASDAQ Global Market] under the symbol "XNET." Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.

Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of the Depository Trust Company on .
Depositary	
Reserved ADSs	At our request, the underwriters have reserved for sale, at the initial public offering price, up to ADSs offered by this prospectus to our directors, officers, employees, business associates and related persons through a directed share program.
Risk Factors	See "Risk factors" and other information included in this prospectus for a discussion of risks you should carefully consider before investing in our ADSs.

The number of common shares that will be outstanding immediately after this offering:

- assumes conversion of all outstanding preferred shares into Class A common shares and Class B common shares immediately upon completion of this offering;
- assumes no exercise of the underwriters' over-allotment option;
- excludes common shares issuable upon the exercise of options outstanding as of the date of this prospectus, at a weighted average exercise price of US$ per share; and
- excludes Class A common shares reserved for future issuances under our share incentive plan.

Summary consolidated financial data

The following summary consolidated statements of operations data for the years ended December 31, 2011, 2012 and 2013 and the summary balance sheet data as of December 31, 2012 and 201 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results for any period are not necessarily indicative of results to be expected for any future period. You should read the following summary financial information in conjunction with the consolidated financial statements and related notes and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

(in thousands of US$, except for share, per share and per ADS data)	For the Year Ended December 31, 2011	2012	2013
Revenues, net of rebates and discounts	87,471	148,200	180,244
Business tax and surcharges	(5,569)	(7,679)	(5,650)
Net revenues	81,902	140,521	174,594
Cost of revenues	(48,068)	(84,012)	(93,260)
Gross profit	33,834	56,509	81,334
Operating expenses[(1)]			
Research and development expenses	(12,142)	(20,357)	(28,832)
Sales and marketing expenses	(10,966)	(20,219)	(26,610)
General and administrative expenses	(18,601)	(18,474)	(23,073)
Total operating expenses	(41,709)	(59,050)	(78,515)
Net gain from exchanges of content copyrights	4,742	4,666	1,020
Operating (loss)/income	(3,133)	2,125	3,839
Interest income	270	1,377	1,189
Interest expense	(339)	(1,400)	—
Other income, net	1,415	564	4,679
Shares of (loss)/income from equity investee	(7)	(45)	25
(Loss)/income before income tax	(1,794)	2,621	9,732
Income tax benefit/(expense)	1,783	(2,239)	647
Net (loss)/income	(11)	382	10,379
Less: net loss attributable to non-controlling interest	(1)	(121)	(283)
Net (loss)/income attributable to Xunlei Limited	(10)	503	10,662
Beneficial conversion feature of Series C convertible preferred shares from their modifications	—	(286)	—
Deemed contribution from Series C preferred shareholders	—	2,979	—
Accretion to convertible redeemable preferred shares redemption value	—	(3,509)	(4,300)
Allocation of net income to participating preferred shareholders	—	—	(4,094)
Net (loss)/income attributable to Xunlei Limited's common shareholders	(10)	(313)	2,268
Weighted average number of common shares used in per share calculations			
Basic	59,143,208	61,447,372	61,447,372
Diluted	59,143,208	61,447,372	76,065,898

(in thousands of US$, except for share, per share and per ADS data)	For the Year Ended December 31, 2011	2012	2013
Net (loss)/income attributable to holders of common shares of Xunlei Limited per common share			
Basic	(0.00)	(0.01)	0.04
Diluted	(0.00)	(0.01)	0.01
Net (loss)/income attributable to holders of common shares of Xunlei Limited per ADS[2]			
Basic			
Diluted			
Weighted average number of common shares used in pro forma per share calculations			
Basic			172,400,906
Diluted			187,019,432
Pro forma earnings per common share (unaudited)[3],[5]			
Basic			0.06
Diluted			0.05
Pro forma earnings per ADS (unaudited)[2]			
Basic			
Diluted			

Notes:

(1) Share-based compensation expenses were allocated in operating expenses as follows:

(in thousands of US$)	For the Year Ended December 31, 2011	2012	2013
Research and development expenses	898	1,085	973
Sales and marketing expenses	73	46	43
General and administrative expenses	1,128	1,102	1,080
Total share-based compensation expenses	2,099	2,233	2,096

(2) Each ADS represents Class A common shares.

(3) The unaudited pro-forma earnings per share give effect to our planned re-designation of common shares and preferred shares into the equivalent number of Class A and Class B common shares upon the completion of this offering. The unaudited pro forma presentation does not include the series E preferred shares issued in 2014.

(in thousands of US$)	For the Year Ended December 31, 2012	2013	2013 Pro forma (unaudited)
Selected Consolidated Balance Sheet Data:			
Cash and cash equivalents	81,906	93,906	93,906
Short-term investments	6,523	40,993	40,993
Total current assets	163,830	193,781	193,781
Total assets	202,204	244,403	244,403
Accounts payables	31,834	39,820	39,820
Total current liabilities	79,544	105,385	105,385
Total liabilities	97,886	124,835	124,835
Mezzanine equity	35,990	40,290	—
Total Xunlei Limited's shareholders' equity	67,968	79,194	119,484
Non-controlling interest	360	84	84
Total liabilities and equity	202,204	244,403	244,403

(in thousands of US$)	For the Year Ended December 31, 2011	2012	2013
Selected Cash Flow Statement Data:			
Net cash generated from operating activities	18,277	59,914	85,533
Net cash used in investing activities	(36,875)	(49,490)	(78,352)
Net cash generated from financing activities	50,032	17,692	2,487
Net increase/(decrease) in cash and cash equivalents	31,434	28,116	9,668
Effect of exchange rate changes	562	441	2,332
Cash and cash equivalents at beginning of year/period	21,353	53,349	81,906
Cash and cash equivalents at end of year/period	53,349	81,906	93,906

Risk factors

An investment in our ADSs involves significant risks. You should carefully consider all of the information in this prospectus, 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

If we fail to continue the growth based on our current subscription-based, multiple-source revenue model, our business will be adversely affected.

We launched our core product, Xunlei Accelerator, in 2004 and cloud acceleration subscription services in 2009 to enable users to quickly access and consume digital media content. These cloud acceleration products have rapidly achieved nationwide popularity in the past few years. Coupled with our core products and services, we provide online video streaming services through Xunlei Kankan platform and other internet value-added services. Revenues from our cloud acceleration subscription services have significantly increased since 2009 while revenues from our online advertising and other internet value-added services have increased steadily over the years. We expect our growth trend to continue as we expand our subscriber base. However, due to the limited operating history of our current subscription-based, diversified multiple-source revenue stream business model, our historical growth rate may not be indicative of our future performance, especially if we are unable to continue to convert more users into subscribers. We also cannot assure you that we will grow at the same rate as we did in the past.

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

We enjoy a large user base. Our platform had over 300 million monthly unique visitors in December 2013, according to iResearch. Xunlei Kankan attracted approximately 136.0 million monthly unique visitors in December 2013, according to iResearch. However, if we are unable to consistently provide our users with quality experience of quick and easy access to digital media content, or 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 them, we may not be able to retain our existing users.

We launched our cloud acceleration subscription services in March 2009, which have since then experienced substantial growth. The total number of our subscribers reached approximately 5.1 million as of December 31, 2013. However, we cannot assure you that we will be able to maintain and increase the number of our subscribers. 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 and Offline Accelerator, 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 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.

If we fail to keep up with the technological development and users' changing demands in the internet industry, 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 would make our existing products and services less attractive to our users. For example, an increasing number of users access the internet via devices other than PCs, including mobile phones and other hand-held devices, which requires us to upgrade our software and website to make our services easily accessible by users of mobile devices. Although approximately 5% of our existing users access the acceleration and online streaming services through mobile devices, if our mobile-based services fail to become popular, we may lose those users and fail to attract new users, which may further adversely impact our growth. In addition, user demands for internet content may also shift over time. Currently, internet users appear to have significant demand for multimedia acceleration, online streaming and online games 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 do not upgrade our services in response to changes of users' demands in an effective and timely manner, the number of our users and advertisers may decrease. Furthermore, changes in technologies and user demands may require substantial capital expenditures in product development and infrastructure. We are increasingly extending to mobile devices in part through potentially pre-installed acceleration products in mobile phones and to living rooms through TV coverage (set-top boxes and IPTV) to further expand our user base and offer our users a wider range of access points. To achieve this, we are continually developing and upgrading products and services and seeking strategic cooperation with hardware manufacturers which may require significant resources from us. If we fail to implement our strategy successfully, or if our innovations cannot respond to the needs of our users, our business, results of operations and prospects may be materially and adversely affected. Failure to keep up with technological developments may cause our services to become less attractive, which in turn may materially and adversely affect our business, results of operations and prospects.

We face and expect to continue to face copyright infringement claims and other related claims, including claims based on content available through our services, which could be time-consuming and costly to defend and may result in damage awards, injunctive relief and/or court orders, divert our management's attention and financial resources and adversely impact our business.

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 litigation based on allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of other parties' rights.

We have been in discussions and negotiations with the Motion Picture Association Inc., or the MPA, an affiliate of the Motion Picture Association of America, Inc., or MPAA, in entering into a content protection agreement with MPAA members. However, we cannot assure you that such negotiations and discussions will be successful, and we may not be able to reach a content protection agreement with the MPA on mutually satisfactory terms. Even if we enter into a

content protection agreement with the MPA, we may fail to satisfy certain obligations under such agreement for technological or other reasons which may be out of our control. The MPA or MPAA members may initiate a lawsuit or other proceedings against us, whether or not we enter into a content protection agreement with any of them.

In the ordinary course of our business, we receive written notices from third parties claiming that certain content in our network or on one or more of our websites infringe their copyrights and threatening to take legal actions against us. We have in the past received claims that content and games on our websites infringes third parties' copyrights and requesting us to cease distribution, marketing or displaying such content or games on our websites. Based on our knowledge, we do not think any such allegations are substantiated. However, 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, such as any potential legal proceeding initiated by MPA or MPAA members, 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 adversely affect our results of operations and business prospects.

We were subject to a total of 176 lawsuits, 114 lawsuits and 72 lawsuits in China for alleged copyright infringement in 2011, 2012, and 2013, respectively. Approximately 94.9% of these lawsuits were rejected by relevant PRC courts, withdrawn by the plaintiffs or settled as of December 31, 2013. Among these lawsuits, we have only lost three lawsuits where we were ordered to pay monetary damage in the amount of RMB56,350 (US$9,163). As of December 31, 2013, we accrued approximately US$0.29 million in litigation expenses related to cases filed before then, which included US$0.18 million in copyright infringment litigation. Such amounts included amounts owed pursuant to out-of-court settlements. As of December 31, 2013, we have 22 copyright infringement lawsuits pending against us with an aggregate amount of claimed damages of approximately RMB15.8 million (US$2.6 million) and the majority of such amount relates to claims against the Gougou website.

The copyright infringement lawsuits pending against us involve claims alleging copyright infringement arising in connection with videos available on Xunlei Kankan and third-party content allegedly accessible through links provided by Gougou, a web search engine. In December 2010, we sold the domain name, trademark rights and copyright interests in software relating to Gougou to a third party. As part of the purchase agreement, the third-party buyer assumed all existing and future liabilities related to Gougou, including liabilities resulting from intellectual property claims by third parties, and agreed to indemnify us for any future losses from such liabilities. However, the risk remains that the buyer may either become unwilling or, through liquidation or other events, unable to honor its obligations under the purchase agreement to assume liabilities related to Gougou, in which case we may be held liable for any liabilities related to Gougou.

The premium acceleration services and other value-added services we provide to our subscribers may expose us to additional copyright infringement claims, which could materially and adversely affect our existing business model.

We provide subscribers 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 upload it to their properties. See "Business—Our Platform—

Cloud accelerator—Subscription services." In addition, certain of our services allow users to upload files after they create accounts with us, converting the files into links and sharing such links with designated persons. We may be liable for transmitting or temporarily storing 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 existing business model.

Our technologies, business methods and services, including those relating to our resource discovery network, may be subject to third-party patent claims or rights, such as issued patents or pending patent applications, that limit or prevent their use.

We cannot assure you that holders of patents purportedly relating to our resource discovery network, products or services, if any such holders exist, would not seek to enforce such patents against us in China, the United States or any other jurisdictions. Based on our own analysis, we do not believe that we are currently infringing any third-party patents of which we are aware. However, our analysis may have failed 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 China's patent laws and the procedures and standards for granting patents in China are still evolving and are uncertain, 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, we may be severely limited in our ability to operate our business, and our results of operations could be materially and adversely affected.

The intellectual property protection mechanism we have implemented may not be effective or sufficient and may subject us to future litigation or result in our inability to continue providing certain of our existing services in China.

We may not have obtained licenses for all digital media content available via our services and the scope of the licenses we obtained for certain content may not be broad enough to cover all fashions we currently employ to distribute, market or display such content. For digital media content we have lawfully obtained from an authorized licensor, we may not be able to timely detect the expiration of the licensing period of certain of the content available via our services and disable access to such content via our services in a timely manner. We have been involved in litigations based on allegations from rights owners that we have infringed their copyright interests in such content. Assisted by our intellectual property team dedicated to copyright protection, we have implemented internal procedures to meet the requirements under relevant PRC laws and regulations to monitor and review the content we license before it is released on Xunlei Kankan and remove any infringing content promptly after we receive notice of infringement from the legitimate rights holder. See also "Business—Intellectual Property—digital media data monitoring and copyright protection" for more details. However, due to the significant amount of digital media content available on Xunlei Kankan, or accessible through our resource discovery network and other services, we generally do not seek to identify infringing content absent receiving any notice of infringement. In addition, we organize and recommend to our users, digital media content accessible through our services and provided on

certain reputable audio-visual websites that have a cooperation relationship with us. As such, we may be exposed to the risk of copyright infringement liability in the event that such content has not been duly licensed to us or to the operators of those websites. Moreover, some rights owners may not send us a notice before bringing a lawsuit against us. Thus, our inability to identify unauthorized content hosted on our website or servers, or accessible through our network has subjected us to, and is expected to continue to subject us to, claims of infringement of third-party intellectual property rights or other rights. In addition, we may be subject to administrative actions brought by the National Copyright Administration of the PRC or its local branches for alleged copyright infringement.

The validity, enforceability and scope of protection of intellectual property in internet-related industries, particularly in China, are uncertain and still evolving. As we face increasing competition and as litigation becomes more common in China in resolving commercial disputes, we face a higher risk of intellectual property infringement claims. The Supreme People's Court of China promulgated a judicial interpretation on infringement of the right of dissemination through internet in December 2012. This judicial interpretation provides that the courts will require 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 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 us and other internet service providers to significant administrative burdens and litigation risks. See "Regulation—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 may become less favorable to our business. Intellectual property litigation may be expensive and time-consuming and could divert management attention and resources. If there is a successful claim of infringement, we may be required to discontinue the infringing activities, pay substantial fines and damages and/or seek royalty or license agreements that may not be available on commercially acceptable terms, if at all. Our failure to obtain the required licenses on a timely basis could harm our business. Any intellectual property litigation and/or any negative publicity by third parties alleging our intellectual property infringement could have a material adverse effect on our business, reputation, financial condition or results of operations. To address the risks relating to intellectual property infringement, we may have to substantially modify, limit or, in extreme cases, terminate some of our services. Any of such changes could materially affect our users' experience and in turn have a material adverse impact on our business.

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.

Although we have not been subject to claims or lawsuits outside China, we cannot assure you that we will not become subject to copyright laws in other jurisdictions, such as the United States, by virtue of our listing in the United States, the ability of users to access our services in the United States and other jurisdictions, the ownership of our ADSs by investors, 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, despite our efforts to control access to our products and services by users outside

China. For example, the Recording Industry Association of America filed a letter with the Office of the United States Trade Representative in November 2010 accusing certain of our divested or discontinued products of facilitating intellectual property infringement. Although we take steps to block IP addresses that are located in certain jurisdictions, including the United States, from accessing certain of our services, such efforts may not be technologically successful with 100% accuracy, and any unintended access to our services may increase our risk of becoming subject to copyright laws in such jurisdictions. Even if our efforts to block IP addresses located in the United States or other jurisdictions are successful, recent efforts to amend the laws in such jurisdictions, such as bills intended to expand the extraterritorial scope of the U.S. Copyright Act, may increase our risk of becoming subject to copyright laws in such jurisdictions. In addition, as a publicly listed company, we may be exposed to increased risk of litigation.

Although U.S. copyright laws, including the Digital Millennium Copyright Act (17 U.S.C. § 512), or the DMCA, provide safeguards or "safe harbors" from claims in the United States for monetary relief for copyright infringement for certain entities that host user-uploaded content or provide information location tools that may link to infringing content, these safe harbors apply only to companies that comply with specified statutory requirements. We do not currently satisfy all of the statutory requirements of any DMCA safe harbor. If we are ever held to be subject to United States copyright law, that could increase our risk of direct or indirect copyright liability for our resource discovery, acceleration or other services. 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 and/or (iv) seek royalty or license agreements that may not be available on commercially reasonable terms or at all.

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 impact 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. 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, despite our efforts, that 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 could not 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 litigation 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 success of our business depends on our ability to maintain and enhance a strong brand. If we fail to sustain or improve the strength of our brand, we may subsequently experience difficulty in maintaining market share.

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. Since the Chinese internet market is highly competitive, maintaining and enhancing our brand depends largely on our ability to retain a significant market share in China, which may be difficult and expensive.

We have developed our reputation and established a leading position by providing our users with a superior acceleration and video viewing experience. 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 has been negative publicity about our company, our products and services and certain key members of our management team, which has 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. Our operations rely on our networks and servers, which can suffer failures and business interruptions. Unexpected network interruption caused by system failures or computer viruses, for example, or any malfunction, capacity constraint or operation interruption for any extended period may have a material adverse impact on our business.

The satisfactory performance, stability, security and availability of our website and our network infrastructure are critical to our reputation and our ability to attract and retain users and advertisers. Our network provides a database of 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. A key element of our business is to generate a high volume of user traffic on our resource discovery network and Xunlei Kankan website. Accordingly, any failure to maintain the satisfactory performance, stability, security and availability of our network, website or technology platform may cause significant harm to our reputation and our ability to

attract and maintain internet users, which may affect our users' interest in paying for our services and our advertisers' interest in advertising their products and services on our website. From time to time, our users in certain locations may not be able to gain access to our network or our website for a period of time lasting from several minutes to several hours, due to server interruptions, power shutdowns, internet connection problems or other reasons. Although we have not experienced an extended period of such server interruptions, power shutdowns or internet connection problems across our entire network, we cannot assure you that such instances will not occur in the future. Any server interruptions, break-downs or system failures, including failures which may be 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. Our network systems are also vulnerable to damage from computer viruses, fires, floods, earthquakes, power losses, telecommunication failures, computer hacking and similar events. We do not maintain insurance policies covering losses relating to our network systems. As a result, any capacity constraints or operation interruptions for an extended period may have a materially adverse impact on our revenues and results of operations.

If we change advertising business model or fail to retain existing advertisers or attract new advertisers, our revenues may be materially and adversely affected.

Historically, we generate a substantial portion of our revenues from online advertising. Although the revenues generated from online advertising decreased by 22.3% from US$61.8 million in the year ended December 31, 2012 to US$48.0 million in the year ended December 31, 2013 after we discontinued delivering advertisements on Xunlei Accelerator to further improve our user experience and enhance user engagement on Xunlei Accelerator, we expect that the online advertising will continue to be an important revenue source generated from our video streaming services. Our large user base and relatively long user time spent on our website provide advertisers with a broad reach and optimal monetization results. We offer advertising services substantially through contracts entered into with third-party advertising agencies. We cannot assure you that we can continue to retain our advertising agencies and advertisers, or attract new advertising agencies and advertisers. The number of advertisers that use our online advertising services has dropped in the recent years. The number of advertisers decreased from 485 in 2011 to 420 in 2012 and 399 in 2013, respectively. If we cannot retain our existing advertisers or develop new advertisers in the future, our revenues generated from online advertising will be materially and negatively affected. In addition, if any advertising agencies or advertisers determine that their expenditures on our online video website do not generate expected returns, they may allocate a portion or all of their advertising budgets to others and reduce or discontinue business with us. Since our arrangements with third-party advertising agencies are typically one-year framework agreements, such advertising arrangements may be easily amended or terminated without incurring liabilities. Failure to retain existing advertising agencies and advertisers or attract new advertising agencies and advertisers may materially and adversely affect our business, financial condition and results of operations.

A number of our advertisers are e-commerce companies and online game operators. The online game and e-commerce industries in China are rapidly evolving, and the growth of these

industries and their demand for online advertising services is uncertain and may be affected by factors out of our control. We also have significant brand advertising and are seeking to further expand this portion of advertising. However, we cannot assure you that we will be able to retain existing advertising agencies and advertisers or attract more advertising agencies and advertisers for brand advertising, and if we fail to do so, our business, results of operations and prospects may be materially and adversely affected.

If the online advertising industry does not further grow in China, our profitability and prospects may be materially and adversely affected.

Many advertisers in China have limited experience with online advertising, have historically allocated an insignificant portion of their advertising budgets to online advertising and may consider online advertising a less attractive channel than traditional broadcast and print media in promoting their products and services. Our profitability and prospects largely depend on the continuing development of the online advertising industry in China and may be affected by a number of factors, many of which are beyond our control, including:

- development of a larger user base with demographic characteristics attractive to advertisers;
- our ability to keep up with technological innovation and improvements in the measurement of user traffic and online advertising;
- acceptance of online advertising as an effective marketing channel;
- changes in government regulations or policies affecting the online advertising industry; and
- increased internet usage in China.

We are strictly regulated in China. Any lack of requisite licenses or permits applicable to our business and any changes in government policies or regulations may have a material and adverse impact on our business, financial condition and results of operations.

Our business is subject to governmental supervision and regulations by the relevant PRC governmental authorities including the State Council, the Ministry of Industry and Information Technology (formerly the Ministry of Information Industry), or MIIT, the General Administration of Press and Publication, Radio, Film and Television (established in March 2013 as a result of institutional reform integrating the State Administration of Radio, Film and Television, and the General Administration of Press and Publication), or GAPPRFT, Ministry of Culture, or MOC and other relevant government authorities. Together these government authorities promulgate and enforce regulations that 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.

A license for online transmission of audio-visual programs is required for the display of video content on our websites. See "Regulation—Regulation on online transmission of audio-visual programs." Shenzhen Xunlei, the operator of our online video streaming platform, has obtained a license for online transmission of audio-visual programs. The list of websites covered by such license has not included www.xunlei.com and the list of terminals has not included mobile and TV devices. In addition, the business categories as indicated in such license fail to cover all the business activities that we are currently engaging, such as the transmission of political news. We plan to apply for an update of our license for online transmission of

audio-visual programs to cover the website of www.xunlei.com, the terminals of mobile devices and TVs and expanding the business categories to cover all of our current business activities. However, we cannot assure you that we will be able to obtain such updated license in a timely manner or at all. Due to our failure to update our license for online transmission of audio-visual programs, we may be given a warning, ordered to rectify our violations and/or fined up to RMB30,000. In severe cases, our license for online transmission of audio-visual programs may be revoked.

We source digital media content from various content providers, including China-based television and movie production studios, online video sites, media companies and online game companies. In dealing with content providers, we take a series of measures to monitor and protect copyright of such content. For details of such content monitoring and copyright protection measures, see "Business—Intellectual property—digital media data monitoring and copyright protection." However, we cannot guarantee that the content providers have the legal right to license us the content or are in full compliance with all the relevant PRC permits and licenses set forth by GAPPRFT, and the remedies provided by these content providers, if any, may not be sufficient to compensate us for potential regulatory sanctions imposed by GAPPRFT due to violations of the approval and permit requirements. Nor can we ensure that any such sanctions will not adversely affect either the general availability of video content on our website or our reputation. In addition, such risks may persist due to ambiguities and uncertainties relating to the implementation and enforcement of the applicable regulations. We also source some audio-visual programs directly from foreign content providers. PRC law requires approval from GAPPRFT for introducing and broadcasting foreign movies and television programs into China. See "Regulation—Regulation on foreign movies and television programs." However, we have not obtained relevant approvals from GAPPRFT for introducing and broadcasting such foreign audio-visual programs. In practice, it is not uncommon for internet content providers in China to introduce and broadcast foreign audio-visual programs without such approvals. If at a later stage GAPPRFT or its local branch specifically determines and requires us to rectify and obtain the approvals for our introduction and online broadcasting of overseas audio-visual programs, we may not be able to obtain such approval in a timely manner or at all. In such case, the PRC government would have the power to, among other things, levy fines against us, confiscate our income, order us to cease certain content service, or require us to temporarily or permanently discontinue the affected portion of our business.

Pursuant to the relevant PRC regulations promulgated by the State Council Information Office, or SCIO, internet news information service entities engaging in news publishing services, current political news bulletin board services or dissemination of current political news to the public via internet are required to obtain an internet news license from SCIO. See "Regulation—Regulation on internet news dissemination." The content we currently provide on our websites include some current political news from third party news providers. Currently we do not hold an internet news license from SCIO and we plan to apply for such internet news license. However, we cannot assure you that we will be able to obtain such license in a timely manner or at all. If we fail to obtain such license or fail to timely remove the current political news related content due to the large volume of content we provide, we may be ordered by SCIO or the local SCIO branches at the provincial level to cease any internet news services, and in severe cases, as determined by SCIO or the local SCIO branches in writing, MIIT may order us

to cease all the internet information services or require the internet service provider to disconnect us from the internet.

If the PRC government considers that we were operating without the proper licenses or approvals or 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, and 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, the PRC government may promulgate regulations restricting the types and content of advertisements that may be transmitted online, which could have a direct adverse impact on our business.

Concerns about collection and use of personal data could damage our reputation, deter current and potential users from using our services and substantially harm our business and results of operations.

Pursuant to the applicable PRC laws and regulations concerning the collection, use and sharing of personal data, our PRC subsidiaries and affiliated entities are required to keep our users' personal information confidential and are prohibited from disclosing such information to any third parties without the users' consent. In December 2012 and July 2013, new laws and regulations were issued by the standing committee of the PRC National People's Congress and MIIT to enhance the legal protection of information security and privacy on the internet. The laws and regulations also require internet operators to take measures to ensure confidentiality of information of users. Concerns about our practices with regard to the collection, use or disclosure of personal information or other privacy-related matters, even if unfounded, could damage our reputation and operating results.

We apply strict management and protection to any information provided by users, and under our privacy policy, without our users' prior consent, we will not provide any of our users' personal information to any unrelated third party. While we strive to comply with our privacy guidelines as well as all applicable data protection laws and regulations, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, and could damage our reputation. User and regulatory attitudes towards privacy are evolving and concerns about the security of personal data could also lead to a decline in general usage of our products and services, which could lead to lower user numbers. For example, if the PRC government authorities require real-name registration by our users, our user numbers may decrease and our business, financial condition and results of operations may be adversely affected. See "—Risks Related to Doing Business in China—We may be adversely affected by the complexity, uncertainties and changes in PRC regulations of internet-related business and companies." In addition, we may become subject to the data protection or personal privacy laws of jurisdictions outside of China, where more stringent requirements may be imposed on us and we may have to allocate more resources to comply with the legal requirements, and our user numbers may further decrease. A significant reduction in user numbers could have a material adverse effect on our business, financial condition and results of operations.

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

We depend on the billing and payment systems of third parties such as online third-party payment processors to maintain accurate records of payments of sales proceeds by subscribers and other paying users and collect such payments. We receive periodic statements from these third parties which indicate the aggregate amount of fees that were charged to subscribers and other paying users of our products and services. 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. 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.

Failure to timely collect our receivables from third parties whose billing and payment systems we use and third-party payment processors may adversely affect our cash flows. Our third-party payment processors may from time to time experience cash flow difficulties. Consequently, they may delay their payments to us or fail to pay us at all. Any delay in payment or inability of current or potential third-party payment processors to pay us may significantly harm our cash flow and results of operations.

The channels for the payment of our services and products typically comprise of third-party online system, fixed phone line and mobile phone payment. Although we have been able to control our payment handling fees by encouraging our subscribers to use the third-party online system, which charges relatively less amount of handling fees compared with other payment channels, the subscribers may change their habits to make payments through mobile phones or other channels with higher costs. Approximately 32%, 36% and 18% of the payments were made by our subscribers via distribution channels such as mobile service operators in 2011, 2012 and 2013, respectively. If a majority of subscribers use the mobile phone as their payment channels and the cost remains unchanged or even increases in the future, our cost of operations may significant increase. If we fail to minimize the associated payment handling fees and further diversify the payment channels, our business, prospects and results of operations may be adversely affected.

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 that we use. If a well-publicized internet security breach were to occur, users concerned about the security of their online payments may become reluctant to purchase our products through payment service providers even if the publicized breach did not involve payment systems or methods used by us. In addition, there may be billing software errors that would damage customer confidence in these payment systems. If any of the above were to occur and damage our reputation or the perceived security of the payment systems we use, we may lose paying users and users may be discouraged from purchasing our internal mobile products, which may have an adverse effect on our business and results of operations.

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.

A large portion of our advertising revenues are generated from a limited number of advertising agencies. We typically enter into advertising agreements with third-party

advertising agencies that represent the advertisers, and under these agreements, the advertising fees are paid to us by the advertising agencies after we deliver our services. In consideration for the third-party advertising agencies' services, we pay them rebates based on the value of business they bring to us. Thus, the financial soundness of our advertisers and advertising agencies with whom we sign these advertising contracts may affect our collection of accounts receivable. We make a credit assessment of our advertisers and advertising agencies to evaluate the collectability of the advertising service fees before entering into any advertising contract. However, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each advertising agency or advertiser, as applicable, and any inability of advertisers or advertising agencies, especially those that accounted for a significant percentage of our amounts receivables in the past, to pay us in a timely manner 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 the large advertising agencies that we have business relationships with demand higher rebates for their agency services, our results of operations will be materially and adversely affected.

Our continual expansions based on our subscription-based revenue model would require more capital investment. However, we may not be able to generate sufficient returns and offset these additional capital investment, or to obtain sufficient capital to meet the additional capital requirements of these changes to our business.

In order to implement our development strategies to expand our infrastructure and services across internet-enabled devices, and to further accelerate the conversion of our users into subscribers, we will make continual capital investments in terms of acquiring additional bandwidth to support our subscription services and more research and development efforts into investigating user needs and more frequent updates to subscriber-only services. We may also need additional capital to purchase more content for our online content library. In addition, our plan to provide more diversified and enhanced value-added services, such as more exclusive online games offering, requires large amount of capital expenditures. Thus, we will continue to incur substantial capital expenditures on an ongoing basis, and it may become difficult for us to meet such capital requirements.

To date, we have financed our operations primarily through private placements of preferred shares to investors cash flow from operations and bank loans. However, if we fail to retain a sufficient number of new users, attract new subscribers and convert such users into paying users or subscribers, we may not be able to generate sufficient revenues, to cover our investment in various expansion efforts, and our business may be materially and adversely affected.

We may obtain additional financing, including from equity offerings and debt financings in capital markets, to fund the operation and planned expansion of our business. Our ability to obtain additional financing in the future, however, is subject to a number of uncertainties, including:

- our future business development, financial condition and results of operations;
- general market conditions for financing activities by companies in our industry; and
- macroeconomic, political and other conditions in China and elsewhere.

If we cannot obtain sufficient capital to meet our capital expenditure needs, we may not be able to execute our growth strategies and our business, results of operations and prospects may be materially and adversely affected.

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

The operation of our extensive resource discovery network and our online video and online game business 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, in equipment to increase our network capacity and in expanding the content library for our online video business. Most of our capital expenditures, such as expenditures on servers and other equipment and license fees for professionally produced digital media content, are based upon our estimation of potential future demand and we are generally required to pay the entire purchase price and license fees up front. 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 over-estimate 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, content license fees and bandwidth and other costs are subject to change and are determined by market supply and demand. The market prices for professionally produced digital media content, especially popular movies, television serial dramas and other shows, have increased significantly in China during the past few years. Due to the improving monetization perspective of online video advertising, online video operators are generating more revenues and are competing aggressively to license popular movies, television serial dramas and other shows, and the increasingly intense content bidding process has in turn led to increases in license fees of professionally produced content in general. Moreover, as the market develops, the expectations of copyright owners, distributors and industry associations may continue to rise, and as such they may demand higher licensing fees for professionally produced digital media content. These factors, together with our plan to expand our content library, will result in increased content 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 pass on the increased costs and expenses to our users and advertisers, or if our costs to deliver our services do not decline commensurate with any future declines in the prices we charge our users and advertisers, we may fail to achieve profitability.

We may not be able to successfully address the challenges and risks we face in the online games market, such as a failure to successfully implement our plan to acquire exclusive rights to operate and sub-license games or to obtain all the licenses required to operate online games, which may subject us to penalties from relevant authorities, including the discontinuance of our online game business.

Before 2010, we mainly entered into non-exclusive agreements with smaller online game developers to operate their games on our websites. Starting in 2010, we started to enter into exclusive operating agreements with online game developers so that we can gain exclusive rights to certain online games and, in addition to offering these games on our own websites, also have the option of sub-licensing these games to other websites to diversify our game revenue stream. Exclusive arrangements of this type require more initial capital investment in acquiring operating rights for the games, and involve more business risks, such as risks

associated with the potential failure to find appropriate sub-licensees for the games or failure to engage a sufficient number of game players to make these games profitable for us. We expect that we will continue to make investments to acquire operating rights under such exclusive operating arrangements. If we are unable to generate sufficient revenues in these markets to obtain sufficient return for our investments, our future results of operations and financial condition could be materially and adversely affected.

In addition, to operate online games in China, a variety of permits and approvals are required. For example, publication of online games, music works and other internet publishing activities are subject to the regulation of the GAPPRFT, which requires operators of online games and other internet publishing services to obtain an internet publication license prior to providing any such services. See "Regulation—Regulation on internet publication". Shenzhen Xunlei has obtained an internet publication license for the publication of internet games and is in the process of applying for expansion of the business scope therein to include the publication of music works and other internet publishing activities, and Xunlei Games Development (Shenzhen) Co., Ltd., or Xunlei Games, is in the process of applying for the internet publication license for its publication of online games. However, there is no assurance that we will be granted such licenses. Applicable regulations also specify that each online game must be screened and approved in advance by GAPPRFT before it is allowed to be launched online. Also, an imported online game should be approved in advance by MOC before its initial operation while a domestically developed online game should be filed with MOC within 30 days of commencing operations. See "Regulation—Regulation on online games." We license from online game developers and operate MMOGs, and we share profits with these developers. We require developers of the online games to obtain the requisite approvals from GAPPRFT, and make the filings with MOC, for relevant online games. As of the date of this prospectus, most of our online games currently in operation have obtained GAPPRFT's approval and completed filing with MOC. However, we cannot assure you that we or such online game developers can obtain GAPPRFT's approvals or complete the filings with MOC for all the games in a timely manner or at all. If we or such online game developers fail to obtain these licenses, approvals or filings in a timely manner or at all, the relevant authority may challenge the commercial operation of our online games and determine that we are in violation of the relevant laws and regulations regarding online games, it would have the power to, among other things, levy fines against us, confiscate our income generated from operation of our online games and require us to discontinue our online game business.

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

We face significant competition in different areas of our business. Although we currently have a leading presence in the China market for cloud acceleration products and services, we cannot guarantee we will be able to maintain our leading position in the future. We may face potential competition from leading Chinese internet companies if they start to allocate resources and focus on the development in this business sector, such as Tencent and Baidu. With more entrants into the cloud acceleration business, aggressive price cutting by competitors may result in the loss of our existing subscribers. We may have to take actions to retain our user base and attract more subscribers, which could adversely affect our profitability. If we fail to compete effectively, our market share would decrease and our results of operations would be materially and adversely affected.

In addition, our Xunlei Kankan website competes with other major online video companies such as Youku.com, Tudou.com and iQiyi.com. We also face competition for advertising budgets of our advertisers from other internet companies and other forms of media.

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. If we are not able to effectively compete in any aspect of our business our overall user base may shrink, which will reduce the number of our subscribers or make us less attractive to advertisers, which would have a material and adverse effect on our business, financial condition and results of operations.

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 and our online video website, 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 cloud acceleration subscription services. We receive user feedback in connection with programming errors affecting their 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 we display 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 providing advertising services, we are required to review the supporting documents provided to us by advertising agencies or advertisers for the relevant advertisements and verify that the content of the advertisements complies with applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, 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 cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, the State Administration for Industry and Commerce, or the SAIC, or its local branches may revoke violators' licenses or permits for their advertising business operations.

To fulfill these monitoring functions specified by the PRC laws and regulations set forth above, we employ several measures. Almost all of our advertising contracts require that advertising

agencies or advertisers that contract with us: (i) must ensure the advertising content provided to us is true, accurate and in full compliance with PRC laws and regulations; (ii) ensure such content does not infringe any third-party's rights and interests; and (iii) indemnify us for any liabilities arising from such advertising content. In addition, a team of our employees reviews all advertising materials to ensure the content does not violate relevant laws and regulations before displaying such advertisements. However, we cannot assure you that all the content contained in such advertisements is true and accurate as required by the advertising laws and regulations, especially given the uncertainty in the application of these laws and regulations, and we have occasionally received fines for certain inappropriate advertisements posted on Xunlei Kankan, and may be subject to similar fines and penalties in the future. If we are found to be in violation of applicable 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 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. We adopted a share incentive plan on December 30, 2010, or the 2010 Plan, and a second share incentive plan on November 18, 2013, or the 2013 Plan. Under the 2010 Plan, we are authorized to issue a maximum number of 26,822,828 common shares of our company upon the exercise of the options or other types of awards (excluding an aggregate of 8,410,200 shares already issued to the directors who are our founders upon exercise of founder options, which grants were not covered under the 2010 Plan). As of the date of this prospectus, options to purchase a total of 21,461,141 common shares of our company were granted (excluding those forfeited) under the 2010 Plan. Under the 2013 Plan, we are authorized to issue a maximum number of 9,073,732 restricted shares to members of our senior management, counsel or consultant to our company. As of the date of this prospectus, 6,497,618 restricted shares (excluding those forfeited) have been granted to certain executive officers and other employees under the 2013 Plan. See "Management—Share incentive plans" for detailed discussion.

After the completion of this offering, we will issue the equivalent number of Class A common shares upon the vesting and exercise of these options. The amount of these expenses is based on the fair value of the share-based compensation award 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 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 continual efforts and services of Mr. Sean Shenglong Zou, our co-founder, chairman and chief executive officer, and other members of our senior management team. If however, one or more of our executives or other key personnel are unable or unwilling to continue to provide services to us, we may not be able to find suitable replacements easily or at all. Competition for management and key personnel in our industry 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 (including a non-compete provision) with us. 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 light of uncertainties with China's legal system.

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 the incentive shares have 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.

We may not be able to effectively identify or pursue targets for acquisitions or investment, and even if we complete such transactions, we may be unable to successfully integrate the acquired businesses into, or realize anticipated benefits to our business, which may adversely affect our growth and results of operations.

We expect to selectively acquire or invest in businesses that complement our existing business in the future. We may not, however, be able to identify suitable targets for acquisitions or investments in the future. Even if we are able to identify suitable candidates, we may be unable to complete a transaction on terms commercially acceptable to us. If we fail to identify appropriate candidates or complete the desired transactions, our growth may be impeded.

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:

- diversion of our management's attention and other resources from our existing business;
- 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;
- our inability to integrate acquired technology into our business and operations;
- our inability to develop a successful business model and to monitize 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.

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

The global financial markets have experienced significant disruptions since 2008 and the United States, Europe and other economies went into a recession. The recovery from the lows of 2008 and 2009 has been uneven and is facing new challenges, including the escalation of the European sovereign debt crisis since 2011 and the slowdown of the Chinese economy in 2012. It is unclear whether the Chinese economy will resume its high growth rate. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including China's. There have also been concerns over unrest in the Middle East and Africa, which have resulted in volatility in oil and other markets. There have also been concerns about the economic effect of the earthquake, tsunami and nuclear crisis in Japan and tensions in the relationship between China and Japan. The mobile internet products and services industry may be affected by economic downturns. A prolonged slowdown in the world economy, including in the Chinese economy, may lead to a reduced amount of mobile internet advertising, which could materially and adversely affect our business, financial condition and results of operations. 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. The weakness in the economy could erode

investor confidence, which constitutes the basis of the credit market. The recent financial turmoil affecting the financial markets and banking system may significantly restrict our ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all. Although we are uncertain about the extent to which the recent global financial and economic crisis and slowdown of Chinese economy may impact our business in the short-term and long-term, there is a risk that our business, results of operations and prospects would be materially and adversely affected by any global economic downturn or disruption or slowdown of Chinese economy.

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

We will be subject to reporting obligations under the U.S. securities laws after this offering. Our reporting obligations as a public company will place a significant strain on our management, operational and financial resources and systems for the foreseeable future. Prior to this offering, we have been a private company and have had limited accounting personnel and other resources with which to address our internal control over financial reporting. In preparing our consolidated financial statements, we and our independent registered public accounting firm identified one material weakness, one significant deficiency and other control deficiencies, each as defined in the standards established by U.S. Public Company Accounting Oversight Board, in our internal control over financial reporting as of December 31, 2013.

The material weakness identified related to the lack of accounting resources in U.S. GAAP and SEC reporting requirements, and the significant deficiency related to the lack of documented comprehensive U.S. GAAP accounting manuals and financial reporting procedures and lack of

related implementation controls. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting material weaknesses and other control deficiencies in our internal control over financial reporting. Following the identification of the material weakness, significant deficiency and other control deficiencies, we have taken measures and plan to continue to take measures to remedy these deficiencies. For details of our proposed remedies, see "Management's discussion and analysis—Internal control over financial reporting." However, the implementation of these measures may not fully address these deficiencies in our internal control over financial reporting, and we cannot conclude that they have been fully remedied. Our failure to correct these control deficiencies or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our ADSs, may be materially and adversely affected. Moreover, ineffective internal control over financial reporting significantly hinders our ability to prevent fraud.

Upon completion of this offering, we will become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, will require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2015. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. If we fail to timely achieve and maintain the adequacy of our internal controls, our management and our independent registered public accounting firm may conclude that our internal control over financial reporting is not effective. This could adversely impact the market price of our ADSs due to a loss of investor confidence in the reliability of our reporting processes. We will need to incur costs and use management and other resources in order to comply with Section 404. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, 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 the stock

exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

We have limited business insurance coverage.

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies do in more developed economies. We do not have any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured occurrence 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. Because we do not carry property insurance and significant 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 adversely affected by the outbreak of influenza A (H1N1), avian influenza, H7N9, severe acute respiratory syndrome (SARS) or other pandemics. 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 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.

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.

Current PRC laws and regulations place certain restrictions on foreign ownership of companies that engage in internet businesses, including the provision of online video and online advertising services. For example, foreign investors' equity interests in value-added telecommunication 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 (including online game operation services), internet news service, and production and online transmission of audio-visual programs service. We are a Cayman Islands company and Giganology Shenzhen and Xunlei Computer, 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 in China principally through contractual arrangements among Giganology Shenzhen, our wholly-owned PRC subsidiary, and Shenzhen Xunlei and its shareholders. Shenzhen Xunlei holds the licenses and permits necessary to conduct our resource discovery network, online video, online advertising, online games and related businesses in China and hold various operating subsidiaries that conduct a majority of our operations in China. Our contractual arrangements with Shenzhen Xunlei and its shareholders enable us to exercise effective control over Shenzhen Xunlei and Shenzhen Xunlei's operating subsidiaries and hence treat them as our consolidated entities and consolidate their results. For a detailed discussion of these contractual arrangements, see "Corporate history and structure."

We cannot assure you, however, that we will be able to enforce these contracts. Although we believe we are in compliance with current PRC 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 relevant 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, 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.

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

Since PRC laws restrict foreign equity ownership in companies engaged in internet business in China, we rely on contractual arrangements with Shenzhen Xunlei and its shareholders to operate our business in China. If we had direct ownership of Shenzhen Xunlei, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of Shenzhen Xunlei, 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 Shenzhen Xunlei and its shareholders' performance of their contractual obligations to exercise effective control. In addition, our operating contract with Shenzhen Xunlei has a term of ten years, which is subject to Giganology Shenzhen's unilateral termination right and may be extended as requested by Giganology Shenzhen. In general, none of Shenzhen Xunlei or its shareholders may terminate the contracts prior to the expiration date. However, the shareholders of Shenzhen Xunlei 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 term expires. Such risks exist throughout the period in which we intend to operate our business through the contractual arrangements with Shenzhen Xunlei. We may replace the shareholders of Shenzhen Xunlei at any time pursuant to our contractual arrangements with Shenzhen Xunlei and its 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 Shenzhen Xunlei or its shareholders to perform their obligations under our contractual arrangements with them may have a material adverse effect on our business." Therefore, these contractual arrangements may not be as effective as direct ownership in providing us with control over Shenzhen Xunlei.

Any failure by Shenzhen Xunlei or its shareholders to perform their obligations under our contractual arrangements with them may have a material adverse effect on our business.

Shenzhen Xunlei or its 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. As of the date of this prospectus, Mr. Sean Shenglong Zou, our co-founder, chairman and chief executive officer, owns 76% of the equity interest in Shenzhen Xunlei, our variable interest entity. 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. If any of the shareholders of Shenzhen Xunlei, especially Mr. Sean Shenglong Zou due to his significant equity interest in Shenzhen Xunlei, fails to perform his or her obligations under the contractual arrangements, we may have to enforce these agreements to transfer his or her equity interests to another appointee of Giganology Shenzhen.

Moreover, the exercise of call options under the equity interests 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. The legal environment in the PRC is not as developed as in certain other jurisdictions, such as the United States. 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 our variable interest entities, and our ability to conduct our business may be adversely affected.

Contractual arrangements with our variable interest entity 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 "Regulations—Regulation on tax—PRC enterprise income tax." We could face material and adverse tax consequences if the PRC tax authorities were to determine that the contractual arrangements among Giganology Shenzhen, our wholly-owned subsidiary in China, and Shenzhen Xunlei, our variable interest entity in China and its 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 on taxation, 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.

The shareholders of Shenzhen Xunlei 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. We provide no incentives to the shareholders of Shenzhen Xunlei for the purpose of encouraging them to act in our best interests in their capacity as the shareholders of Shenzhen Xunlei. We may replace the shareholders of Shenzhen Xunlei at any time pursuant to the currently effective equity option agreements between us and these shareholders.

As a director and executive officer of our company, Mr. Zou and Mr. Cheng each has a duty of loyalty and care to us under Cayman Islands law. We are not aware that other publicly listed companies in China with a similar corporate and ownership structure as ours have brought conflicts of interest claims against the shareholders of their respective variable interest entities. However, we cannot assure you that when conflicts arise, the shareholders of Shenzhen Xunlei 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 Shenzhen Xunlei, 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 in the future, 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 Giganology Shenzhen currently has in place with Shenzhen Xunlei, our variable interest entity, as well as the intellectual property framework agreement between Xunlei Computer and Shenzhen Xunlei, in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us. As of December 31, 2013, we have cash or cash equivalents of approximately RMB347.4 milion (US$57.0 million) and US$8.0 million located within the PRC, of which RMB308.9 million (US$50.7 million) is held by Shenzhen Xunlei and its subsidiaries. The transfer of all the cash or 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 its 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 EIT 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 governmental control of currency conversion may restrict or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries and variable interest entities or to make 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 utilizing the proceeds we receive from this offering in the manner described in "Use of proceeds," as an offshore holding company with PRC subsidiaries, 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 variable interest entities, 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:

- capital contributions to our PRC subsidiaries, whether existing ones or newly established ones, must be approved by the PRC Ministry of Commerce or its local counterparts;
- 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 the PRC State Administration of Foreign Exchange, or SAFE, or its local branches; and
- loans by us to our variable interest entities, which are domestic PRC entities, must be approved by the National Development and Reform Commission and must also be registered with SAFE or its local branches.

On August 29, 2008, SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign Invested Enterprises, or SAFE Circular 142, regulating the conversion by a foreign-invested enterprise of foreign currency registered capital into Renminbi by restricting how the converted Renminbi may be used. SAFE Circular 142 provides that the Renminbi capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable governmental authority and unless otherwise provided by law, such Renminbi capital may not be used for equity investments within the PRC. In addition, SAFE strengthened its oversight of the flow and use of the Renminbi capital converted from foreign currency registered capital of a foreign-invested company. The use of such Renminbi capital may not be altered without SAFE approval, and such Renminbi capital may not in any case be used to repay Renminbi loans if the proceeds of such loans have not been used. Violations of SAFE Circular 142 could result in severe monetary or other penalties. We expect that if we convert the net proceeds we receive from this offering into Renminbi pursuant to SAFE Circular 142, our use of Renminbi funds will be for purposes within the approved business scope of our PRC subsidiaries. The business scopes of Giganology Shenzhen and Xunlei Computer include "technical services," which we believe permits Giganology Shenzhen to purchase or lease servers and other equipment for its own technical data and research and to provide operational support to our variable interest entities.

However, we may not be able to use such Renminbi funds to make equity investments in the PRC through our PRC subsidiaries.

We may lose the ability to use and enjoy assets held by our affiliated PRC entities 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 our variable interest entities, these entities 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 our variable interest entity or its 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, our variable interest entity and its 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 our 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.

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.

Substantially all 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 continued economic growth in China as a whole.

The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

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 control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and operating results.

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

We conduct our business primarily through our PRC subsidiaries and variable interest entities in China. Our operations in China are governed by PRC laws and regulations. Giganology Shenzhen is a foreign-invested enterprise and is subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual or tort rights. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until

sometime after the violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

We believe that our patents, trademarks, trade secrets, copyrights, and other intellectual property are important to our business. We rely on a combination of patent, trademark, copyright and trade secret protection laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions to protect our intellectual property and our brand. Protection of intellectual property rights in China may not be as effective as in the United States or other jurisdictions, and as a result, we may not be able to adequately protect our intellectual property rights, which could adversely affect our revenues and competitive position.

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:

- We only have contractual control over our resource discovery network and Xunlei Kankan. We do not own the resource discovery network or the Xunlei Kankan website due to the restriction of foreign investment in businesses providing value-added telecommunication services in China, including internet content provision services. This may significantly disrupt our business, subject us to sanctions, compromise enforceability of related contractual arrangements, or have other harmful effects on us.

- 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 at some of our companies 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 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. For example, we are providing mobile applications to mobile device users free of charge and we do not believe we need to obtain a separate operating license in addition to the operating licenses for the value added telecommunications service, or the ICP License, which we have already obtained. Although we believe this is in line with the current market practice, there can be no assurance that we will not be required to apply for an operating license for our mobile applications in the future and if so, we may not qualify or succeed in obtaining such license.

- New laws and regulations may be promulgated that will regulate internet activities, including online video, 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.

- In June 2010, MOC promulgated the Provisional Measures on the Administration of Online Games, or the Online Game Measures, which became effective on August 1, 2010. The Online Game Measures provide that any entity engaging in online game operation activities should obtain an Online Culture Operating Permit and must meet certain requirements such as a minimum amount of the registered capital. Online game developers are generally involved in the purchase of servers and bandwidth, the control and management of game data, the maintenance of game systems and certain other maintenance tasks in our operation of online games. There exist uncertainties on MOC's interpretation and implementation of these measures. If MOC determines in the future that such Online Culture Operating Permit or relevant requirement apply to the online game developers for their involvement in the online game operations, we may have to terminate our revenue sharing arrangements with certain unqualified online game developers and may even be subject to various penalties, which may negatively impact our results of operations and financial condition.

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, GAPPRFT and the National Office of Combating Pornography and Illegal Publications jointly published a notice, or Circular 13, which expressly prohibits foreign investors from participating in internet 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, such as MIIT and MOC, 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, GAPPRFT has not issued any interpretation of Circular 13 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. We cannot assure you that we have obtained all the permits or licenses required for conducting our business in China or will be able to 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.

Regulation and censorship of information disseminated over the internet in China may adversely affect our business, and we may be liable for videos and other digital media content that are displayed on our platform.

China has enacted regulations governing telecommunication service providers, internet and wireless access and the distribution of news and other information. Under these 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 electronic bulletin service system, it must terminate the transmission of such information or delete such information immediately and keep records and report to relevant authorities.

Failure to comply with these requirements could result in the revocation of the ICP License 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. Since December 2009, the Chinese government has been increasing its efforts on cracking down inappropriate content disseminated over the internet and wireless networks.

Subject to interpretation by the relevant authorities, it may not be possible for us to determine in all cases the type of content that could result in liability for us. In addition, we may not be able to control or restrict all of the digital media content generated or placed on our network by our users, despite our attempt to monitor such content. To the extent that regulatory authorities find any portion of our content on our network or website objectionable or requiring any license or permit that we have not obtained, they may require us to limit or eliminate the dissemination of such information or otherwise curtail the nature of such content, and keep records and report to relevant authorities, which may reduce our user traffic. In addition, we may be subject to significant penalties for violations of those regulations arising from prohibited content displayed on, retrieved from or uploaded to our network or website, including a suspension or shutdown of our operations. Our reputation among users and advertisers may also be adversely affected. This would have a material adverse effect on our financial condition and results of operations.

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.

Currently, there is no PRC law or regulation specifically governing virtual asset property rights. As a result, there is uncertainty as to who the legal owner of virtual assets is, whether and how the ownership of virtual assets is protected by law, and whether an operator of online games such as us would have any liability 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, and ordered online game operators to return the lost virtual items to game players or pay damages and losses. In 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.

Non-compliance with the laws or regulations governing virtual currency may result in penalties that could have a material adverse effect on our online games business and results of operations.

The issuance and use of "virtual currency" in the PRC has been regulated since 2007 in response to the growth of the online games industry in China. In January 2007, the Ministry of Public Security, MOC, MIIT and GAPPRFT jointly issued a circular regarding online gambling which has

implications for the use of virtual currency. To curtail online games that involve online gambling, as well as address concerns that virtual currency could be used for money laundering or illicit trade, the circular (a) prohibits online game operators from charging commissions in the form of virtual currency in relation to winning or losing of games; (b) requires online game operators to impose limits on use of virtual currency in guessing and betting games; (c) bans the conversion of virtual currency into real currency or property; and (d) prohibits services that enable game players to transfer virtual currency to other players. On June 4, 2009, MOC and the Ministry of Commerce jointly issued a notice regarding strengthening the administration of online game virtual currency, or the Virtual Currency Notice. Furthermore, MOC issued the Online Game Measures in June 2010, which provides, among other things, that virtual currency issued by online game operators may only be used to exchange its own online game products and services and may not be used to pay for the products and services of other entities.

We issue virtual currency to our clients for them to purchase various items to be used in online games and premium services. Although we believe we do not offer online game virtual currency transaction services, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours. For example, certain virtual items we issue to users based on in-game milestones they achieve or time spent playing games are transferable and exchangeable for our virtual currency or the other virtual items we issue to users. If the PRC regulatory authorities deem such transfer or exchange a virtual currency transaction, then we may be deemed to be engaging in the issuance of virtual currency and we may also be deemed to be providing transaction platform services that enable the trading of such virtual currency. Simultaneously engaging in both of these activities is prohibited under the Virtual Currency Notice. In that event, we may be required to cease either our virtual currency issuance activities or such deemed "transaction service" activities and may be subject to certain penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could have a material adverse effect on our online games business and results of operations.

In addition, the Virtual Currency Notice prohibits online game operators from setting game features that involve the direct payment of cash or virtual currency by players for the chance to win virtual items or virtual currency based on random selection through a lucky draw, wager or lottery. The notice also prohibits game operators from issuing currency to game players through means other than purchases with legal currency. Although we believe that we are generally in compliance with such requirements and have taken adequate measures to prevent any of the above-mentioned prohibited activities, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and deem such feature as prohibited by the Virtual Currency Notice, thereby subjecting us to penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could materially and adversely affect our online games business and results of operations.

Intensified government regulation of the internet industry in China could restrict our ability to maintain or increase user traffic to Xunlei Kankan or the number of users to our online games.

The PRC government has, in recent years, intensified regulation on various aspects of the internet industry in China. For example, in January 2011, MIIT and seven other PRC central government authorities jointly issued a circular entitled Implementation Scheme regarding Parental Guardianship Project for Minors Playing Online Games, under which online game operators are required to adopt various measures to maintain a system to communicate with the parents or other guardians of minors playing their online games and are required to monitor the online game activities of minors and suspend the accounts of minors if so required

by their parents or guardians. These restrictions could limit our ability to increase our online game business among minors. See "Regulation—Regulation on anti-fatigue system, real-name registration system and parental guardianship project." Failure to implement these restrictions, if detected by the relevant government agencies, may result in fines and other penalties for us, including the shutting down of our online games operations and license revocation. Furthermore, if these restrictions were expanded to apply to adult game players in the future, our online games business could be materially and adversely affected.

In addition, the PRC government has tightened its regulation of internet cafes in recent years. In particular, a large number of unlicensed internet cafes have been closed. The PRC government has imposed higher capital and facility requirements for the establishment of internet cafes. Furthermore, the PRC government's policy, which encourages the development of a limited number of national and regional internet cafe chains and discourages the establishment of independent internet cafes, may slow down the growth of internet cafes in China. In June 2002, the Ministry of Culture, together with other government authorities, issued a joint notice, and in February 2004, the State Administration for Industry and Commerce issued another notice, suspending the issuance of new internet cafe licenses. In May 2007, the State Administration for Industry and Commerce reiterated its position not to register any new internet cafes in 2007. In 2008, 2009 and 2010, the Ministry of Culture, the State Administration for Industry and Commerce and other relevant government authorities, individually or jointly, issued several notices that provide various ways to strengthen the regulation of internet cafes, including investigating and punishing internet cafes that accept minors, cracking down on internet cafes without sufficient and valid licenses, limiting the total number of internet cafes and approving internet cafes within the planning made by relevant authorities, screening unlawful and adverse games and websites, and improving the coordination of regulation over internet cafes and online games. Although currently most of our users access and consume our products and services from their own devices, if internet cafes become one of the main venues for our users to access our website or online games, any reduction in the number, or any slowdown in the growth, of internet cafes in China could limit our ability to maintain or increase user traffic to Xunlei Kankan or the number of users for our online games.

Fluctuations in exchange rates may have a material adverse effect on your investment.

Fluctuation in the value of the Renminbi may have a material adverse effect on the value of your investment. The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under this policy, the Renminbi was permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. For almost two years after reaching a high against the U.S. dollar in July 2008, the Renminbi traded within a narrow band against the U.S. dollar, remaining within 1% of its July 2008 high. As a consequence, the Renminbi fluctuated sharply since July 2008 against other freely traded currencies, in tandem with the U.S. dollar. In June 2010, the PRC government announced that it would increase Renminbi exchange rate flexibility and since that time the Renminbi has gradually appreciated against the U.S. dollar. However, it remains unclear how this flexibility might be implemented. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in greater fluctuation of the Renminbi against the U.S. dollar.

Our financial statements are expressed in U.S. dollars, and most of our assets, costs and expenses are denominated in Renminbi. Substantially all of our revenues were denominated in Renminbi. We principally rely on dividends and other distributions paid by our subsidiaries in China which are denominated in Renminbi. Our results of operations and the value of your investment in our ADSs will be affected by the foreign exchange rate between U.S. dollars and Renminbi. To the extent we hold assets denominated in Renminbi, any depreciation of the Renminbi against the U.S. dollar could result in a reduction in the value of our Renminbi denominated assets. Similarly, should we repatriate any portion of the net proceeds to us from this offering or cash from other offshore financing activities into China, such amount would also be affected by shifts in the exchange rate between the Renminbi and the U.S. dollar. On the other hand, a decline in the value of Renminbi against the U.S. dollar could reduce the U.S. dollar equivalent amounts of our financial results, the value of your investment in our company and the dividends we may pay in the future, if any, all of which may have a material adverse effect on the prices of our ADSs.

Limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. We did not enter into any forward contracts to hedge our exposure to Renminbi-U.S. dollar 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 successfully hedge our exposure 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.

Governmental 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 substantially all 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 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 to entities outside China, and make other capital expenditures outside China in a currency other than the Renminbi. If our variable interest entity 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. The PRC government 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 demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

The approval of the China Securities Regulatory Commission may be required in connection with this offering under a regulation adopted in August 2006, and, if required, we cannot assure you that we will be able to obtain such approval.

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission, or CSRC, promulgated the Regulations on Mergers and Acquisitions of Domestic Companies 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, among other things, require offshore special purpose vehicles, or SPVs, formed for the purpose of an overseas listing and controlled by PRC companies or individuals, to obtain CSRC approval prior to listing their securities on an overseas stock exchange. The application of the M&A Rules remains unclear. Our PRC legal counsel has advised us that, based on their understanding of the current PRC laws, rules and regulations:

- CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to the M&A Rules; and
- 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 this regulation clearly classifies contractual arrangements as a type of transaction subject to this regulation, we are not required to submit an application to CSRC for its approval of the listing and trading of our ADSs on the [NYSE/NASDAQ Global Market].

Our PRC legal counsel also advised that because there has been no official interpretation or clarification of the M&A Rules since adoption, there is uncertainty as to how these rules will be interpreted or implemented. If it is determined that the CSRC approval is required for this offering, we may face sanctions by CSRC or other PRC regulatory agencies for failure to seek the CSRC approval for this offering. These sanctions may include fines and penalties on our operations in the PRC (although to our knowledge, no definitive rules or interpretations have been issued to determine or quantify such fines or penalties), delays or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our PRC subsidiaries, or other actions that may have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable to us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur.

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

Among other things, 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, are triggered. Moreover, the Anti-Monopoly Law promulgated by the Standing Committee of the National People's Congress on August 30, 2007 and took effect on August 1, 2008 requires 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 RMB10 billion and at least two of these operators each had a turnover of more than RMB400 million within China, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB2 billion, and at least two of these operators each had a turnover of more than RMB400 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.

PRC regulations relating to the establishment of offshore SPVs 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. Under these foreign exchange regulations, PRC residents who make, or have previously made prior to the implementation of these foreign exchange regulations, direct or indirect investments in offshore special purpose vehicles, or SPVs, will be required to register those investments. In addition, any PRC resident who is a direct or indirect shareholder of an SPV, is required to update the previously filed registration with the local branch of SAFE, with respect to that SPV, to reflect any material change. Moreover, the PRC subsidiaries of that SPV are required to urge the PRC resident shareholders to update their registration with the local branch of SAFE. If any PRC shareholder fails to make the required registration or update the previously filed registration, the PRC subsidiaries of that SPV may be prohibited from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to their SPV parent, and the SPV may also be prohibited from injecting additional capital into its PRC

subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liabilities for such PRC subsidiaries under PRC laws for evasion of applicable foreign exchange restrictions. Furthermore, the persons-in-charge and other persons at such PRC subsidiaries who are held directly liable for the violations may be subject to criminal sanctions.

These foreign exchange regulations provide that PRC residents include both PRC citizens and individuals who are non-PRC citizens but primarily reside in the PRC due to their economic ties to China. 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 registration and amendment registration with the local SAFE branch in relation to all our previous private financings and their subsequent ownership changes by April 2012 as required under the SAFE regulations and are in the process of applying for the relevant amendment registrations with the local SAFE branch in relation to their ownership changes in our Company after April 2012. 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 regulations. The failure or inability of our 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 this 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, and how SAFE will apply them to us, 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, or the Stock Option Rules, which replaced the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas

Publicly-Listed Companies issued by SAFE on March 28, 2007. Under the Stock Option Rules and other relevant 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 will be subject to these regulations upon the completion of this offering. Failure of our PRC stock option holders to complete their SAFE registrations may subject 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 uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

We face uncertainties on the reporting and consequences on private equity financing transactions, private share exchange transactions and private transfer of shares, including private transfer of public shares, in our company by non-resident investors. According to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises issued by the PRC State Administration of Taxation on December 10, 2009, with retroactive effect from January 1, 2008, or SAT Circular 698, where a non-resident enterprise transfers the equity interests in a PRC resident enterprise indirectly through a disposition of equity interests in an overseas holding company in a non-public market, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (a) has an effective tax rate less than 12.5% or (b) does not tax foreign income of its residents, the non-resident enterprise, as the seller, shall report such Indirect Transfer to the competent tax authority of the PRC resident enterprise within 30 days of execution of the equity transfer agreement for such Indirect Transfer. However, the term "Indirect Transfer" is not clearly defined, and it is understood that the relevant PRC tax authorities have the authority to request information on a wide range of foreign entities that have no direct contact with the PRC. Moreover, the tax authorities have not yet promulgated any formal provisions or made any formal announcement as to the procedure for reporting an Indirect Transfer to the relevant tax authority. In addition, there are no official interpretations concerning how to determine whether a foreign investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax. Given the aforementioned uncertainties with respect to the interpretation and application of the SAT Circular 698, we cannot determine whether our offshore transactions where non-resident investors were involved should be subject to the SAT Circular 698, nor can we identify the filing procedures related thereto. Therefore, neither we nor our non-resident investors have undertaken the filing formalities for our offshore transactions. Nevertheless, SAT Circular 698 may be determined by the tax authorities to be applicable to our offshore transactions where non-resident investors were involved. The PRC tax authorities may request non-resident investors to conduct a filing

regarding the transactions and request our PRC subsidiaries to assist in the filing. In addition, if the tax authorities consider that the foreign investor has adopted an abusive arrangement without reasonable commercial purposes and for the purpose of avoiding or reducing PRC tax, they will disregard the existence of the overseas holding company that is used for tax planning purposes and recharacterize the Indirect Transfer. As a result, gains derived from such Indirect Transfer may be subject to PRC withholding tax at the rate of up to 10% and our relevant subsidiaries or variable interest entities may be held liable for paying such tax. SAT Circular 698 also provides that when a non-resident enterprise transfers its equity interests in a PRC resident enterprise to a related party at a price lower than the fair market value, the competent tax authorities have the power to make a reasonable adjustment to the taxable income of the transaction. As a result, we and our non-resident investors may be at risk of being taxed under SAT Circular 698 and may have to expend additional resources and costs to comply with SAT Circular 698 or to establish that we and our non-resident investors should not be taxed under SAT Circular 698, which may have a material adverse effect on our financial condition and results of operations or non-resident investors' investments in us.

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.

The Chinese government has provided various tax incentives to our subsidiaries in China. These incentives include reduced enterprise income tax rates. For example, under the PRC Enterprise Income Tax Law which became effective in January 2008, or the EIT Law, the statutory enterprise income tax rate is 25%. The EIT Law permits companies established before March 16, 2007 to continue to enjoy their existing tax incentives, adjusted by certain transitional phase-out rules set forth in the Circular to Implementation of the Transitional Preferential Policies for the Enterprise Income Tax promulgated by the State Council on December 26, 2007, and provides tax incentives, subject to various qualification criteria. Pursuant to the circular, the income tax rates for us and our wholly-owned subsidiary established in the Shenzhen Special Economic Zone before March 16, 2007 were 24% for 2011 and are 25% starting from 2012. The EIT Law and its implementation rules also permit qualified "high and new technology enterprises," or HNTEs, to enjoy a preferential enterprise income tax rate of 15% upon filing with relevant tax authorities. The qualification as a HNTE generally has a valid term of three years and the renewal of such qualification is subject to review by the relevant authorities in China. Shenzhen Xunlei, our variable interest entity, obtained its HNTE certificate in February 2011 with a valid period of three years and will apply for the renewal of the HNTE certificate in June 2014. In addition, the PRC government has provided various incentives to accredited "software enterprise" incorporated in the PRC in order to encourage development of the software industry. In December 2013, Shenzhen Xunlei obtained the certificate of the Key Software Enterprise for the years ended December 31, 2013 and 2014, which enables Shenzhen Xunlei to enjoy the preferential tax rate of 10% for the years of 2013 and 2014. Xunlei Computer has been accredited as a "software enterprise" and become profitable since 2013 and thus enjoys a two-year income tax exemption for 2013 and 2014 and a 50% income tax reduction for 2015, 2016 and 2017. Moreover, local governments have adopted incentives to encourage the development of technology companies. As approved by the relevant local tax authority, our wholly-owned subsidiary, Giganology Shenzhen, and our variable interest entity, Shenzhen Xunlei, were further exempt from enterprise income tax from the first year of profitable operation and are subject to phase-out tax reduction thereafter. Xunlei Computer and Shenzhen Xunlei currently benefit from the tax incentives. See "Management's discussion

and analysis of financial condition and results of operation—Taxation." We also benefited from government incentives in the form of cash subsidies in 2011.

Preferential tax treatment and other government incentives granted to Xunlei Computer and Shenzhen Xunlei by the local governmental authorities 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 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 EIT Law, which may have a material adverse effect on our results of operations.

Under the EIT 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 SAT 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 "Regulation—Regulations 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 SAT's general position 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 not controlled by a PRC enterprise or PRC enterprise group and we do not believe that Xunlei Limited meets all of the conditions above. Xunlei Limited is a company incorporated outside the PRC. As a holding company, Xunlei Limited's key assets 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 relevant SAT Circular 82 were 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 effect.

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 EIT 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. 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.

In addition, we have been subject to stricter regulatory requirements in terms of entering labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law, or the Labor Contract law, that became effective in January 2008, as amended on December 28, 2012 and effective as of July 1, 2013, and its implementation rules that became effective in September 2008, 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 some of our employees or otherwise change our employment or labor practices, the 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. On October 28, 2010, the Standing Committee of the National People's Congress promulgated the PRC Social Insurance Law, or the Social Insurance Law, which became effective on July 1, 2011. According to the 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 practice do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant 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 audit report included in this prospectus is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, you are deprived of the benefits of such inspection.

Auditors of companies that are registered with the Securities and Exchange Commission, or the SEC, and traded publicly in the United States, including our independent registered public accounting firm, must be registered with the Public Company Accounting Oversight Board, or the PCAOB, and are required by the laws of the United States to undergo regular inspections by PCAOB to assess their compliance with the laws of the United States and professional standards. Because we have substantiated operations within the Peoples' Republic of China and the PCAOB is currently unable to conduct inspections of the work of our auditors as it relates to those operations without the approval of the Chinese authorities, our auditor's work related to our operations in China is not currently inspected by the PCAOB.

This lack of PCAOB inspections of audit work performed in China prevents the PCAOB from regularly evaluating audit work of any auditors that was performed in China including that performed by our independent registered public accounting firm. As a result, investors may be deprived of the full benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of audit work performed in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures as compared to auditors in other jurisdictions that are subject to PCAOB inspections on all of their work. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

Proceedings instituted recently by the SEC against certain PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act.

Proceedings instituted recently by the SEC against certain PRC-based accounting firms, including an independent registered public accounting firm which has a substantial role in the audit of our company, could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act. In December 2012, the SEC instituted administrative proceedings against certain PRC-based accounting firms, including an independent registered public accounting firm which has a substantial role in the audit of our company, alleging that these firms had violated U.S. securities laws and the SEC's rules and regulations thereunder by failing to provide to the SEC the firms' work papers related to their audits of certain PRC-based companies that are publicly traded in the United States and which are the subject of certain ongoing SEC investigations. On January 22, 2014, an initial administrative law decision was issued, sanctioning these accounting firms and suspending them from practicing before the SEC for a period of six months. On February 12, 2014, four of these PRC-based accounting firms appealed to the SEC against this sanction. Accordingly, the sanction will not become effective until after a full appeal process is concluded and a final decision is issued by the SEC. We were not and are not the subject of any SEC investigations nor are we involved in the proceedings brought by the SEC against the accounting firms. We may be adversely affected by the outcome of the proceedings, along with other U.S.-listed companies audited by these accounting firms. Our financial statements could be determined to not be in compliance with the requirements for financial statements of public companies registered under the Exchange Act, as amended, or the Exchange Act. Such a determination could ultimately lead to the delay or abandonment of this offering, or, after the completion of this offering, delisting of our common stock from the [NYSE/NASDAQ Global Market] or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our common stock in the United States.

Risks related to this offering

There has been no public market for our shares or ADSs prior to this offering, and you may not be able to resell our ADSs at or above the price you paid, or at all.

Prior to this initial public offering, there has been no public market for our shares or ADSs. We will apply for our ADSs to be listed on the [NYSE/NASDAQ Global Market]. Our common shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. If an active trading market for our ADSs does not develop after this offering, the market price and liquidity of our ADSs will be materially and adversely affected.

Negotiations with the underwriters will determine the initial public offering price for our ADSs which may bear no relationship to their market price after the initial public offering. We cannot assure you that an active trading market for our ADSs will develop or that the market price of our ADSs will not decline below the initial public offering price.

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,

like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of other similarly situated companies in China that have listed their securities in the United States in recent years. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of these Chinese companies' securities after their offerings, including companies in the internet businesses, may affect the attitudes of investors toward Chinese companies listed in the United States, which consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting or other practices at other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies 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.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of any particular companies. These market fluctuations may also have a material adverse effect on the market price of our 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.

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their common shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of approximately US$ per ADS, representing the difference between an initial public offering price of US$ per ADS, the midpoint of the estimated initial public offering price range, and our net tangible book value per ADS as of December 31, 2013, after giving effect to the issuance of common shares upon our co-founders' exercise of their vested options, the automatic conversion of our various classes of preferred shares immediately upon the completion of this offering and net proceed to us from this offering. In addition, you may experience further dilution to the extent that our common shares are issued upon the exercise of share options.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must 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 after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends. 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 after this offering 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 or common shares in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Upon completion of this offering, we will have Class A common shares outstanding represented by ADSs, assuming the underwriters do not exercise their

over-allotment option. All ADSs sold in this offering will be freely transferable without restriction or additional registration under the Securities Act of 1933, as amended, or the Securities Act.

Upon completion of this offering, certain holders of our common shares will have the right to cause us to register under the Securities Act the sale of their shares, subject to the 180-day lock-up period in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs, in the public market could cause the price of our ADSs to decline.

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 Class A common shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A common shares your ADSs represent. However, the 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.

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 substantially all of our operations in China and substantially all of our directors and officers reside outside the United States.

We are incorporated in the Cayman Islands and conduct substantially all of our operations in China through our PRC subsidiaries and variable interest entities. Substantially all of our directors and officers reside outside the United States and a substantial portion of their assets are located outside of 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 are uncertainties as to whether Cayman Islands courts would:

- recognize or enforce against us judgments of courts of the United States based on certain civil liability provisions of U.S. securities laws; and
- impose liabilities against us, in original actions brought in the Cayman Islands, based on certain civil liability provisions of U.S. securities laws that are penal in nature.

There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of civil liabilities."

Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and by the Companies Law (2013 Revision) and common law of the Cayman Islands. The rights of shareholders to take legal action against us and our directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands Law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from 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 responsibilities 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, shareholders in Cayman Islands companies may not have standing to initiate a shareholder derivative action in U.S. federal courts.

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

Our management has discretion as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price.

We intend to use the net proceeds of this offering for, among other things, establishing a customer service center and cloud computing data centers to better serve our subscribers, acquiring digital media content and exclusive online game licenses, investing in technology, infrastructure and product and service development efforts and other general corporate purposes. However, our management will have considerable discretion in the application of the net proceeds received by us. For more information, see "Use of proceeds." You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. The net proceeds may be used for corporate purposes that do not improve our efforts to maintain profitability or increase our ADS price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value.

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

Upon the completion of this offering, we plan to divide our common shares into Class A common shares and Class B common shares. Holders of Class A common shares will be entitled to one vote per share, while holders of Class B common shares will be entitled to votes per share. We will issue Class A common shares represented by our ADSs in this offering. We will re-designate of our issued and outstanding common shares and preferred shares as Class B common shares. Due to the disparate voting powers attached to these two classes, we anticipate that our existing principal shareholders will collectively own approximately % of the total voting power of our outstanding common shares immediately after this offering, assuming (i) the underwriters do not exercise their over-allotment option to purchase additional ADSs and (ii) we issue and sell common shares in the private placement to Xiaomi Ventures concurrently with this offering. Such shareholders will have considerable influence over matters requiring shareholder approval, including election of directors and significant corporate transactions, such as a merger or sale of our company or our assets. In particular, our founder and chief executive officer, Mr. Sean Shenglong Zou, and his affiliates will own approximately % of our outstanding common shares, representing % of our total voting power after this offering. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A common shares and ADSs may view as beneficial.

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 for so long as we are an emerging growth company. As a result, if we elect not to comply with such auditor

attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

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

We plan to adopt an amended and restated memorandum and articles of association that will become effective immediately upon the closing of this offering. Our new memorandum and articles of association will contain certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants authority to our board directors to establish from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. 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.

After this offering, our directors, executive officers and principal shareholders will beneficially own approximately % of our outstanding common shares, representing % of our total voting power assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs. These shareholders, if acting together, could exert substantial influence over matters such as electing directors and approving material mergers, acquisitions or other business combination transactions. 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, including those who purchase ADSs in this offering. In addition, these persons could divert business opportunities away from us to themselves or others.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

Upon completion of this offering, we will become a public company in the United States. As a public company, we will incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the Securities and Exchange Commission and the [NYSE/NASDAQ Global Market], require significantly heightened corporate governance practices of public companies, including Section 404 relating to internal control over financial reporting. As a company with less than

US$1.0 billion in revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We expect these and other rules and regulations applicable to public companies will increase our accounting, legal and financial compliance costs and will make certain corporate activities more time-consuming and costly. After we are no longer an "emerging growth company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. Compliance with these rules and requirements may be especially difficult and costly for us because we may have difficulty locating sufficient personnel in China with experience and expertise relating to U.S. GAAP and U.S. public company reporting requirements, and such personnel may command high salaries relative to similarly experienced personnel in the United States. If we cannot employ sufficient personnel to ensure compliance with these rules and regulations, we may need to rely more on outside legal, accounting and financial experts, which may be costly. If we fail to comply with these rules and requirements, or are perceived to have weaknesses with respect to our compliance, we could become the subject of a governmental enforcement action and investor confidence could be negatively impacted and the market price of our ADSs could decline. In addition, we will incur additional costs associated with our public company reporting requirements. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with reasonable certainty the amount of additional costs we may incur or the timing of such costs.

There can be no assurance that we will not be a passive foreign investment company for United States federal income tax purposes for any taxable year, which could subject United States investors in the ADSs or common shares to significant adverse United States income tax consequences.

Whether we will be a "passive foreign investment company", or "PFIC", for United States federal income tax purposes for any taxable year will depend upon the value of our assets (which could be determined based on the market value of our ADSs and common shares from time to time, which may be volatile) and the nature and composition of our assets and income for such year. Although the law in this regard is unclear, we treat Shenzhen Xunlei as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entity but also because we are entitled to substantially all of the economic benefits associated with this entity, and, as a result, we consolidate this entity's operating results in our consolidated financial statements. If it were determined, however, that we are not the owner of Shenzhen Xunlei for United States federal income tax purposes, we may be treated as a PFIC for our current taxable year and any future taxable year.

Assuming that we are the owner of Shenzhen Xunlei for United States federal income tax purposes, based upon our current income and assets (taking into account the expected proceeds from this offering) and projections as to the value of our ADSs and common shares immediately following the offering, we do not presently expect to be classified as a PFIC for the current taxable year or the foreseeable future. While we do not expect to become a PFIC, if, among other matters, our market capitalization is less than anticipated or subsequently declines we may be classified as a PFIC for the current or future taxable years. The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets, which will be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, including ascertaining the fair market value of our assets on a quarterly basis and the character of each item of income we earn, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

If we were to be classified as a PFIC in any taxable year, a U.S. Holder (as defined in "Taxation—Certain United States federal income tax considerations") would be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of United States federal income tax that a U.S. Holder could derive from investing in a non-United States corporation that does not distribute all of its earnings on a current basis. 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. For more information see the section titled "Taxation—Certain United States federal income tax considerations—Passive foreign investment company considerations."

Conventions which apply to this prospectus

Unless we indicate otherwise, all information in this prospectus reflects the following:

- no exercise by the underwriters of their option to purchase up to additional ADSs representing Class A common shares from us; and
- conversion of all outstanding series A, series A-1, series B, series C, series D and series E preferred shares into Class A common shares and Class B common shares immediately upon the completion of this offering.

Except where the context otherwise requires and for purposes of this prospectus only:

- "we," "us," "our company," "our," and "Xunlei" refer to Xunlei Limited, a Cayman Islands company, and its consolidated subsidiaries and variable interest entities, including our variable interest entity, or VIE, controlled by us, and the VIE's subsidiaries;
- "China" or "PRC" refers to the People's Republic of China, excluding, for the purpose of this prospectus only, Taiwan, Hong Kong, and Macau;
- "digital media content" refers to videos, music, games, software and documents transmitted in digital form;
- "monthly active users" refers to the number of internet users who activated and used a Xunlei acceleration product for at least 60 minutes within a month; under this method, a user that activated and used multiple Xunlei acceleration products with the same user information would count only once no matter how many times such user activated and used the acceleration products;
- "monthly unique visitors" in relation to our platform, refers to the number of different individual visitors who access Xunlei products (including websites and software) on our platform from the same computer at least once within a month; under this method, a user that used Xunlei products on two different computers would be counted as two unique visitors as he or she accessed the Xunlei product from different computers; in relation to our Xunlei Kankan website, refers to the number of different individual visitors to our Xunlei Kankan website from the same computers; For the purposes of the calculation, each visit counts only once no matter how many times the user from the same computer accesses the Xunlei Kankan website;
- "shares" or "common shares" refers to our Class A and Class B common shares, par value US$0.00025 per share;
- "preferred shares" refers to our series A, series A-1, series B, series C, series D and series E convertible preferred shares, par value US$0.00025 per share, collectively;
- "ADSs" refers to our American depositary shares, each of which represents C lass A common shares, and "ADRs" refers to any American depositary receipts that evidence our ADSs;
- all references to "RMB" or "Renminbi" refer to the legal currency of China; and
- all references to "US$," "dollars" or "U.S. dollars" refer to the legal currency of the United States.

We use U.S. dollar as reporting currency in our financial statements and in this prospectus. Transactions in Renminbi are recorded at the rates of exchange prevailing when the transactions occur. On March 14, 2014, the noon buying rate set forth in the H.10 statistical release of the Federal Reserve Board was RMB6.1500 to US$1.00.

Special note regarding forward-looking statements

This prospectus contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

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

- our growth strategies;
- our future business development, results of operations and financial condition;
- our ability to maintain and strengthen our leading market position in China;
- our ability to increase and 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;
- our ability to handle intellectual property rights-related matters;
- our expectation regarding the use of proceeds from this offering; and
- general economic and business conditions in China.

You should read thoroughly this prospectus and the documents that we refer to in this prospectus with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this prospectus include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This prospectus also contains statistical data and estimates that we obtained from industry publications and reports generated by third parties, including industry data from iResearch and Analysys International. Statistical data in these publications and reports also include projections based on a number of assumptions. The internet industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of the internet industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

Use of proceeds

We estimate that we will receive net proceeds from this offering of approximately US$ million after deducting underwriting discounts and commissions and the estimated offering expenses payable by us. These estimates are based upon an assumed initial offering price of US$ per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus. [We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.] A US$1.00 change in the assumed initial public offering price of US$ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease the net proceeds of this offering by US$ million, assuming the sale of ADSs at US$ per ADS, the midpoint of the range shown on the front cover page of this prospectus and after deducting underwriting discounts and commissions and the estimated offering expenses payable by us.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain and attract talented employees by providing them with equity incentives and obtain additional capital. We plan to use the net proceeds of this offering as follows:

- US$ million to invest in technology, infrastructure and product development efforts;
- US$ million to acquire digital media content and exclusive online game licenses; and
- the balance for other general corporate purposes, including working capital needs and potential acquisitions.

The amounts and timing of any expenditures will vary depending on the amount of cash generated by our operations, competitive and technological developments and the rate of growth, if any, of our business. Accordingly, our management will have significant flexibility in applying the net proceeds of the offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus.

In utilizing the proceeds from this offering, we are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries and variable interest entities only through loans or capital contributions, and only if we satisfy the applicable government registration and approval requirements. We cannot assure you that we will be able to meet these requirements on a timely basis, if at all. See "Risk factors—Risks related to our corporate structure—PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries and variable interest entities or to make additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business."

Pending use of the net proceeds, we intend to hold our net proceeds in demand deposits or invest them in interest-bearing government securities.

Dividend policy

We have not previously declared or paid cash dividends and we have no plan to declare or pay any dividends in the near future on our shares or ADSs. 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 "Regulation—Regulation on dividend distributions."

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

Capitalization

The following table sets forth our capitalization as of December 31, 2013:

- on an actual basis;
- on a pro forma basis to reflect the planned re-designation of common shares and preferred shares into the equivalent number of Class A and Class B common shares upon the completion of this offering, and the unaudited pro forma presentation does not include the series E preferred share issued in 2014;
- on a pro forma as adjusted basis to reflect (1) the planned re-designation of common shares and preferred shares into the equivalent number of Class A and Class B common shares, (2) the issuance and sale of series E preferred shares to Xiaomi Ventures in March 2014, (3) the issuance and sale of Class A common shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$ per ADS and (4) the issuance and sale of com mon shares in the private placement to Xiaomi Ventures concurrently with this offering, assuming an initial offering price of US$ pe r ADS, the midpoint of the estimated initial public offering price range shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of December 31, 2013		
(in US$ thousands)	**Actual**	**Pro forma[1] (unaudited)**	**Pro forma as adjusted[2] (unaudited)**
Mezzanine equity			
Series D preferred shares (US$0.00025 par value); 18,000,000 shares authorized, 10,580,397 issued and outstanding on an actual basis; outstanding on a pro forma basis, outstanding on a pro forma as adjusted basis	40,290	—	
Equity			
Series C preferred shares (US$0.00025 par value; 5,728,264 shares authorized, 5,728,264 issued and outstanding on an actual basis; outstanding on a pro forma basis, outstanding on a pro forma as adjusted basis)	1	—	
Series B preferred shares (US$0.00025 par value; 30,308,284 shares authorized, 30,308,284 shares issued and outstanding on an actual basis; outstanding on a pro forma basis or a pro forma as adjusted basis)	8	—	
Series A-1 preferred shares (US$0.00025 par value; 36,400,000 shares authorized, 36,400,000 shares issued and outstanding on an actual basis; outstanding on a pro forma basis or a pro forma as adjusted basis)	9	—	
Series A preferred shares (US$0.00025 par value; 27,932,000 shares authorized, 26,416,560 shares issued and outstanding on an actual basis; outstanding on a pro forma basis or a pro forma as adjusted basis)	7	—	
Common shares (US$0.00025 par value; 195,504,449 shares authorized, 70,521,104 shares issued and 61,447,372 shares outstanding on an actual basis; Class A common shares and Class B common shares issued and outstanding on a pro forma basis and Class A common shares and Class B common shares issued and outstanding on a pro forma as adjusted basis)	15	43	
Additional paid-in capital[3]	61,634	101,921	
Accumulated other comprehensive income	6,003	6,003	
Statutory reserve	4,478	4,478	
Treasury shares 9,073,732 shares as at December 31, 2013	2	2	
Retained earnings	7,037	7,037	
Total Xunlei Limited's shareholders' equity[3]	79,194	119,484	
Non-controlling interest	84	84	
Total capitalization[3]	119,568	119,568	

Notes:

(1) The unaudited pro forma presentation does not include the series E preferred shares issued in 2014.

(2) The pro forma as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' equity and total capitalization following the completion of this offering are subject to adjustment based on the actual initial public offering price and other terms of this offering determined at pricing.

(3) Assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same, and after deduction of underwriting discounts and commissions and the estimated offering expenses payable by us, a US$1.00 change in the assumed initial public offering price of US$ per ADS would, in the case of increase, increase and, in the case of decrease, decrease each of additional paid-in capital, total equity and total capitalization by US$ million.

Dilution

Our net tangible book value as of December 31, 2013 was approximately US$ per common share and US$ per ADS. Net tangible book value per common share represents the amount of total tangible assets, minus the amount of total liabilities, divided by the total number of common shares outstanding. Our pro forma net tangible value as of December 31, 2013 was approximately US$ per common share and US$ per ADS. Dilution is determined by subtracting pro forma net tangible book value per common share from the assumed public offering price per common share.

Without taking into account any other changes in such net tangible book value after December 31, 2013, other than to give effect to (1) the planned re-designation of common shares and preferred shares into the equivalent number of Class A and Class B common shares, (2) our issuance and sale of series E preferred shares in March 2014, (3) our issuance and sale of ADSs in this offering, at an assumed initial public offering price of US$ per ADS, the mid-point of the estimated public offering price range, and after deduction of underwriting discounts and commissions and estimated offering expenses payable by us, and (4) our issuance and sale of common shares in the private placement to Xiaomi Ventures concurrently with this offering, assuming an initial offering price of US$ per ADS, the mid-point of the estimated initial public offering price range shown on the front cover page of this prospectus, our pro forma as adjusted net tangible book value at December 31, 2013 would have been US$ per outstanding common share, including common shares underlying our outstanding ADSs, or US$ per ADS. This represents an immediate increase in net tangible book value of US$ per common share, or US$ per ADS, to existing shareholders and an immediate dilution in net tangible book value of US$ per common share, or US$ per ADS, to purchasers of ADSs in this offering.

The following table illustrates the dilution on a per common share basis assuming that the initial public offering price per Class A common share is US$ and all ADSs are exchanged for Class A common shares:

	Per common share	Per ADS
Assumed initial public offering price	US$	US$
Net tangible book value as of December 31, 2013	US$	US$
Pro forma net tangible book value after giving effect to the conversion of our series A, series A-1, series B, series C, series D and series E preferred shares	US$	US$
Pro forma as adjusted net tangible book value after giving effect to the conversion of our series A, series A-1, series B, series C, series D and series E preferred shares, the concurrent private placement and after this offering	US$	US$
Dilution in net tangible book value to new investors in the offering	US$	US$

A US$1.00 change in the assumed initial public offering price of US$ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease our pro forma as adjusted net tangible book value after giving effect to the offering by US$ million, the pro forma as adjusted net tangible book value per Class A common share and per ADS after giving effect to this offering by US$ per Class A common share and US$ per ADS and the dilution in pro forma as adjusted net tangible book value per common share and per ADS to new investors in this offering by US$ per Class A common share and US$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses. The pro forma information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2013, the differences between the shareholders as of December 31, 2013 and the new investors with respect to the number of common shares purchased from us, the total consideration paid and the average price per common share paid at an assumed initial public offering price of US$ per ADS before deducting estimated underwriting discounts and commissions and estimated offering expenses.

	Common shares purchased		Total consideration		Average price per common share	Average price per ADS
	Number[(1)]	Percent	Amount	Percent		
Existing shareholders						
New investors						
Total		100%		100%		

(1) Assuming automatic conversion of all existing shares into Class A common shares and Class B common shares, as we planned, upon completion of this offering.

A US$1.00 change in the assumed initial public offering price of US$ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease total consideration paid by new investors, total consideration paid by all shareholders, average price per Class A common share and average price per ADS paid by all shareholders by US$ million, US$ million, US$ and US$, respectively, assuming the sale of ADSs at US$, the mid-point of the range set forth on the cover page of this prospectus.

The discussion and tables above also assume no exercise of any outstanding stock options as of the date of this prospectus. As of the date of this prospectus, there were common shares issuable upon exercise of outstanding stock options at a weighted average exercise price of US$ per common share and there were Class A common shares available for future issuance upon the exercise of future grants. To the extent that any of these options are exercised or any of these restricted share units are vested, there will be further dilution to new investors.

Enforceability of civil liabilities

We were incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include, but not limited to, the following:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors as compared to the United States; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

All of our operations are conducted outside the United States, and substantially all of our assets are located outside the United States. A majority of our officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Maples and Calder, our counsel as to Cayman Islands law, and Zhong Lun Law Firm, our counsel as to PRC law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, respectively, would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Maples and Calder has further advised us that 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), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided that such judgment (a) is given by a foreign court of competent jurisdiction, (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (c) is final, (d) is not in respect of taxes, a fine or a penalty; and (e) 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 punitive judgment of a United States court predicated upon the liabilities provision of the federal securities laws in the United States without retrial on the merits if such judgment gives rise to obligations to make payments that may be regarded as fines, penalties or similar charges.

Zhong Lun Law Firm has further advised us that the recognition and enforcement of foreign judgments are provided for under PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions provided that the foreign judgments do not violate the basic principles of laws of the PRC or its sovereignty, security, or social and public interest. However, China does not have any treaties or other form of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. 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, and it may be inevitable to relitigate at a competent Chinese court in order to seek available remedies.

In addition, although U.S. shareholders may be able to originate actions against us in China in accordance with PRC law, it will be difficult for U.S. shareholders to do so, because we are incorporated under the laws of the Cayman Islands and it is difficult for U.S. shareholders, by virtue only of holding our ADSs or common shares, to establish a connection to the PRC for a PRC court to have subject matter jurisdiction as required by the PRC Civil Procedures Law. U.S. shareholders may be able to originate actions against us in the Cayman Islands based upon Cayman Islands law. However, we do not have any substantial assets other than certain corporate documents and records in the Cayman Islands and it may be difficult for a shareholder to enforce a judgment obtained in a Cayman Islands court in China, where substantially all of our operations are conducted.

Corporate history and structure

We commenced operations in January 2003 through the establishment of Shenzhen Xunlei Networking Technologies Co., Ltd., or Shenzhen Xunlei, together with its various subsidiaries in the PRC, currently operating our Xunlei internet platform.

In February 2005, we established Xunlei Limited as our holding company in the Cayman Islands. Xunlei Limited directly owns Giganology (Shenzhen) Ltd., or 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. The contractual arrangements between Giganology Shenzhen, Shenzhen Xunlei and its shareholders enable us to (1) exercise effective control over Shenzhen Xunlei; (2) receive substantially all of the economic benefits of Shenzhen Xunlei in consideration for the technical and consulting services provided and the intellectual property rights licensed by Giganology Shenzhen; and (3) have an exclusive option to purchase all of the equity interests in Shenzhen Xunlei when and to the extent permitted under PRC laws and regulations.

As a result of these contractual arrangements, we are considered the primary beneficiary of Shenzhen Xunlei, and we treat it as our variable interest entity, or VIE, under the generally accepted accounting principles in the United States, or U.S. GAAP. We have consolidated the financial results of Shenzhen Xunlei and its subsidiaries in our consolidated financial statements in accordance with U.S. GAAP. The VIE contributed revenues in amounts of US$87.5 million, US$148.2 million, and US$180.2 million for the years ended December 31, 2011, 2012 and 2013, respectively, accounting for almost 100% of our total consolidated revenues for each of the three years.

The existing PRC subsidiaries of Shenzhen Xunlei include the following:

- Shenzhen Fengdong Networking Technologies Co., Ltd., which was established in December 2005, and it primarily engages in software development.
- Shenzhen Xunlei KanKan Information Technologies Co., Ltd. (formerly named as 155 Networking (Shenzhen) Co., Ltd.), which was established in August 2008, and it primarily engages in software development.
- Xunlei Networking Technologies (Beijing) Co., Ltd., which was established in June 2009, and it primarily engages in software development.
- Xunlei Software (Shenzhen) Co., Ltd., which was established in January 2010, and it primarily engages in the development of software technology and the development of computer software.
- Xunlei Games Development (Shenzhen) Co., Ltd., which was established in February 2010, and it primarily engages in the development of online game and computer software and advertising services; and

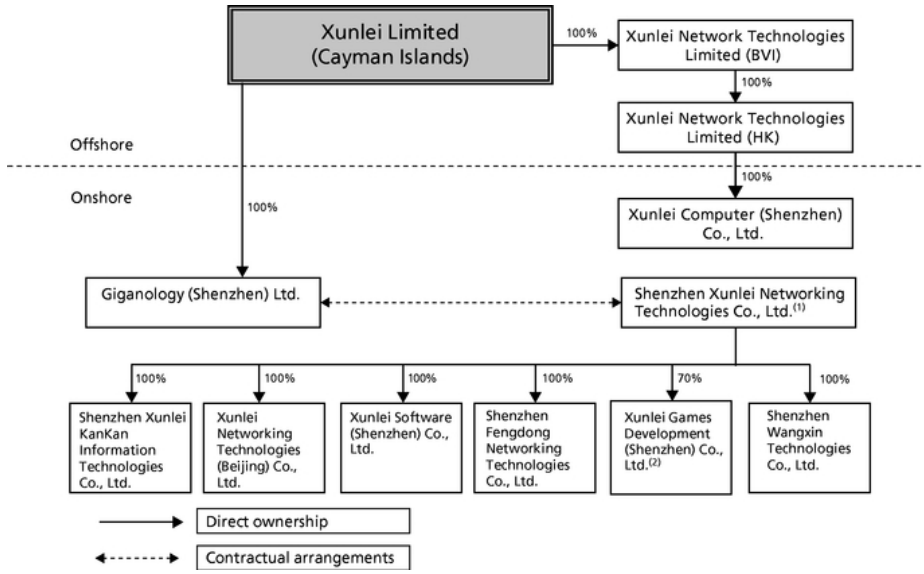
- Shenzhen Wangxin Technologies Co., Ltd., which was established in September 2013, and it has not started operation as of the date of this prospectus and it will engage in sales and marketing activities of our services and products.

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 and advertising services.

In November 2011, we established Xunlei Computer (Shenzhen) Co., Ltd., or 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.

We previously pursued an initial public offering in 2011 with a view to obtaining additional funding for our business development and to providing liquidity to our existing investors. However, due to the adverse market conditions in the global capital market in the second half year of 2011, we decided not to proceed with the offering at that time.

The following diagram illustrates our corporate structure and subsidiaries and variable interest entity as of the date of this prospectus:



(1) Shenzhen Xunlei is our variable interest entity. Mr. Sean Shenglong Zou, our co-founder, chairman and chief executive officer, Mr. Hao Cheng, our co-founder and director, Mr. Jianming Shi, Guangzhou Shulian Information Investment Co., Ltd. and Ms. Fang Wang respectively own 76.0%, 8.3%, 8.3%, 6.7% and 0.7% of Shenzhen Xunlei's equity interests.

(2) The remaining 30% of the equity interest is owned by Mr. Hao Cheng.

The following is a summary of the currently effective contracts among our subsidiary, Giganology Shenzhen, our variable interest entity, Shenzhen Xunlei, and the shareholders of Shenzhen Xunlei.

Agreements that provide us effective control over Shenzhen Xunlei

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. For instance, in May 2011, Shenzhen Xunlei sought and obtained consent from Giganology Shenzhen and Xunlei Limited to increase its registered capital by RMB20 million and to revise its articles of association accordingly. The term of this agreement will expire in 2016 and may be extended at Giganology Shenzhen's request 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 10 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 term of this agreement will expire in 2025 and may be extended with Giganology Shenzhen's written confirmation prior to the expiration date. 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 term of this agreement will expire in 2025 and may be extended with Giganology Shenzhen's written confirmation prior to the expiration date. 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. The term of the agreement will expire in 2022 and, at Giganology Shenzhen's discretion, may be extended for an additional 10 years or for other time period as agreed by both Giganology Shenzhen and Shenzhen Xunlei.

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. The term of the agreement will expire in 2022 and may be automatically extended for an additional 10 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. The term of the agreement will expire in 2016 and may be extended at Giganology Shenzhen's discretion.

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. 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.

In the opinion of our PRC legal counsel:

- the ownership structures of our variable interest entity and our subsidiaries in China, both currently and after giving effect to this offering, comply with all existing PRC laws and regulations; and

- the contractual arrangements among Giganology Shenzhen, our PRC subsidiary, Shenzhen Xunlei and its shareholders governed by PRC law are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect.

We have been advised by 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 "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."

Selected consolidated financial data

The following selected consolidated statements of operations data for the years ended December 31, 2011, 2012 and 2013 and the selected balance sheet data as of December 31, 2012 and 2013 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results for any period are not necessarily indicative of results to be expected for any future period. You should read the following selected financial information in conjunction with the consolidated financial statements and related notes and the information under "Management's discussion and analysis of financial condition and results of operations" included elsewhere in this prospectus.

(in thousands of US$, except for share, per share and per ADS data)	For the Year Ended December 31,		
	2011	2012	2013
Revenues, net of rebates and discounts	87,471	148,200	180,244
Business tax and surcharges	(5,569)	(7,679)	(5,650)
Net revenues	81,902	140,521	174,594
Cost of revenues	(48,068)	(84,012)	(92,260)
Gross profit	33,834	56,509	81,334
Operating expenses[1]			
Research and development expenses	(12,142)	(20,357)	(28,832)
Sales and marketing expenses	(10,966)	(20,219)	(26,610)
General and administrative expenses	(18,601)	(18,474)	(23,073)
Total operating expenses	(41,709)	(59,050)	(78,515)
Net gain from exchanges of content copyrights	4,742	4,666	1,020
Operating (loss)/income	(3,133)	2,125	3,839
Interest income	270	1,377	1,189
Interest expense	(339)	(1,400)	—
Other income, net	1,415	564	4,679
Shares of (loss)/income from equity investee	(7)	(45)	25
(Loss)/income before income tax	(1,794)	2,621	9,732
Income tax benefit/(expense)	1,783	(2,239)	647
Net (loss)/income	(11)	382	10,379
Less: net loss attributable to non-controlling interest	(1)	(121)	(283)
Net (loss)/income attributable to Xunlei Limited	(10)	503	10,662
Beneficial conversion feature of Series C convertible preferred shares from their modifications	—	(286)	—
Deemed contribution from Series C preferred shareholders	—	2,979	—
Accretion to convertible redeemable preferred shares redemption value	—	(3,509)	(4,300)
Allocation of net income to participating preferred shareholders	—	—	(4,094)
Net (loss)/income attributable to Xunlei Limited's common shareholders	(10)	(313)	2,268
Weighted average number of common shares used in per share calculations			
Basic	59,143,208	61,447,372	61,447,372
Diluted	59,143,208	61,447,372	76,065,898

(in thousands of US$, except for share, per share and per ADS data)	For the Year Ended December 31, 2011	2012	2013
Net (loss)/income attributable to holders of common shares of Xunlei Limited per common share			
Basic	(0.00)	(0.01)	0.04
Diluted	(0.00)	(0.01)	0.01
Net (loss)/income attributable to holders of common shares of Xunlei Limited per ADS[2]			
Basic			
Diluted			
Weighted average number of common shares used in pro forma per share calculations			
Basic			172,400,906
Diluted			187,019,432
Pro forma earnings per common share (unaudited)[3]			
Basic			0.06
Diluted			0.05
Pro forma earnings per ADS (unaudited)[2]			
Basic			
Diluted			

Notes:

(1) Share-based compensation expenses were allocated in operating expenses as follows:

(in thousands of US$)	For the Year Ended December 31, 2011	2012	2013
Research and development expenses	898	1,085	973
Sales and marketing expenses	73	46	43
General and administrative expenses	1,128	1,102	1,080
Total share-based compensation expenses	2,099	2,233	2,096

(2) Each ADS represents Class A common shares.

(3) The unaudited pro-forma earnings per share give effect to our planned re-designation of common shares and preferred shares into the equivalent number of Class A and Class B common shares upon the completion of this offering. The unaudited pro forma presentation does not include the Series E preferred shares issued in 2014.

(in thousands of US$)	For the Year Ended December 31, 2012	2013	2013 Pro forma (unaudited)
Selected Consolidated Balance Sheet Data:			
Cash and cash equivalents	81,906	93,906	93,906
Short-term investments	6,523	40,993	40,993
Total current assets	163,830	193,781	193,781
Total assets	202,204	244,403	244,403
Accounts payables	31,834	39,820	39,820
Total current liabilities	79,544	105,385	105,385
Total liabilities	97,886	124,835	124,835
Mezzanine equity	35,990	40,290	—
Total Xunlei Limited's shareholders' equity	67,968	79,194	119,484
Non-controlling interest	360	84	84
Total liabilities and equity	202,204	244,403	244,403

(in thousands of US$)	For the Year Ended December 31, 2011	2012	2013
Selected Cash Flow Statement Data:			
Net cash generated from operating activities	18,277	59,914	85,533
Net cash used in investing activities	(36,875)	(49,490)	(78,352)
Net cash generated from financing activities	50,032	17,692	2,487
Net increase/(decrease) in cash and cash equivalents	31,434	28,116	9,668
Effect of exchange rate changes	562	441	2,332
Cash and cash equivalents at beginning of year/period	21,353	53,349	81,906
Cash and cash equivalents at end of year/period	53,349	81,906	93,906

Management's discussion and analysis of financial condition and results of operations

Overview

We are one of the top 10 largest internet companies in China, as measured by user base. According to iResearch, we had over 300 million monthly unique visitors in December 2013. Digital media content, such as video, music and games, is one of the most popular usages for internet users in China. We operate a powerful internet platform in China based on cloud computing to enable users to quickly access, manage and consume digital media content. We are increasingly extending into mobile devices in part through potentially pre-installed acceleration products in mobile phones and to living rooms through TV coverage (set-top boxes and IPTV) to further expand our user base and offer our users a wider range of access points. We aspire to deliver superior user experience in ease of access, management and consumption of digital media content anywhere, anytime, and on any device.

We are the No. 1 acceleration product provider in China as measured by market share in December 2013, according to iResearch. To address deficiencies of digital media content transmission over the internet in China, such as low speed and high delivery failure rates, we provide users with quick and easy access to digital media content on the internet through two core products, available to users for free and for a subscription fee, respectively. Our acceleration products and services include Xunlei Accelerator and our cloud acceleration subscription services (delivered through products such as Green Channel, Offline Accelerator and Yunbo). Benefitting from the large user base accumulated by our core product, Xunlei Accelerator, we have further developed various value-added services to meet a fuller spectrum of our users' digital media content access and consumption needs. These value-added products and services include Xunlei Kankan, online game and pay per view.

We have successfully monetized our large user base. We generate revenues primarily through the following services:

- Subscription services. We provide cloud acceleration subscription services for subscribers to enable faster and more reliable access to digital media content. Revenues from subscription services contributed to 48.1% of our revenues in 2013. Subscription fees are time-based and are primarily collected up-front from subscribers on a monthly or yearly basis.

- Online advertising services. We offer advertising services by providing marketing opportunities on our online video streaming websites and platform to our advertisers. Online advertising revenues contributed to 26.7% of our revenues in 2013 and are derived principally from various forms of advertisements that we place on Xunlei Kankan.

- Other internet value-added services. We offer multiple other value-added services to our users, including online games and pay per view services. Revenues from other internet value-added services contributed to 25.2% of our revenues in 2013.

We have grown significantly in recent years. Our revenues increased from US$87.5 million in 2011 to US$148.2 million in 2012 and US$180.2 million in 2013. We had net loss attributable to Xunlei Limited of US$0.01 million in 2011, net income attributable to Xunlei Limited of US$0.5 million in 2012 and US$10.7 million in 2013, 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, such as video, music and games, through the internet, the greater availability of digital media content on the internet, and the increasing acceptance of online advertising as part of advertisers' overall marketing strategy and spending. 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 expand our service offerings and broaden our user base.

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 demands, and to broaden our user base. We will continue to devote significant research, development and marketing resources to enhance, expand and promote our service offerings and value propositions to users and to continue to explore new business opportunities and tap into new demographics and segments of internet users.

We have a proven track record of developing our service offerings to successfully address 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 two core products and services, Xunlei Accelerator and our cloud acceleration subscription services available to users for free and for a subscription fee, respectively. To meet our users' digital media content access and consumption needs, we have further developed various value-added services, including Xunlei Kankan, online game services and pay per view services. As part of our cloud-based home and mobile strategies, we are increasingly expanding our services to living room though set-top boxes and other audio video entertainment devices. Furthermore, we focus more on user behaviors and study users' life cycles on our platform, so that we can offer relevant services at the right time and encourage users to continue using our services. We believe that continuing to enhance and expand our service offerings and broaden our reach to multiple internet-enabled devices will help us maintain and expand our user base.

Our ability to further monetize our user base.

Our revenues and results of operations depend on our ability to further monetize our large 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 are able to convert more users to subscribers by offering a diverse range of premium services tailored to their individual needs. Our cloud acceleration subscription services, offer users value-added services for speed, and we had approximately 5.1 million subscribers as of December 31, 2013. Our pay per view services, launched in the second half of 2012, provide subscribers with access to our

comprehensive content library of movies, TV and entertainment titles. These subscribers totaled approximately 144,000 as of December 31, 2013.

We intend to further monetize our user base and convert users to subscribers by expanding our offering of value-added services, such as cloud-based storage and implementation of cross device media access. We plan to provide one-stop services for our users, in terms of accessing digital media content and storage and synchronization of content across devices. Through these initiatives, we expect to grow the number of our subscribers.

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

Our results of operations depend on our ability to maintain our technology leadership, in particular, the performance of our cloud acceleration technology. This technology enables users to access content in an efficient manner. Our proprietary technology and highly scalable massive distributed computing network is our core competitive advantage, enabling us to deliver superior transmission acceleration services and streaming user experience. Our resource discovery network leverages our distributed computing power, computing and storage capacity and significantly reduces our reliance on servers operated by us, which in turn provides us with a clear cost advantage over our competitors. As part of our expansion strategy, we plan to devote substantial resources to research and development in order to better serve our users. 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 expect our bandwidth costs to continue to increase as we grow our business and increase the number of subscribers. As we further expand our content library on Xunlei Kankan, our content cost will increase, which may affect our near-term profit margin. In particular, we focus on licensing more newly released professionally produced content for Xunlei Kankan to attract users and enter into exclusive arrangements with TV stations to secure quality content, making our platform and user base more attractive to our advertisers. Our gross margin will be affected if our revenues do not grow in line with the increase in our content library for Xunlei Kankan. We also expect increased headcount as we grow our business, especially since we will invest in research and development to maintain our technology leadership.

Description of certain statement of operations items

Revenues

We derive our revenues primarily from cloud acceleration subscription services, online advertising and other internet value-added services including online games, content sublicensing and pay per view services. The following table sets forth the principal components of our revenues by amounts and percentages of our revenues for the periods presented.

	For the Year Ended December 31,					
	2011		2012		2013	
(in thousands of US$, except for percentages)	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Subscriptions	25,574	29.2	51,055	34.4	86,733	48.1
Online advertising	38,331	43.8	61,795	41.7	48,028	26.7
Other internet value-added services	23,566	27.0	35,350	23.9	45,483	25.2
Total	87,471	100.0	148,200	100.0	180,244	100.0

Subscriptions. We introduced our cloud acceleration subscription services in March 2009 and we generated revenues from providing our users with exclusive services, such as access to high-speed online transmission, premium acceleration or access privileges, for a time-based subscription fee. The standard subscription fee is RMB10 (US$1.6) per month or RMB99 (US$16.1) per year, and we introduced a subscription packages of RMB15 (US$2) per month or RMB149 (US$24.2) per year in 2012 and RMB30 (US$4.9) per month in late 2013 to cater to subscribers' different demands for acceleration speed and user experience, which are becoming increasingly popular among our subscribers. Our subscription revenues, as a percentage of our revenues, increased from 29.2% in 2011 to 34.4% in 2012 and further to 48.1% in 2013. We expect that the absolute amount of subscriptions revenues will continue to increase over time as we focus on further growing our subscriber base.

The most significant factor that directly affects our subscription revenues is the number of subscribers. We plan to further expand our subscriber base in the future by expanding our offering of fee-based services. We expect to improve the percentage of our subscribers to our overall user base. The following table sets forth the number of subscribers for our acceleration services we had as of the periods presented.

As of	December 31, 2011	December 31, 2012	December 31, 2013
Number of subscribers (in thousands)	2,791	4,017	5,087

Online advertising. Our online advertising revenues are derived principally from various forms of advertisements that we place on Xunlei Kankan. A significant majority of our advertisers purchase our online advertising services through third-party advertising agencies. As is customary in the advertising industry in China, we pay rebates to third-party advertising agencies and recognize revenues net of these rebates.

Historically, we placed advertisements on Xunlei Kankan and Xunlei Accelerator. In the first half of 2013, we made a decision to discontinue delivering advertisements on Xunlei Accelerator to further improve our user experience and enhance user engagement on Xunlei Accelerator. In the future, we will continue to focus on offering video advertisement on Xunlei Kankan, and we may not generate additional advertising revenues from Xunlei Accelerator from 2014 onwards.

The following table sets forth the online advertising revenues we derive from different platforms by amounts and percentages of our total online advertising revenues for the periods presented:

	For the Year Ended December 31,					
	2011		2012		2013	
(in thousands of US$, except for percentages)	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Xunlei Kankan	27,041	70.5	44,962	72.8	44,884	93.5
Xunlei Accelerator	11,290	29.5	16,833	27.2	3,144	6.5
Total online advertising revenues	38,331	100.0	61,795	100.0	48,028	100.0

The most significant factors that directly affect our online advertising revenues are the average spending per advertiser and the number of advertisers that use our online advertising services.

The average spending per advertiser was approximately US$79,000 in 2011. In 2012, we took initiatives to streamline our advertising service strategies to focus on increasing the average spending of our advertisers and to deepen relationship with them and as a result the average

spending per advertiser increased significantly to approximately US$147,000 in 2012. The same number decreased to approximately US$120,000 in 2013. The amount of average advertising spend per advertiser is the result of our total advertising revenues during a given period divided by the number of advertisers for that period.

The number of advertisers that use our online advertising services was 485 in 2011, and decreased slightly to 420 in 2012 and further to 399 in 2013. We calculate the number of advertisers during a given period as the number of advertisers to whom we have delivered advertising services during that period. An advertiser to whom we have delivered services more than once in a period is counted as one advertiser for that period.

Other internet value-added services. We actively seek new business opportunities that complement our existing core acceleration and video streaming related services offerings to further improve our overall user experience. We primarily derive other internet value-added services revenues from online games, content sublicensing and pay per view services. Revenues from other internet value-added services increased from US$23.6 million in 2011 to US$35.4 million in 2012 and US$45.5 million in 2013, respectively.

A significant portion of revenues of other internet value-added services were generated from our online games. For the web games, we had approximately 49,000, 162,000 and 210,000 paying users for the years ended December 31, 2011, 2012 and 2013, respectively. For the MMOGs, we had approximately 23,000, 292,000 and 181,000 paying users for the years ended December 31, 2011, 2012 and 2013, respectively. The increase of paying users from 2011 to 2012 was primarily due to the launch of new games and updated versions of the old games. We calculate the number of paying users during a given period as the cumulative number of users that have purchased virtual items or other products and services for our web games or MMOGs at least once during the relevant period. The amount of revenue attributable to our new games with an operating history of less than 12 months is approximately US$0.2 million in 2011, US$4.4 million in 2012, and US$1.9 million in 2013, respectively, representing 4.1%, 28.5% and 6.2% of our total revenues from online games in 2011, 2012 and 2013, respectively. The amount of revenue attributable to our old games with an operating history of more than 12 months is approximately US$5.0 million in 2011, US$11.1 million in 2012 and US$28.8 million in 2013, respectively. In addition, our top five games accounted for approximately 4.0%, 7.7% and 11.5% of our total revenues in 2011, 2012 and 2013.

Cost of revenues

Our cost of revenues consists primarily of (i) bandwidth costs, (ii) content costs, (iii) payment handling fees, (iv) depreciation of servicers and other equipment and (v) games revenue sharing costs and others. The following table sets forth the components of our cost of revenues by amounts and percentages of our revenues for the periods presented:

	For the Year Ended December 31,					
	2011		2012		2013	
(in thousands of US$, except for percentages)	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Bandwidth costs	11,543	13.2	22,211	15.0	35,454	19.6
Content costs	27,681	31.7	46,671	31.5	35,964	20.0
Payment handling fees	5,569	6.4	8,505	5.7	12,401	6.9
Depreciation of servers and other equipment	2,572	2.9	3,271	2.2	4,317	2.4
Games revenue sharing costs and others	703	0.8	3,354	2.3	5,124	2.8
Total	48,068	55.0	84,012	56.7	93,260	51.7

Bandwidth costs. Bandwidth costs are the fees we pay to telecommunications carriers and other service providers for telecommunications services and for hosting our servers at their internet data centers. Bandwidth is a significant component of our cost of revenues. We expect our bandwidth costs to increase on an absolute basis primarily due to an increased need for bandwidth to support the growth of our premium acceleration services for our subscribers and our user traffic on Xunlei Kankan. We believe that our distributed computing network provides us significant cost advantages in providing transmission and streaming services compared with traditional client-server architecture that may require considerably more investment in infrastructure, including servers and bandwidth, to support the same level of user activities.

Content costs. Content costs primarily consist of content licensing fees that we pay to copyright owners or content distributors to expand our content library for Xunlei Kankan. Our content costs increased significantly from 2011 to 2012 primarily due to the fast expansion of our content library on Xunlei Kankan, especially with a focus on licensing more premium content as well as exclusive rights on certain movies and television series to attract users. The increase of our content costs is also due to an increase in unit cost of content acquisition of professionally produced content due to the increased market demand for such content in China. Furthermore, starting from April 2011, based on an accumulation of data gathered on historical viewing patterns of our content, we changed the content amortization method from straight line to accelerated method.

Payment handling fees. Payment handling fees are the fees we pay to payment channels for cloud acceleration subscription services, online games and other paid services. Users can make payments for such services through third-party online, fixed phone line 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 charges 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 fees to increase as we continue to grow our subscription-based and other paid service offerings.

Depreciation of servers and other equipment. Depreciation expense for servers and other equipment that are directly related to our business operations and technical support are included in our cost of revenues. We expect our depreciation expense to increase on an absolute basis as we continue to invest in additional servers and other equipment to accommodate the growth of our user and subscriber base, but to decrease as a percentage of our revenues over time.

Games revenue sharing costs and others. These costs mainly represent the share of online game revenue remitted to developers of exclusive licensed games.

Operating expenses

Our operating expenses consist of (i) research and development expenses, (ii) sales and marketing expenses and (iii) general and administrative expenses. The following table sets

forth the components of our operating expenses by amounts and percentages of our revenues for the periods presented:

	For the Year Ended December 31,					
	2011		2012		2013	
(in thousands of US$, except for percentages)	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Research and development expenses	12,142	13.9	20,357	13.7	28,832	16.0
Sales and marketing expenses	10,966	12.5	20,219	13.6	26,610	14.8
General and administrative expenses	18,601	21.3	18,474	12.5	23,073	12.8
Total	41,709	47.7	59,050	39.8	78,515	43.6

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. Expenditures incurred for the development of the acceleration products prior to the establishment of technological feasibility are expensed when incurred. 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.

Sales and marketing expenses. Sales and marketing expenses consist primarily of salaries, sales commissions and benefits for our sales and marketing personnel and marketing and promotional expenses. We expect our sales and marketing expenses to increase in the near term as we expect to hire additional sales personnel and invest in brand enhancement efforts.

General and administrative expenses. General and administrative expenses consist primarily of salaries and benefits, professional service fees and other administrative expenses. We expect our general and administrative expenses to increase in the near term as our business continues to grow and we incur increased costs related to complying with our reporting obligations under the U.S. securities laws as a public company.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. Additionally, there is no withholding tax on dividends paid by us to our shareholders.

China

On March 16, 2007, the PRC National People's Congress promulgated the EIT Law, adopting a unified EIT rate of 25%. In addition, the EIT Law also provides a five-year transitional period starting from its effective date for those enterprises that were established before the date of promulgation of the EIT Law and that were entitled to preferential income tax rates under the then effective tax laws or regulations. On December 26, 2007, the State Council issued the "Circular for Implementation of the Transitional Preferential Policies for the Enterprise Income Tax." Pursuant to this Circular, the transitional income tax rates for enterprises established in the Shenzhen Special Economic Zone before March 16, 2007 were 18%, 20%, 22%, 24% and 25% for 2008, 2009, 2010, 2011 and 2012, respectively.

As approved by the relevant tax authority, Giganology Shenzhen was further exempt from EIT for two years commencing from the first year of profitable operation after offsetting prior years' tax losses, followed by a 50% reduction for the next three years, or 2-year Exemption and 3-year 50% Reduction, as a software enterprise. The first year of profit operation of Giganology Shenzhen was 2006. According to the EIT Law, Giganology Shenzhen could still enjoy the tax holidays which were grandfathered by the EIT Law in 2011. Accordingly, the applicable EIT rates for Giganology Shenzhen were 24%, 25% and 25% for the year ended December 31, 2011, 2012 and 2013, respectively.

On April 14, 2008, relevant PRC governmental regulatory authorities released further qualification criteria, application procedures and assessment processes for meeting the High and New Technology Enterprise, or HNTE status under the EIT Law which would entitle qualified and approved entities to a favorable statutory tax rate of 15%. In April 2009, the State Administration for Taxation, or SAT, issued Circular Guoshuihan [2009] No. 203 stipulating that entities qualified for the HNTE status should apply with the relevant tax authorities to enjoy the reduced EIT rate of 15% provided under the EIT Law starting from the year when the HNTE certificate becomes effective. In addition, an entity qualified for the HNTE status can continue to enjoy its remaining tax holiday from January 1, 2008 provided that it has obtained the HNTE certificate according to the new recognition criteria set by the EIT Law and the relevant regulations. In February 2011, Shenzhen Xunlei obtained the HNTE certificate with effect from January 1, 2011.

According to a policy of the PRC State tax bureau, enterprises that engage in research and development activities are entitled to claim 150% of the research and development expenses incurred in a year as tax deductible expenses in determining their tax assessable profits for that year, or Super Deduction. Shenzhen Xunlei has been claiming this Super Deduction in ascertaining its tax assessable profits and brought forward tax losses from 2009 onwards. In addition, following the approval by the relevant tax authority in July 2010, Shenzhen Xunlei was recognized as an enterprise engaged in software development activities. Accordingly, it is entitled to a tax holiday of 2-year Exemption and 3-year 50% Reduction from 2010 onwards. In December 2013, Shenzhen Xunlei obtained the certificate of the Key Software Enterprise for the years ended December 31, 2013 and 2014, which enables Shenzhen Xunlei to enjoy the preferential tax rate of 10% for the year of 2013. As a result, the applicable tax rate of Shenzhen Xunlei for the years ended December 31, 2011, 2012 and 2013 were 0%, 12.5% and 10%, respectively.

Pursuant to the relevant PRC regulations, Xunlei Computer is entitled to the 2-year Exemption and 3-year 50% Reduction treatment. The first year of profitable operation of Xunlei Computer is 2013. Our other subsidiaries and VIE's subsidiaries, which were established after January 1, 2008, are subject to EIT at a rate of 25%.

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 or arrangement). The 10% WHT 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, 2013, the

directors of the company decided to reinvest the retained earnings permanently in China and therefore no such WHT is required.

Internal control over financial reporting

In preparing our consolidated financial statements, we and our independent registered public accounting firm identified a material weakness, a significant deficiency and other control deficiencies in our internal control over financial reporting as of December 31, 2013. As defined in standards established by the PCAOB, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified related to a lack of accounting resources in U.S. GAAP and SEC reporting requirements, and the significant deficiency identified related to a lack of documented comprehensive U.S. GAAP accounting manuals and financial reporting procedures and lack of related implementation controls. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting any weakness or significant deficiency in our internal control over financial reporting, as we and they will be required to do once we become a public company. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional control deficiencies may have been identified.

To remedy our identified material weakness, significant deficiency and other control deficiencies in connection with preparation of our consolidated financial statements, we have adopted several measures to improve our internal control over financial reporting. For example, we hired a chief financial officer who has a solid understanding of and extensive work experience involving U.S. GAAP and SEC financial reporting. We hired two internal auditors to expand our existing internal audit team and organized training sessions regarding U.S. GAAP for our accounting staff. In addition, we plan to further increase the number of employees with knowledge of U.S. GAAP and SEC regulations within our finance and accounting departments, implement a comprehensive ERP system and continue to provide our accounting and finance staff with U.S. GAAP training. We will continue to implement measures to remedy our internal control deficiencies in order to meet the deadline imposed by Section 404 of the Sarbanes-Oxley Act. We intend to remediate the material weakness and other control deficiencies in our internal control over financial reporting within one year after this offering. We also expect that we will incur significant costs in an amount of approximately US$2 million in the implementation of remediation measures. However, the implementation of these measures may not fully address the deficiencies in our internal control over financial reporting. We are not able to estimate with reasonable certainty the costs that we will need to incur to implement these and other measures designed to improve our internal control over financial reporting. See "Risk factors—Risks related to our business and industry—If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence in our company and the market price of our ADSs may be adversely affected."

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 periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. 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,					
	2011		2012		2013	
(in thousands of US$ except for percentage)	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Revenues, net of rebates and discounts	87,471	100.0	148,200	100.0	180,244	100.0
Business taxes and surcharges	(5,569)	(6.4)	(7,679)	(5.2)	(5,650)	(3.1)
Net revenues	81,902	93.6	140,521	94.8	174,594	96.9
Cost of revenues	(48,068)	(55.0)	(84,012)	(56.7)	(93,260)	(51.7)
Gross profit	33,834	38.7	56,509	38.1	81,334	45.1
Operating expenses						
Research and development	(12,142)	(13.9)	(20,357)	(13.7)	(28,832)	(16.0)
Sales and marketing	(10,966)	(12.5)	(20,219)	(13.6)	(26,610)	(14.8)
General and administrative	(18,601)	(21.3)	(18,474)	(12.5)	(23,073)	(12.8)
Total operating expenses	(41,709)	(47.7)	(59,050)	(39.8)	(78,515)	(43.6)
Net gain from exchanges of content copyrights	4,742	5.4	4,666	3.1	1,020	0.6
Operating (loss)/income	(3,133)	(3.6)	2,125	1.4	3,839	2.1
Interest income	270	0.3	1,377	0.9	1,189	0.7
Interest expense	(339)	(0.4)	(1,400)	(0.9)	—	
Other income (loss), net	1,415	1.6	564	0.4	4,679	2.6
Share of results from equity investee (loss)	(7)	(0.0)	(45)	(0.0)	25	0.0
(Loss)/Income before income tax	(1,794)	(2.1)	2,621	1.8	9,732	5.4
Income tax benefit / (expense)	1,783	2.0	(2,239)	1.5	647	0.4
Net (loss)/income	(11)	(0.0)	382	0.3	10,379	5.8
Less: Net loss attributable to non-controlling interest	(1)	(0.0)	(121)	(0.1)	(283)	(0.2)
Net (loss)/income attributable to Xunlei Limited	(10)	(0.0)	503	0.3	10,662	5.9

Year ended December 31, 2013 compared with year ended December 31, 2012.

Revenues. Our revenues increased by 21.6% from US$148.2 million in 2012 to US$180.2 million in 2013. The increase was primarily due to a substantial increase in our revenues from subscription services and other internet value added services, which was partially offset by the decrease in our online advertising services as a result of our decision to discontinue delivering advertisements on Xunlei Accelerator in the first half of 2013.

Our revenues from subscription services increased by 69.9% from US$51.1 million in 2012 to US$86.7 million in 2013. The increase was mainly attributable to a significant increase in the number of our subscribers, which grew from 4.0 million as of December 31, 2012 to 5.1 million as of December 31, 2013.

Our online advertising revenues decreased by 22.3% from US$61.8 million in 2012 to US$48.0 million in 2013, primarily due to a decrease in advertising revenues from Xunlei Accelerator from US$16.8 million to US$3.1 million, as a result of our decision to discontinue delivering advertisements on Xunlei Accelerator in the first half of 2013. The average spending per advertiser slightly decreased from approximately US$147,000 in 2012 to approximately US$120,000 in 2013 and the number of advertisers decreased from 420 to 399 for the respective years.

Revenues derived from other internet value-added services increased by 28.7% from US$35.4 million in 2012 to US$45.5 million in 2013, primarily due to the increase in revenues from online games from US$15.5 million to US$30.7 million and the increase in pay per view revenues from US$0.5 million to US$2.0 million during the same period, which was partially offset by decrease in content sublicensing revenues from US$15.2 million to US$7.3 million. The increase in online games revenues were primarily attributable to an increase in the number of exclusive licensed games that we operated on our platform as well as the increased popularity of our existing games. The decrease in content sublicensing revenues was due to decrease in the exclusive contents that we purchased in 2013.

Cost of revenues. Our cost of revenues increased by 11.0% from US$84.0 million in 2012 to US$92.7 million in 2013. The increase in our cost of revenues was primarily due to the increase in bandwidth costs associated with the expansion of our subscription and other services and the increase in payment handling fees, which were partially offset by the significant decrease in content costs.

Bandwidth costs. Our bandwidth costs increased by 59.6% from US$22.2 million in 2012 to US$35.5 million in 2013, primarily due to the increased bandwidth needs to support our subscription services and our increased provision of a larger amount of high-definition content on Xunlei Kankan. With the growth of our subscription services, bandwidth costs associated with subscription services have grown significantly.

Content costs. Our content costs decreased by 22.9% from US$46.7 million in 2012 to US$36.0 million in 2013, primarily because we purchased less content in 2013.

Payment handling fees. Our payment handling fees increased by 45.8% from US$8.5 million in 2012 to US$12.4 million in 2013, driven primarily by the rapid growth of our cloud acceleration subscription services.

Depreciation of servers and other equipment. Depreciation of servers and other equipment increased by 32.0% from US$3.3 million in 2012 to US$4.3 million in 2013, as we acquired more servers and other equipment to accommodate the increased needs for acceleration and streaming services.

Games revenue sharing costs and others. These costs increased by 52.8% from US$3.4 million in 2012 to US$5.1 million for the same period in 2013, mainly because we generated more revenues from exclusive licensed games in 2013.

Gross profit. As a result of the above, our gross profit increased by 43.9% from US$56.5 million in 2012 to US$81.3 million for the same period in 2013. Gross profit margin increased from 38.1% in 2012 to 45.1% in 2013 due to changes in the revenue mix.

Operating expenses. Our operating expenses increased by 33.0% from US$59.1 million in 2012 to US$78.5 million in 2013, primarily due to increases in research and development expenses and sales and marketing expenses and, to a lesser extent, due to an increase in general and administrative expenses.

Research and development expenses. Our research and development expenses increased by 41.6% from US$20.4 million in 2012 to US$28.8 million in 2013. The increase in our research and development expenses was primarily due to increases in headcount and salaries.

Sales and marketing expenses. Our sales and marketing expenses increased by 31.6% from US$20.2 million in 2012 to US$26.6 million in 2013. The increase in our sales and marketing expenses was primarily due to our increased spending on marketing and promotion and, to a lesser extent, due to increases in headcount and salaries.

General and administrative expenses. Our general and administrative expenses increased by 24.9% from US$18.5 million in 2012 to US$23.1 million in 2013. The increase in our general and administrative expenses was primarily due to the increase of professional services fees, the impairment charge of US$0.8 million for one of our online games and expenses associated with a property we leased in October 2012 as our new office premises in Shenzhen.

Net gain from exchanges of content copyrights. We enter into agreements with third parties (mainly video streaming internet platforms) to exchange digital media content, which are non-monetary and similar to barter transactions. We had net gains from such exchange of content copyrights of US$4.7 million in 2012 and US$1.0 million in 2013. The decrease in net gain corresponds to the decrease in the content we purchased in 2013.

Interest income. Our interest income decreased by 13.7% from US$1.4 million in 2012 to US$1.2 million in 2013.

Interest expense. Our interest expense decreased from US$1.4 million in 2012 to nil in 2013, because we repaid our outstanding bank loans in 2013.

Income tax benefit/(expense). We recorded an income tax expense of US$2.2 million in 2012 and an income tax benefit of US$0.6 million in 2013. This primarily reflected lower corporate income tax, the increased tax holiday available to Shenzhen Xunlei, and the higher deferred tax assets recognized in 2013 due to the change in the tax rate.

Net (loss) income attributable to Xunlei Limited. As a result of the above, we generated net income attributable to Xunlei Limited of US$0.5 million in 2012 and US$10.7 million in 2013.

Year ended December 31, 2012 compared to year ended December 31, 2011

Revenues. Our revenues increased by 69.4% from US$87.5 million in 2011 to US$148.2 million in 2012. The increase was primarily due to a substantial increase in our revenues from subscription services and online advertising services.

Revenues from subscription services increased significantly by 99.6% from US$25.6 million in 2011 to US$51.1 million in 2012. The increase was mainly attributable to a significant increase in the number of our subscribers, which grew from 2.8 million of December 31, 2011 to 4.0 million of December 31, 2012.

Our online advertising revenues increased by 61.2% from US$38.3 million in 2011 to US$61.8 million in 2012, primarily due to a significant increase in the average spending per advertiser from approximately US$79,000 in 2011 to approximately US$147,000 in 2012, which was in turn attributable to our initiatives to streamline our advertising service strategies in 2012. The increase, in light of the different advertising service platforms, was attributable to the increase of online advertising revenues contributed by Xunlei Kankan in the amount of US$18.0 million and to a lesser extent by Xunlei Accelerator in the amount of US$5.5 million. The number of advertisers decreased from 485 in 2011 to 420 in 2012.

Revenues derived from other internet valued-added services increased by 50.0% from US$23.6 million in 2011 to US$35.4 million in 2012, primarily due to the increase in revenues

from online games from US$5.2 million to US$15.5 million, the generation of pay per view revenues of US$0.5 million in 2012 as we started to provide online video subscription services that year and the increase in sublicensing revenues from US$14.8 million in 2011 to US$15.2 million in 2012. The increase in online games revenues was primarily attributable to an increase in the number of exclusive licensed games that we operated on our platform as well as the increased popularity of our existing games.

Cost of revenues. Our cost of revenues increased by 74.8% from US$48.1 million in 2011 to US$84.0 million in 2012. The increase in our cost of revenues was mainly due to the increase in content costs primarily associated with the expansion of Xunlei Kankan and the increase in bandwidth costs and payment handling fees as we grew our subscription services.

Bandwidth costs. Our bandwidth costs increased by 92.4% from US$11.5 million in 2011 to US$22.2 million in 2012, primarily due to the increased bandwidth needs to support our subscription services and our increased high-definition content on Xunlei Kankan. Since we introduced our subscription services in 2009, bandwidth costs associated with such services have grown significantly.

Content costs. Our content costs increased by 68.6% from US$27.7 million in 2011 to US$46.7 million in 2012, primarily due to our continuous efforts to expand our Kankan library, and to license more premium content and exclusive rights on certain movies and television series for sublicensing. The increase of our content costs is also due to the amortization of our content copyrights on an accelerated basis as a result of the change in our accounting policy in April 2011.

Payment handling fees. Our payment handling fees increased by 52.7% from US$5.6 million in 2011 to US$8.5 million in 2012, driven primarily by the rapid growth of our subscription services.

Depreciation of servers and other equipment. Depreciation of servers and other equipment increased by 27.2% from US$2.6 million in 2011 to US$3.3 million in 2012, as we acquired more servers and other equipment to accommodate the increased needs for acceleration and streaming services.

Games revenue sharing costs and others. These costs increased significantly by 377.1% from US$0.7 million in 2011 to US$3.4 million in 2012, mainly because we generated more revenues from exclusive licensed games in 2012.

Gross profit. As a result of the above, our gross profit increased by 67.0% from US$33.8 million in 2011 to US$56.5 million in 2012.

Operating expenses. Our operating expenses increased by 41.6% from US$41.7 million in 2011 to US$59.1 million in 2012, primarily due to an increase in research and development expenses and sales and marketing expenses.

Research and development expenses. Our research and development expenses increased by 67.7% from US$12.1 million in 2011 to US$20.4 million in 2012. The increase in our research and development expenses was primarily due to increases in headcount and salaries.

Sales and marketing expenses. Our sales and marketing expenses increased by 84.4% from US$11.0 million in 2011 to US$20.2 million in 2012. The increase in our sales and marketing

expenses was primarily due to our increased spending on marketing and promotion and, to a lesser extent, due to increases in headcount and salaries.

General and administrative expenses. Our general and administrative expenses slightly decreased from US$18.6 million in 2011 to US$18.5 million in 2012.

Net gain from exchanges of content copyrights. We had net gains from the exchange of content copyrights of US$4.7 million in 2011 and 2012, respectively.

Interest income. Our interest income increased by 410.0% from US$0.3 million in 2011 to US$1.4 million in 2012.

Interest expense. Our interest expense increased from US$0.3 million in 2011 to US$1.4 million in 2012, because we borrowed more bank loans in 2012.

Income tax benefit/(expense). We recorded an income tax benefit of US$1.8 million in 2011 which was primarily due to a deferred tax asset resulting from the change in the corporate tax rate, offset by a deferred tax liability recognized in relation to taxes applicable to unremitted retained earnings and reserves expected to be paid by the VIE to Giganology Shenzhen. We recorded an income tax expense of US$2.2 million in 2012. The change primarily reflected higher taxable income, lower deferred tax assets recognized as well as an increase in the deferred tax liability provided in 2012. These were partially offset by the tax impact that Shenzhen Xunlei claimed 150% of its research and development expenses in assessing its taxable income.

Net (loss) income attributable to Xunlei Limited. As a result of the above, we incurred net loss attributable to Xunlei Limited of US$0.01 million in 2011 and net income of US$0.5 million in 2012.

Selected quarterly results of operations

The following table sets forth our unaudited condensed consolidated quarterly results of operations for each of the eight quarters in the period from January 1, 2012 to December 31, 2013. You should read the following table in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this prospectus. We have prepared the unaudited condensed consolidated quarterly financial information on the same basis as our audited consolidated financial statements. The unaudited condensed consolidated financial information includes all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the quarters presented.

Selected quarterly results

(in thousands of US$)	For the three months ended							
	Mar 31, 2012 (unaudited)	Jun 30, 2012 (unaudited)	Sept 30, 2012 (unaudited)	Dec 31, 2012 (unaudited)	Mar 31, 2013 (unaudited)	Jun 30, 2013 (unaudited)	Sept 30, 2013 (unaudited)	Dec 31, 2013 (unaudited)
Revenue, net of rebates and discounts								
Subscription revenue	10,023	11,268	13,909	15,855	18,839	21,037	22,948	23,909
Advertising revenue	9,641	14,198	20,889	17,067	11,933	13,489	12,917	9,689
Other internet value-added services	7,520	7,378	9,083	11,369	10,547	12,319	12,656	9,961
Revenue, net of rebates and discounts	27,184	32,844	43,881	44,291	41,319	46,845	48,521	43,559
Business taxes and surcharges	(1,632)	(2,005)	(2,760)	(1,283)	(1,245)	(1,692)	(1,413)	(1,301)
Net revenues	25,552	30,839	41,121	43,008	40,074	45,153	47,108	42,258
Cost of revenues	(22,314)	(18,911)	(21,751)	(21,036)	(20,783)	(21,653)	(22,959)	(27,866)
Gross profit	**3,238**	**11,928**	**19,370**	**21,972**	**19,291**	**23,500**	**24,149**	**14,392**
Operating expenses[1]								
Research and development expense	(4,080)	(4,625)	(5,738)	(5,913)	(6,093)	(6,612)	(7,594)	(8,533)
Sales and marketing expenses	(3,148)	(4,143)	(6,478)	(6,451)	(4,443)	(6,170)	(8,263)	(7,734)
General and administrative expenses	(4,335)	(4,589)	(4,649)	(4,901)	(4,409)	(4,354)	(5,508)	(8,803)
Total operating expenses	**(11,563)**	**(13,357)**	**(16,865)**	**(17,265)**	**(14,945)**	**(17,136)**	**(21,365)**	**(25,070)**
Net gain (loss) from exchanges of content copyright	**3,374**	**(270)**	**401**	**1,161**	**(171)**	**(26)**	**519**	**699**
Operating income (loss)	(4,951)	(1,699)	2,906	5,868	4,175	6,338	3,303	(9,979)
Interest income	215	332	420	410	190	283	413	303
Interest expense	(395)	(454)	(491)	(61)	—	—	—	—
Other income (loss), net	587	(132)	(32)	142	588	613	853	2,625
Share of (loss) / income from equity investee	(11)	(102)	19	49	(23)	155	(5)	(102)
(Loss) / income before income tax	**(4,555)**	**(2,055)**	**2,822**	**6,408**	**4,930**	**7,389**	**4,564**	**(7,153)**
Income tax benefit (expenses)	1,494	265	(787)	(3,211)	(862)	(1,587)	932	2,164
Net (loss) / income	**(3,061)**	**(1,790)**	**2,035**	**3,197**	**4,068**	**5,802**	**5,496**	**(4,989)**
Less: net (loss) income attributable to non-controlling interest	(205)	(161)	27	217	167	(23)	(163)	(264)
Net (loss) / income attributable to Xunlei Limited[2]	**(2,856)**	**(1,629)**	**2,008**	**2,980**	**3,901**	**5,825**	**5,659**	**(4,725)**

(1) Share-based compensation expenses were allocated in operating expenses as follows:

(in thousands of US$)	For the three months ended							
	Mar 31, 2012	Jun 30, 2012	Sept 30, 2012	Dec 31, 2012	Mar 31, 2013	Jun 30, 2013	Sept 30, 2013	Dec 31, 2013
Research and development expense	221	287	305	272	234	255	235	249
Sales and marketing expenses	12	12	12	10	9	9	10	15
General and administrative expenses	281	312	318	191	84	113	137	746
Total share-based compensation expenses	514	611	635	473	327	377	382	1,010

(2) Our preferred shareholders have the right to participate in dividends pari passu with our common shareholders on an as-converted basis.

Our quarterly revenues were primarily affected by the substantial increases in our revenues generated from subscription services and other internet value-added services and the changes in our advertising revenues in the eight quarters in the period from January 1, 2012 to December 31, 2013.

- Since we commercialized cloud acceleration subscription services in March 2009, our revenues from these services increased significantly from approximately US$10.0 million in the three

months ended March 31, 2012 to approximately US$23.9 million in the three months ended December 31, 2013. The increase was the result of a significant rise in the number of our subscribers.

- Our online advertising revenues decreased significantly from approximately US$17.1 million in the fourth quarter of 2012 to approximately US$11.9 million in the first quarter of 2013. After we had achieved historical high advertising revenues in the third quarter of 2012 derived principally from the advertisements we placed on Xunlei Kankan and Xunlei Accelerator, we made a decision in the first quarter of 2013 to discontinue delivering advertisements on Xunlei Accelerator to further improve our users' experience and enhance user engagement on Xunlei Accelerator. Subsequently, we have been substantially decreasing advertisements on Xunlei Accelerator and accordingly, online advertising revenues further decreased from approximately US$13.5 million in the second quarter of 2013 to approximately US$9.7 million in the fourth quarter of 2013.

- Revenues from our internet value-added services increased from approximately US$7.5 million in the first quarter of 2012 to approximately US$12.7 million in the third quarter of 2013. Such revenues primarily came from online games, which accounted for a significant portion of our internet value-added services during the said period. The decrease of revenues in the first quarter of 2013 and the fourth quarter of 2013 is primarily because revenues from our content sub-licensing services decreased as a result of the impact of our decreased content acquisition in 2013 and revenues from key online games did not achieve the returns as we projected for them. However, we expect our overall internet value-added services to increase in 2014 as we continue our investment in online games and our content library.

The absolute amount of cost of revenues and our cost of revenues as a percentage of revenues significantly decreased from the first quarter of 2012 to the second quarter of 2012 primarily due to the decrease of content acquisition and related costs. Subsequently, our cost of revenues generally increased in the seven quarters ended December 31, 2013 as we continued to expand our business and incurred significant bandwidth costs and content costs in preparation for our future growth. The absolute amount of cost of revenues and our cost of revenues as a percentage of revenues significantly increased from the third quarter of 2013 to the fourth quarter of 2013 primarily due to additional bandwidth costs as a result of our need to increase investment to compete effectively.

Liquidity and capital resources

To date, we have financed our operations primarily through cash generated from operations, private placements of preferred shares to investors and bank loans. As of December 31, 2013, we had US$93.9 million in cash and cash equivalents. As of the same date, we did not have any outstanding bank loans. We believe that our cash and the anticipated cash flow from operations and financings will be sufficient to meet our anticipated cash needs for the next 12 months.

In the future, we may significantly 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 Giganology Shenzhen currently has in place with Shenzhen Xunlei 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, as a wholly foreign-owned enterprise in the PRC, may pay dividends only out of its accumulated profits as determined in accordance with PRC accounting standards and regulations. Wholly foreign-owned enterprises such as Giganology Shenzhen 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 "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, VIE and VIE's subsidiaries are also subject to restrictions in their distribution and transfer according to the laws and regulations in China. Owing to the above, our subsidiaries, VIE and VIE's 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, 2012 and 2013, the amount of the restricted net assets, which represents registered capital and additional paid-in capital cumulative appropriations made to statutory reserves, was US$45.0 million and US$49.2 million, respectively.

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 our variable interest entity only through loans, subject to the satisfaction of the applicable government registration and approval requirements. See "Risk factors—Risks related to our corporate structure—PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries and variable interest entities or to make additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business" and see "Risk factors—Risks related to doing business in China—The approval of the China Securities Regulatory Commission may be required in connection with this offering under a regulation adopted in August 2006, and, if required, we cannot assure you that we will be able to obtain such approval." As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries or variable interest entity when needed. Notwithstanding the forgoing, our PRC subsidiary, Giganology Shenzhen may use its own retained earnings (as opposed to RMB converted from foreign currency denominated capital) to provide financial support to Shenzhen Xunlei either through extended payment terms on amounts due to Giganology Shenzhen from Shenzhen Xunlei, or via entrusted loans from Giganology Shenzhen to Shenzhen Xunlei, or direct loans to its 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.

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

(in thousands of US$)	For the Year Ended December 31, 2011	2012	2013
Net cash generated from operating activities	18,277	59,914	85,533
Net cash used in investing activities	(36,875)	(49,490)	(78,352)
Net cash generated from financing activities	50,032	17,692	2,487
Net increase in cash	31,434	28,116	9,668
Cash and cash equivalents at the beginning of year	21,353	53,349	81,906
Effect of exchange rate changes	562	441	2,332
Cash and cash equivalents at the end of year	53,349	81,906	93,906

As of December 31, 2013, we had cash or cash equivalents of approximately RMB347.4 million (US$57.0 million) and US$8.0 million located within the PRC, of which RMB308.9 million (US$50.7 million) is held by Shenzhen Xunlei and its subsidiaries. We also had cash or cash equivalents of RMB151.7 million (US$24.9 million), US$4.0 million and 0.7 million Hong Kong dollars (US$0.1 million) located outside of the PRC as of December 31, 2013.

Operating activities

Net cash generated from operating activities amounted to US$85.5 million in 2013, which was primarily attributable to a net income of US$10.4 million, adjusted for certain non-cash expenses consisting principally of depreciation and amortization expenses of US$43.4 million, share-based compensation of US$2.1 million and an increase in working capital. The increase in working capital was primarily due to the decrease of accounts receivable amounting to US$13.7 million, which was in line with the decrease of our advertising revenues, an increase in deferred revenue of US$12.6 million as a result of increase in our subscription fees prepaid by our subscribers, and the increase in accounts payable of US$5.9 million primarily attributable to the increased procurement of bandwidth.

Net cash generated from operating activities amounted to US$59.9 million in 2012, which was primarily attributable to a net income of US$0.4 million, adjusted for certain non-cash expenses consisting principally of depreciation and amortization expenses of US$54.6 million, share-based compensation of US$2.2 million and an increase in working capital. The increase in working capital was primarily due to the increase in accrued liabilities and other payable of US$10.9 million arising from an increase in accrual of sales rebates of online advertising and accrued payroll and employees benefit provision, and the increase in deferred revenue in the amount of US$8.5 million as our subscription revenues grew rapidly, partially offset by the increase of accounts receivable of US$17.8 million as a result of the increase in online advertising revenues.

Net cash generated from operating activities amounted to US$18.3 million in 2011, which was primarily attributable to a net loss of US$0.01 million, adjusted for certain non-cash expenses consisting principally of depreciation and amortization expenses of US$32.1 million, and partially offset by a decrease in working capital. The decrease in working capital was primarily due to the increase of accounts receivable of US$19.9 million as a result of the increase in online advertising revenues and content sublicensing revenues, and the increase of prepayment and other assets amounting to US$3.0 million to cope with the increasing scale of operations, which was partially offset by the increase in accrued liabilities and other payable of US$6.6 million arising from increase in accrual of sales rebates of online advertising and the

increase in deferred revenue in the amount of US$4.9 million which increased in line with the growth of our subscription business.

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, and purchases of intangibles assets.

Net cash used in investing activities amounted to US$78.4 million in 2013, primarily attributable to the purchase of short-term investment of US$246.2 million, and purchase of intangible assets in the amount of US$36.0 million, partially offset by proceeds from disposal of short-term investments of US$213.5 million.

Net cash used in investing activities amounted to US$49.5 million in 2012, mainly attributable to the purchase of intangible assets in the amount of US$32.6 million, the acquisition of property, plant and equipment in the amount of US$7.4 million and the purchase of short-term investment of US$6.5 million.

Net cash used in investing activities amounted to US$36.9 million in 2011, attributable to the purchase of intangible assets in the amount of US$32.0 million and acquisition of property, plant and equipment in the amount of US$4.2 million.

Financing activities

Net cash generated from financing activities amounted to US$2.5 million in 2013 due to government grant received.

Net cash provided by financing activities amounted to US$17.7 million in 2012 due to our proceeds from series D preferred share issuance of US$32.5 million and proceeds from bank borrowings of US$20.5 million, partially offset by repayment of bank borrowings of US$41.2 million.

Net cash provided by financing activities amounted to US$50.0 million in 2011 due to our proceeds from series C preferred share issuance of US$29.4 million and proceeds from bank borrowing of US$20.6 million.

Capital expenditures

We made capital expenditures of US$4.2 million, US$7.4 million and US$7.4 million in the years ended December 31, 2011, 2012 and 2013, respectively. In the past, our capital expenditures were primarily used to purchase servers and other equipment for our business. Our capital expenditures may increase in the near term as our business continues to grow.

Contractual obligations and commercial commitments

The following table sets forth our rental and bandwidth lease commitments as of December 31, 2013:

		Payment due by period			
(in thousands of US$)	Total	Less than 1 year	1-2 years	2-3 years	3-4 years
Operating lease obligations[1]	4,457	2,115	1,400	935	7
Bandwidth lease obligations	13,813	10,859	2,954	—	—

(1) Operating lease obligations are primarily related to the lease of office space. These leases expire on different dates.

As of December 31, 2013, we had irrevocable purchase obligations for certain copyrights and online game licenses that had not been recognized in the amount of US$5.9 million and US$5.2 million, respectively.

Off-balance sheet commitments and arrangements

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

Inflation

Since our inception, inflation in China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the consumer price index in China increased by 4.9% in 2011 and 2.6% in 2012, respectively. Although we have not in the past been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in China.

Market risks

Foreign exchange risk

Our financing activities are denominated mainly in U.S. dollars. The Renminbi ("RMB") is not freely convertible into foreign currencies. Remittances of foreign currencies into the PRC and conversion of foreign currencies into 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 our subsidiaries, and the consolidated VIE and its subsidiaries are generally denominated in RMB and their assets and liabilities are denominated in RMB. 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 RMB because the value of our business is effectively denominated in RMB, while the ADSs will be traded in U.S. dollars.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on rates set by the People's Bank of China. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the RMB to the U.S. dollar. Under the revised policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy resulted in a more than 20% appreciation of the RMB against the U.S. dollar in the following three years. Since July 2008, however, the RMB has traded within a narrow range against the U.S. dollar. As a consequence, the RMB has fluctuated significantly

since July 2008 against other freely traded currencies, in tandem with the U.S. dollar. On June 20, 2010, the People's Bank of China announced that the PRC government would further reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. It is difficult to predict how this new policy may impact the Renminbi exchange rate. To the extent that we need to convert U.S. dollars we receive from this offering into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert the RMB 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.

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. 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.

Critical accounting policies

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

Revenue recognition

1. Subscription revenues

We operate a VIP subscription program where subscribers can have access to acceleration services and other access privileges. The subscription fee is time-based and is collected up-front from subscribers except in the cases when they elect to pay via their mobile operators. The subscription fee is collected when the subscribers pay for their monthly phone bills. The terms of time-based subscriptions range from one to twelve months, with the subscribers having the option to renew the contracts. The receipt of subscription fees is initially recorded as deferred revenue and revenues are recognized ratably over the period of subscription as services are rendered. Unrecognized portion of the subscription fee beyond 12 months from balance sheet date is classified as non-current liability. We evaluated the principal versus agent criteria and determined that we are the principal in the transaction and accordingly record revenues on a gross basis. In determining whether to report revenues gross for the amount of subscription revenues, we assesses whether it maintains the principal relationship with the VIP subscribers, whether it bears the credit risk and whether it establishes prices for the end users. Payment

handling fees levied by online system, fixed phone line and mobile payment channels are recorded as the cost of revenues in the same period as the revenues for the subscription fee are recognized.

2. Advertising revenues

Advertising revenues are derived principally from advertising arrangements where the advertisers pay to place their advertisements on our platform in different formats over a particular period of time. Such formats include but not limited to videos, banners, links, logos and buttons.

Advertisements on our platform are charged on the basis of duration, and advertising contracts are signed to establish the fixed price and the advertising services to be provided. We enter into advertising contracts with third-party advertising agencies that represents advertisers, as well as directly with advertisers. A typical contract term would range from a few days to three months. Both third party advertising agencies and direct advertisers are billed at the end of the display period and payments are due usually within three months.

Where our customers purchase multiple advertising spaces with different display periods in the same contract, we allocate the total consideration to the various advertising elements based on their relative fair values and recognize revenues for the different elements over their respective display periods. We determine the fair values of different advertising elements based on the prices charged when these elements were sold on a standalone basis. We recognize revenues on the elements delivered and defer the recognition of revenues for the fair value of the undelivered elements until the remaining obligations have been satisfied. Where all of the elements within an arrangement are delivered uniformly over the contract period, revenues are recognized on a straight line basis over the contract period.

a) Transactions with third-party advertising agencies

For contracts entered into with third-party advertising agencies, the third-party advertising agencies will in turn sell the advertising services to advertisers. Revenues are recognized ratably over the contract period of display based on the following criteria:

- There is a persuasive evidence that an arrangement exists: we will enter into framework and execution contracts with the advertising agencies, specifying price, advertising content, format and timing;
- Price is fixed and determinable: price charged to the advertising agencies are specified in the contracts, including relevant discount and rebate rates;
- Services are rendered: we recognize revenues ratably over the contract period of display; and
- Collectability is reasonably assured: we assess credit history of each advertising agency before entering into any framework and execution contracts. If the collectability from the agencies is assessed as not reasonably assured, we recognize revenues only when the cash is received and all the other revenues criteria are met.

We provide sales incentives in the forms of discounts and rebates to third party advertising agencies based on purchase amount. As the advertising agencies are viewed as the customers in these transactions, revenues are recognized based on the price charged to the agencies, net of sales rebates provided to the agencies. Sales incentives are estimated and recorded at the

time of revenue recognition based on the contracted rebate rates and estimated sales amount based on historical experience.

We regularly monitor sales amount from each customer and adjust our estimated rebate at the end of each reporting period. Annual sales rebates are assessed on a quarterly basis based on the contracted rebate rates and the estimated sales amount for the full year, and actual sales to date and estimated sales for the rest of the year. Such rebates are adjusted at the year end based on actual sales amount achieved.

b) Transactions with advertisers

We also enter into advertisement contracts directly with advertisers. Under these contracts, similar to transactions with third-party advertising agencies, we recognize revenues ratably over the contract period of display. The terms and conditions, including price, are fixed according the contracts between us and the advertisers. We also perform credit assessment of all advertisers prior to entering into contracts. Revenues are recognized based on the amount charged to the advertisers, net of discounts.

3. Other internet value-added services

(1) Online game revenues

Users play games through our platform free of charge and are charged for purchases of virtual items including consumable and perpetual items, which can be utilized in the online games to enhance their game-playing experience. Consumable items represent virtual items that can be consumed by a specific user within a specified period of time. Perpetual items represent virtual items that are accessible to the users' account over the life of the online game. Pursuant to contracts signed between us and the game developers, revenues from the sale of virtual items are shared based on a pre-agreed ratio for each game. We enter into both non-exclusive and exclusive licensing contracts with game developers.

a) Non-exclusive game licensed contracts

The games under non-exclusive licensed contracts are maintained, hosted and updated by the game developers. We mainly provide access to our platform and limited after-sale services to the game players. The determination of whether to record these revenues using the gross or net method is based on an assessment of various factors; the primary factors are whether we act as the principal in offering services to the game players or as agent in the transactions, and the specific requirements of each contract. We determined that for non-exclusive game licensed arrangements, the third party game developers are the principal given that the game developers design and develop the game services offered, have reasonable latitude to establish prices of virtual items, and are responsible for maintaining and upgrading the game content and virtual items. Accordingly, we record online game revenues, net of the portion remitted to the game developers.

Given that online games are managed and administered by the game developers for non-exclusive licensed games, we do not have access to the data on the consumption details and the types of virtual items purchased by the game players. However, we have data of when a particular user makes a purchase and logs into the game. We have adopted a policy to recognize revenues relating to both consumable and perpetual items, over the shorter of (1) estimated lives of the games and (2) the estimated lives of the user relationship with us, which were approximately two to six months for the periods presented.

Adjustments arising from the change of estimated lives of virtual items are applied prospectively as such change results from new information indicating a change in the game player behavioral patterns.

b) Exclusive game licensed contracts

For exclusive licensed contracts with game developers, the games are maintained and hosted by us. Accordingly, where we are determined to be the principal, we record online game revenues on a gross basis, with the amount remitted to the game developers reported as cost of revenues. Payment handling fees are recognized as cost of revenues when the related revenues are recognized.

For exclusive licensed games which are maintained on our servers, we have access to the data on the consumption details and types of virtual items purchased by the game players. We do not maintain information on consumption details of virtual items, and only have limited information related to the frequency of log-ons. Given that a substantial portion of the virtual items purchased by the game players in exclusive licensed games are perpetual items, our management determine that it would be most appropriate to recognize the related revenues over the shorter of (1) estimated lives of the games and (2) estimated life of the user relationship with us, which is approximately three months. Revenues relating to consumable items are recognized immediately upon consumption. Any changes in our estimates of lives of virtual items may result in our revenues being recognized on a basis different from prior periods and may cause our operating results to fluctuate.

For both non-exclusive and exclusive licensed games, we estimate the life of virtual items to be the shorter of the estimated lives of the games and the estimated lives of the user relationship. The estimated user relationship period is based on data collected from those users who have purchased virtual items. To estimate the life of the user relationship, we maintain a software system that captures the following information for each user: the date of first log-in, the date of first purchase for a virtual item, the date of last purchase for a virtual item and the date the user ceases to play the game. We estimate the life of the user relationship to be the average period from the first purchase of a virtual item to the date the user ceases to play the game. The estimate of the life of the user relationship is based only on the data of those users who have purchased virtual items and is made on a game-by-game basis.

To estimate the date the user plays the game for the last time, we selected all paying users that logged on during a particular month and continue to track these users' log-on behaviors over at least a six-month period to determine if each user is "active" or "inactive," which is determined based on a review of the period of inactivity or idle period from the user's last log-on. We observe the behaviors of these users to see whether they subsequently return to a game based on different inactive periods (e.g. not logging on) of one month, two months, three months and so forth. The percentage of users calculated that do not log back on is estimated to be the probability that users will not return to the game after a certain period of inactivity.

We consider a paying player to be inactive once he or she has reached a period of inactivity for which it is probable (defined as at least 80%) that a player will not return to a specific game. We believe that using an 80% threshold for the likelihood that a player will not return to a game is a reasonable estimate that achieves the magnitude of "probable" under the threshold described in ASC 450 Contingencies. We have consistently applied this threshold to our analysis.

Based on our assessment, the inactive period ranges generally from one to three months depending on the games.

To estimate the life of the games, we consider both games that we operate as well as games in the market that are of a similar nature. We group these games by their nature, in categories such as simulation games, role playing games and others, which appeal to players belonging to different demographics. We estimate that the life of each group of the games to be the average period from the date of launch for such games to the date the games are expected to be removed from the website or terminated altogether. When we launch a new game, we estimate the life of the game and user relationship based on lives of other similar games in the market until the new game establishes its own history. We also consider the game's profile, attributes, target audience, and its appeal to players of different demographic groups in estimating the user relationship period.

The consideration of user relationship with each online game is based on our best estimate that takes into account all known and relevant information at the time of assessment. Adjustments arising from the changes of estimated lives of virtual items are applied prospectively as such changes are resulted from new information indicating a change in the game player behavioral patterns. Any changes in our estimates of lives of virtual items may result in our revenues being recognized on a basis different from prior periods and may cause our operating results to fluctuate. We periodically assess the estimated lives of the virtual items and any changes from prior estimates are accounted for prospectively. Any adjustments arising from changes in user relationship as a result of new information will be accounted as a change in accounting estimate in accordance with ASC 250 Accounting Changes and Error Corrections.

Game players can purchase virtual currency via an online payment channel. We incur service fees levied by these payment channels, and such payment expenses are recorded as the cost of revenues when the related revenues are recognized.

(2) Content sub-licensing revenues

With copyright content that has been exclusively licensed to us, we have the right to sub-license the broadcasting rights on a recurring basis to third parties. We generate revenues from sub-licensing these broadcasting rights to third party customers, mainly video streaming internet platforms for cash, at a fixed rate for a fixed period of time that falls within the original exclusive license period. Revenues are recognized in full at the later of the delivery of the copy of the content with acceptance acknowledged by the customers and the commencement of the license period, as we are not obliged to provide any other services. We perform credit assessment of our customers prior to entering into contracts to ensure that collection of the arrangement fee is reasonably assured. We have no on-going obligation after delivery of the copy of the content.

(3) Pay per view revenues

We operate a pay per view program in which subscribers pay a monthly fee to watch and access a collection of movie contents. The subscription fee is time-based and is collected up-front from subscribers except in the cases where they elect to pay via their mobile operators. The subscription fee is collected when the subscribers pay for their monthly phone fees. The terms of time-based subscriptions range from one month to twelve months, with the subscribers having the option to renew the contracts. The receipt of payment is initially

recorded as deferred revenue and revenue is recognized ratably over the period of subscription as services are rendered.

Viewers can also pay to watch each individual movie for an unlimited number of times. Revenues are recognized when the movie is broadcasted to the viewers.

Barter transactions

We also enter into agreements with third parties (mainly video streaming internet platform) to exchange content. The exchanged content provides rights for each respective party only to broadcast the content received on its own website; though, each party retains the right to continue broadcasting and or sub-license the rights to the content it surrendered in the exchange. These transactions are non-monetary transactions similar to barter transactions, and we follow ASC 845, Non-Monetary Transactions and ASC 360-10, Property, Plant, and Equipment.

Such barter transactions should be recorded at fair value of the surrendered assets in the transaction unless such fair value is not determinable within reasonable limits. We estimated the fair value of the content by gathering "price reference" of cash sub-licensing transaction of each exclusive content right and categorizing it into two buckets (1) cash transaction prices with established counterparties and (2) cash transaction prices with less established counterparties. With this information, we calculate an "average cash transaction price" for each category to be used as a reference for the non-monetary transaction. The attributable cost of the related exclusive Content Copyright surrendered is released and recorded as the cost of the barter transaction in accordance with ASC 926 Entertainment—Films in which the cost is computed using the individual-film-forecast-computation method. This method calculates such cost based on the ratio of the estimated fair value of the exchanged content over the aggregate estimated fair value to be generated by the exclusive Content Copyrights for their whole license period or estimated useful lives. We revisit the forecast at each quarter or year end and make adjustment, when appropriate.

Share-based compensation

We awarded a number of share-based compensation options to our employees, officers and directors. The details of these share-based awards and the respective terms and conditions are described in "Share-based compensation" in note 17 to our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013.

Options are accounted for as equity-classified awards because there are no explicit repurchase rights specified in the award documents and the number of shares of our common shares issued under these awards are fixed and determined at the time of grants. All options are measured based on the fair value of the award on the grant date and recognized as compensation expenses based on the straight-line vesting method, net of estimated forfeitures, over the requisite service period, which is generally the vesting period.

The following table sets forth the options granted that were outstanding as of December 31, 2013:

Date of Option Grant	Options outstanding	Exercise price (US$)	Fair value of options (US$)	Fair value of ordinary shares (US$)
prior to 2012	19,693,213	—	—	—
March 1, 2012	254,802	3.97	1.01	2.83
August 1, 2012	28,000	3.97	1.10	3.01
March 1, 2013	75,000	3.97	1.17	3.20
August 1, 2013	445,000	3.97	1.13	3.23
November 18, 2013	476,761	2.11–3.97	0.99–1.60	3.15
Total	20,972,776			

We estimate the fair value of share options granted using the Black-Scholes option pricing model. The key assumptions used to determine the fair value of the options at the relevant grant dates were as follows:

	For the Year Ended December 31,		
	2011	2012	2013
Risk-free interest rate[1]	1.32% to 2.26%	0.67% to 0.92%	0.77% to 1.76%
Dividend yield[2]	—	—	—
Volatility rate[3]	50.3% to 51.4%	53.9% to 54.5%	43.8% to 51.3%
Expected term (in years)[4]	4.58	4.58	4.58

Notes:

(1) The risk-free interest rates of periods within the contractual life of the share options is based on the U.S. dollar Chinese government bond yield data from Bloomberg as of the valuation dates;

(2) We have no history or expectation of paying dividends on our common stock;

(3) Expected volatility is estimated based on the average historical volatilities of shares of the comparable publicly listed companies from Bloomberg as of the valuation dates; and

(4) The expected term is estimated by assuming the share options will be exercised in the middle point between the vesting dates and maturity dates.

Total compensation costs recognized for the years ended December 31, 2011, 2012 and 2013, respectively, are as follows:

(In thousands of US$)	For the Year Ended December 31, 2011	2012	2013
Sales and marketing expenses	73	46	43
General and administrative expenses	1,128	1,102	1,080
Research and development expenses	898	1,085	973
Total	2,099	2,233	2,096

Determining the value of our share-based compensation expenses requires the input of highly subjective assumptions, including the expected life of the share-based awards, estimated forfeitures and the price volatility of the underlying shares. The assumptions used in calculating the fair value of share-based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use different assumptions, our share-based compensation expenses could be materially different in the future.

We also awarded a number of restricted shares to our executive officers. The details of these share-based restricted shares and the respective terms and conditions are described in "Share-based compensation" in note 17 to our audited consolidated financial statements for the years ended December 31, 2011, 2012, and 2013.

The restricted shares are accounted for as equity-classified awards because there are no explicit repurchase rights specified in the relevant documents and the number of shares of our common shares issued under these awards is fixed and determined at the time of grants. All restricted shares are measured based on the fair value of the awards on the grant date and recognized as compensation expenses based on the straight-line vesting method net of estimated forfeitures over the requisite service period.

On November 18, 2013 and December 31, 2013, we granted 7,605,238 and 490,000 restricted shares to our executive officers, respectively.

Fair value of our common shares

Prior to the completion of this offering, we are a private company with no quoted market prices for our common shares. We have therefore estimated, with assistance from an independent valuation firm, the fair value of our common shares at certain dates in 2011, 2012 and 2013.

The following table sets forth the fair values of our common shares estimated from March 21, 2011 to December 31, 2013:

Date	Fair Value of common shares (per share)	Type of methodology	Type of valuation	Purpose of valuation
March 21, 2011	5.65	Income approach	Contemporaneous	Valuation of ESOP
April 14, 2011	5.18	Income approach	Contemporaneous	Series C valuation
August 1, 2011	3.60	Income approach	Contemporaneous	Valuation of ESOP
January 31, 2012	3.36	Income approach	Contemporaneous	Series D valuation
March 1, 2012	2.83	Income approach	Contemporaneous	Valuation of ESOP
August 1, 2012	3.01	Income approach	Contemporaneous	Valuation of ESOP
March 1, 2013	3.20	Income approach	Contemporaneous	Valuation of ESOP
August 1, 2013	3.23	Income approach	Contemporaneous	Valuation of ESOP
November 18, 2013	3.15	Income approach	Contemporaneous	Valuation of ESOP and restricted shares
December 31, 2013	3.14	Income approach	Contemporaneous	Valuation of restricted shares

We estimated the fair value of our common shares based on valuations performed by our management with the assistance of an independent valuer for options granted after January 1, 2008 and through December 31, 2013. Determining the fair values of our common shares requires our management to make complex and subjective judgments regarding our projected financial and operating results, the unique business risks, the liquidity of our common shares and operating history and prospects at the time of each grant. Therefore, these fair values are inherently uncertain and highly subjective.

In determining the fair values of our common shares as of each award grant date, we consider a number of objective and subjective factors that we believe market participants would consider, including (a) our business, financial condition, and results of operations, including related industry trends affecting our operations; (b) our forecasted operating performance and projected future cash flows; (c) the illiquid nature of our common shares; (d) liquidation preferences and other rights and privileges of our common shares; (e) market multiples of our

most comparable public peers; (f) recent sales of our securities; and (g) market conditions affecting our industry. Therefore, we considered three generally accepted approaches to value our common shares: market approach, cost approach and income approach. We believe that the market approach and cost approach are inappropriate for the valuation. Firstly, the market approach requires market transactions of comparable assets as an indication of value, and we have not identified any current market transactions which are comparable. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the underlying business. We decided to rely upon the income approach as the sole means of valuation since we believe we are a later-stage enterprise as opposed to an early-stage enterprise. We believe we have enough financial data on which to base a forecast of future results. In applying the income approach to determine the value of our common shares, a discount was applied to reach the final valuation of our common shares based on the fact that, inasmuch as we are a private company, there are impediments to liquidity, including lack of publicly available information and the lack of a trading market. The discounted cash flow method is a method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate.

The major assumptions used in calculating the fair values of our common shares include:

- Weighted average cost of capital, or WACC: WACCs of 17.3%, 18.8%, 17.9%, 17.2%, 20.5%, 20.5%, 18.2%, 18.2%, 18.5% and 18.5% were used for dates as of March 21, 2011, April 14, 2011, August 1, 2011, January 31, 2012, March 1, 2012, August 1, 2012, March 1, 2013, August 1, 2013, November 18, 2013 and December 31, 2013, respectively. The WACCs were determined based on a consideration of the factors including risk-free rate, comparative industry risk, equity risk membership, company size and non-systematic risk factors;

- Comparable companies: In deriving the WACCs, which are used as the discount rates under the income approach, three China-based online marketing companies and one U.S.-based online marketing company, all of which are listed in the U.S., were selected for reference as our guideline companies.

- The income approach involves applying appropriate discount rates to estimated cash flows that are based on earnings forecasts. Our revenues and earnings growth rates, as well as major milestones that we have achieved, contributed significantly to the change in the fair value of our common shares from March 2011 to December 2013. However, these fair values are inherently uncertain and highly subjective. The assumptions used in deriving the fair values are consistent with our business plan. These assumptions include: the projected business performances can be achieved with the effort of our managements; there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect our business; the operational and contractual terms stipulated in the relevant contracts and agreements will be honored; and the facilities and systems proposed are sufficient for future expansion in order to realized the growth potential of the business and maintain a competitive edge;

- For the income approach, we forecasted our future debt-free net cash flows for five to six years subsequent to the valuation date and applied a H Model to calculate the terminal debt-free cash flow after five to six years. The net cash flow was then discounted to present value using a risk-adjusted discount rate, which was based on market inputs using a capital asset pricing model that reflected the risks associated with achieving our forecasts. The terminal or residual value at the end of the projection period was based on the H Model

with the terminal growth rate assumed to be 3% for all the valuation dates. The resulting terminal value and interim debt-free cash flows were then discounted at a rate ranging from 17.3% to 20.5% for the respective valuation date which was based on the weighted average cost of capital of comparable companies, as adjusted for our specific risk profile.

- Our total equity value was then allocated among the preferred shares and common shares. The valuation model allocated the equity value between the common shares and the preferred shares and calculated the fair value of common shares based on the option-pricing method. Under this method, common shares have value only if the funds available for distribution to shareholders exceed the value of the liquidation preference at the time of a liquidity event (for example, merger or sale). The common shares are considered to be a call option with claim on the equity above the exercise price equal to the liquidation preferences of the preferred shares.

- Discount for lack of marketability, or DLOM, a discount for lack of marketability was also applied to reflect the fact that there is no ready public market for our shares as we are a closely held private company. When determining the discount for lack of marketability, the Black-Scholes option model was used. Under the option pricing method, the fair value of the put option, which can hedge against a price decline before the privately held shares can be sold, was considered as a basis to determine the discount for lack of marketability. Based on the analysis, a discount for lack of marketability of 6%, 9%, 18%, 19%, 26%, 26%, 19%, 16%, 14% and 14% was used on March 21, 2011, April 14, 2011, August 1, 2011, January 31, 2012, March 1, 2012, August 1, 2012, March 1, 2013, August 1, 2013, November 18, 2013 and December 31, 2013, respectively, for the valuation of our common shares, when we conducted valuations on these dates in 2011, 2012 and 2013. These assumptions are inherently uncertain. Different assumptions and judgments would affect our calculation of the fair value of the underlying common shares for the options granted, and the valuation results and the amount of share-based compensation expenses would also vary accordingly.

We believe that the increase in fair value of our common shares from US$2.83 per common share as of March 1, 2012 to US$3.01 per common share as of August 1, 2012 is primarily attributable to the fast growth of our subscription business during this period. Our subscribers for subscription services increased from approximately 3.2 million as of June 30, 2012 to approximately 3.6 million as of September 30, 2012.

We believe that the increase in fair value of our common shares from US$3.01 per common share as of August 1, 2012 to US$3.20 per common share as of March 1, 2013 is primarily attributable to the continued growth of our subscription business during this period. Our subscribers for subscription services increased from approximately 3.6 million as of September 30, 2012 to approximately 4.4 million as of March 31, 2013.

We believe that the increase in fair value of our common shares from US$3.20 per common share as of March 1, 2013 to US$3.23 per common share as of August 1, 2013 is primarily attributable to the continued growth of our subscription business and online game business during this period.

We believe that the decrease in fair value of our common shares from US$3.23 per common share as of August 1, 2013 to US$3.15 per common share as of November 18, 2013 is primarily attributable to the following factors:

- The growth of revenues recently was more moderate compared to our previous forecast;

- The growth of our cost structure outpaced that of revenues, which impacted our profitability in the near term; and
- We granted restricted shares to our directors and officers, which impacted the value per share.

Fair value of our series C convertible preferred shares

In addition to our common shares, we have determined the fair value of the series C convertible preferred shares. The result of which is used to determine amortization of the associated beneficial conversion feature. Consistent with common shares discussed above, the determination of the fair value of our series C convertible preferred shares requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risk, the liquidity of these shares and our operating history and prospects at the time of valuation.

The major assumptions used in calculating the fair values of our series C convertible preferred shares include:

- Event scenario—Our best estimation of the occurrence and the timing of (1) a liquidation event or (2) an initial public offering, or IPO, event. The probability of the occurrence of an IPO is assumed to be 95% and the probability of the occurrence of a liquidation event is assumed to be 5%.
- Risk free rate—The risk free rate used in the liquidation and the IPO scenario is assumed to be 0.1%, the 0.67 year US Treasury Bonds & Notes Yield. The risk free rate used in the redemption scenario is assumed to be 0.47%, the 4 year US Treasury Bonds & Notes Yield.
- Volatility—The volatility estimate is based on the average volatility of the stock returns of selected comparable companies listed in the US stock market which are engaged in the similar line of business. The volatility assumed to be 39.6%. Three China-based online marketing companies and one U.S.-based online marketing company, all of which are listed in the U.S., were selected for reference as our guideline companies.

The option-pricing method was used to allocate enterprise value to preferred and ordinary shares, taking into account the guidance prescribed by the AICPA Audit and Accounting Practice Aid, "Valuation of Privately-Held Company Equity Securities Issued as Compensation". The method treats common stock and preferred stock as call options on the enterprise's value, with exercise prices based on the liquidation preference of the preferred shares.

Modification of our series C convertible preferred shares

Upon issuance of the series D preferred shares in January 2012, we adjusted the conversion price of the series C preferred shares from US$5.24 per share to US$4.14 per share; and obtained an exclusive option to purchase at any time within 12 months after January 2012 all of series C preferred shares at the purchase price of US$4.607 per share. The conversion price of the series C preferred shares could be adjusted for any share dividends, sub-division and consolidation, and unpaid dividend. As a result of this modification, we will issue a total of 7,248,293 common shares on a fully-converted basis of the original 5,728,264 series C preferred shares. Other terms of the series C preferred shares including the original liquidation rights remained unchanged.

We concluded that the downward conversion price adjustment from US$5.24 per share to US$5.13 per share is in accordance with the anti-dilution clause in the original financing agreement for the series C preferred shares. The incremental downward price adjustment from US$5.13 per share to US$4.14 per share and the right to an exclusive purchase option are accounted for as modifications of the terms of series C preferred shares. The incremental value contributed by the series C preferred shareholder amounts to US$2,905,000 and is deemed to be a wealth transfer between the preferred shareholder and common shareholders and charged to additional paid-in capital.

Fair value of our series D convertible redeemable preferred shares

In addition to our common shares, we have determined the fair value of the series D convertible redeemable preferred shares. The result of which is used to determine the amount of redemption value as well as the valuation of the warrant to acquire additional series D convertible redeemable preferred shares. Consistent with common shares discussed above, the determination of the fair value of our series D convertible redeemable preferred shares requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risk, the liquidity of these shares and our operating history and prospects at the time of valuation.

The major assumptions used in calculating the fair values of our series D convertible redeemable preferred shares include:

- Event scenario—Our best estimation of the occurrence and the timing of (1) a liquidation event, (2) an initial public offering event or (3) a redemption event. The probability of the occurrence of a liquidation event is assumed to be 30%, the probability of the occurrence of an IPO is assumed to be 60%. And the probability of the occurrence of a redemption event is assumed to be 10%.

- Risk free rate—The risk free rate is assumed to be 0.1%, the three months U.S. Treasury Bonds and Notes Yield.

- Volatility—The volatility estimate is based on the average volatility of the stock returns of selected comparable companies listed in the US stock market which are engaged in the similar line of business. The volatility is assumed to be 59.9%. Three China-based online marketing companies and one U.S.-based online marketing company, all of which are listed in the U.S., were selected for reference as our guideline companies.

Option-pricing method was used to allocate enterprise value to preferred and ordinary shares, taking into account the guidance prescribed by the AICPA Audit and Accounting Practice Aid, "Valuation of Privately-Held Company Equity Securities Issued as Compensation." The method treats common stock and preferred stock as call options on the enterprise's value, with exercise prices based on the liquidation preference of the preferred stock. We applied the Black-Scholes option pricing model to calculate the fair value of the Series D warrant on the valuation date.

Amortization of capitalized copyrights related to content

Licensed copyrights of movies, TV series and variety shows, or Content Copyrights, are capitalized when (1) the cost of the content is known (2) the content has been accepted by us in accordance with the conditions of the license agreement and (3) the content is available for its first showing on our website. Content Copyrights are carried at cost less accumulated amortization and impairment loss, if any.

We have two types of Content Copyrights, 1) non-exclusive Content Copyrights and 2) exclusive Content Copyrights. With non-exclusive Content Copyrights, we have the right to broadcast the content on our own websites. While, with exclusive Content Copyrights, besides the broadcasting right, we also have the right to sub-license these exclusive Content Copyrights to third parties.

For non-exclusive Content Copyrights which only generates primarily indirect cash flows, the amortization method is based on the analysis of historical viewership consumption patterns. We determine consumption patterns the number of viewers who watch the content throughout the estimated useful life of the content. The information is then aggregated to come up with a viewership trend that can support an appropriate method to amortize non-exclusive Content Copyrights. We generally categorize our content in the Xunlei Kankan website into three broad categories, namely movies; TV series; and variety shows and others, which include reality shows, talent shows, talk shows and entertainment news. Prior to April 1, 2011, we concluded that there was insufficient data to support a historical viewership demonstrative pattern in viewership of our licensed copyrights related to content. Therefore, we have determined that a straight-line basis of amortization over the shorter of the estimated useful lives of the related Content Copyright provides the right level of expenses attribution. Effective April 1, 2011, based on an accumulation of data gathered on historical viewing patterns of our non-exclusive Content Copyrights, we revised the method to amortize non-exclusive Content Copyrights over their respective licensing periods using at an accelerated rate. Estimates of the consumption patterns for these non-exclusive Content Copyrights are reviewed periodically and revised, if necessary.

Exclusive Content Copyrights generate both direct and indirect cash flows. For the portion of exclusive Content Copyright that generates indirect cash flows, prior to April 1, 2011, these contents were amortized on a straight-line method based on the discussion above. Effective from April 1, 2011, we use the amortization method based on the analysis of historical viewership consumption patterns, which is the same with that of non-exclusive Content Copyright as discussed above.

This change in accounting estimate for non-exclusive Content Copyrights and exclusive Content Copyrights that generates indirect cash flows decreased net income and basic net income per share by US$1.4 million and US$0.02, respectively, for the year ended December 31, 2011.

For the portion of exclusive Content Copyrights that generates direct cash flows, we amortize the purchase costs using an individual-film-forecast-computation method, which amortizes such costs based on the ratio of sub-licensing revenue and barter transaction gain (details described in Note 2(o) to our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013) generated for the current period to the total ultimate direct revenues estimated to be generated by the exclusive Content Copyrights for their whole license period or estimated useful lives. We revisit the forecast at each quarter or year end and make adjustment, when appropriate.

Impairment of long-lived assets

We evaluate the program usefulness of licensed copyrights pursuant to the guidance in ASC 920-350 Intangibles—Goodwill and Other: Recognition, which provides that such rights be reported at the lower of unamortized cost or estimated net realizable value.

For non-exclusive Content Copyrights which only generate indirect cash flows, we evaluate the net realizable value of our licensed copyrights by three content categories (i.e. movies, TV series, variety shows and others), which are assessed to be the lowest level of precision for the purpose of performing such assessment. If our expectations of programming usefulness, which represents the expected revenues and related net cash flows derived from the content, are revised downward, we then assess whether it is necessary to write down the unamortized cost to the estimated net realizable value. We evaluate programming usefulness by category on an annual basis by comparing the unamortized cost to our estimated net realizable value. On a quarterly basis, we also monitors whether there are indicators of changes in our expected usage of program materials.

We estimate net realizable value using expected net cash flows based on expected future levels of advertising revenues. Such estimates consider historical amounts and anticipated levels of demand. Expected future revenues are reduced by estimated direct costs to provide access to the website and generate the related revenues, including bandwidth costs and server costs. For purposes of estimating revenues for each category of the content, we consider both expected future advertising revenues sold based on number of impressions delivered as well as advertising sold based on the period of time that it is displayed.

For advertising sold which the price is based on number of impressions delivered, expected revenues are estimated based on the number of historical impressions and management's expectation of the level of impressions and expected pricing in the future periods. For advertising sold which the price is based on the period of time that it is displayed, expected revenues are estimated based on management's expectation of the level of video views and expected pricing in future periods. Expected revenues for advertising sold which the price is based on a period of time are attributed to the entire content library based on the relative volume of video views anticipated, as well as management's expectations in future periods.

We estimate expected future advertising revenues given we have a steadily increasing base of advertisers historically. We enter into annual framework agreements with major advertisers at the beginning of each year which provide us with an indication of their expected spending in the coming year. Based on actual business volume achieved in the past and the indicative spending for the coming year, we are able to estimate with reasonable reliability our future advertising revenues expected to be generated from these customers. We also consider the efforts and results of our sales team's on-going communication and discussion made with potential new advertisers, current market and industry conditions and the level of user traffic achieved on the website in estimating future advertising revenues. We estimate our anticipated content video views based on historical video views statistics achieved and the expected impact of any promotional campaigns and marketing efforts that we plan to undertake in increasing the popularity of content on our web site. Video view is measured based on the number of times a particular program is viewed by users.

We estimate our anticipated volumes of time based display advertising based on historical page views generated within our website, and the impact of the expected growth of the overall traffic of the website. We believe that our methodology for estimating expected revenues for purposes of determining net realizable value allows us to predict cash flows with reasonable reliability.

For exclusive Content Copyrights that generate both direct and indirect cash flows, we evaluate the net realizable value of our licensed copyright on a content by content basis. Impairment is assessed on an annual basis by comparing the unamortized cost to our estimated net realizable value. We estimate the net realizable value using expected net cash flows based on expected future levels of advertising and content sub-licensing revenues. We estimated content sub-licensing revenue based on management's expectation of the popularity of the content and we use pricing reference from other similar sub-licensing arrangements. For expected future levels of advertising revenue, we use the same estimation methodology used for the impairment assessment of non-exclusive Content Copyrights.

For both exclusive and non-exclusive Content Copyrights, there were no impairments for the years ended December 31, 2011, 2012 and 2013 because a significant portion of the content was related to movies and TV series, of which approximately 70% to 90% of the purchase costs of the Content Copyrights had been amortized during the first year of the licensed period. As such, the unamortized carrying amounts were lower than the respective net realizable values when the impairment assessment was performed.

For other long-lived assets, we evaluate our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. We assess the recoverability of the long-lived assets by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows we expect to receive from the 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 we identify 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.

In 2013, indicator of possible impairment was triggered by the significant decline in the revenues generated by one online game. In the fourth quarter of 2013, this online game only generated US$27,000 as compared to US$303,000 generated in the third quarter of 2013, which was significantly lower than our expectation. The impairment test was performed using a discounted cash flow analysis that requires certain assumptions and estimates regarding economic and future profitability.

Consolidation

The consolidated financial statements include the financial statements of Xunlei Limited, our subsidiaries and our VIEs for which Xunlei Limited is the primary beneficiary. All significant transactions and balances among our subsidiaries, our VIE and us have been eliminated upon consolidation.

A subsidiary is an entity in which we, directly or indirectly, control more than one-half of the voting power, has the power to appoint or remove the majority of the members of the board of directors to cast a majority of the 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.

We consolidate entities for which we are the primary beneficiary 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.

In determining whether Xunlei Limited or its subsidiary is the primary beneficiary of a VIE, we considered whether we have the power to direct activities that are significant to the VIE's economic performance, including the power to appoint senior management, right to direct company strategy, power to approve capital expenditure budgets, and power to establish and manage ordinary business operation procedures and internal regulations and systems.

Management has evaluated the contractual arrangements among Giganology Shenzhen, Shenzhen Xunlei and its shareholders and concluded that Giganology Shenzhen receives all of the economic benefits and absorbs all of the expected losses from Shenzhen Xunlei and has the power to direct the aforementioned activities that are significant to Shenzhen Xunlei's economic performance, and is the primary beneficiary of Shenzhen Xunlei. Therefore, Shenzhen Xunlei and its subsidiaries' results of operation, assets and liabilities have been included in our consolidated financial statements. We monitor the regulatory risk associated with these contractual arrangements. The details of how we manage the regulatory risk are described in "Certain risk and concentration" in note 24 to our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013.

Accounts receivable, net

Accounts receivable are presented net of allowance for doubtful accounts. We use specific identification method in providing for bad debts when facts and circumstances indicate that collection is doubtful and a loss is probable and estimable. If the financial conditions of its customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

We estimate the allowance for doubtful accounts based on historical experience and the payment settlement history of our customers, assessment of customers' financial strengths based on our on-going communication with our customers, and current market trends for the online advertising industry based on publicly available market data. Any changes in our estimates may cause our operating results to fluctuate. The allowances provided for trade Receivable as of December 31, 2011, 2012 and 2013 were US$4.2 million, US$7.9 million and US$12.1 million, respectively.

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 statement 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.

On January 1, 2008, we adopted the guidance regarding uncertain tax positions. Management evaluates our 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 our consolidated financial statements if it is more likely than not that the position is sustainable upon examination by the relevant taxing authority.

We did not have any significant uncertain tax position and there was no effect on our financial position or results of operations as a result of implementing the new guidance. We recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense, if any. No interest and penalties were recorded in the years ended December 31, 2011, 2012 and 2013.

Commitments and contingencies

In the normal course of business, we are subject to contingencies, such as legal proceedings and claims arising out of our 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 regards to legal cost, we recorded such costs as incurred.

Certain conditions may exist as of the date of this prospectus, which may result in a loss to us and such loss will only be resolved when one or more future events occur or fail to occur. Our management and legal counsel assess such contingent liabilities, and such assessment inherently involve an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, we will consult with our legal counsel and evaluate 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 our 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.

Recent accounting pronouncements

In July 2012, the Financial Accounting Standards Board, or FASB, issued revised guidance on Testing Indefinite-Lived Intangible Assets for Impairment. The revised guidance applies to all entities, both public and nonpublic, that have indefinite-lived intangible assets, other than goodwill, reported in their financial statements. Under the revised guidance, an entity has the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that

it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform a quantitative impairment test by comparing the fair value with the carrying amount in accordance with Subtopic 350-30. An entity also has the option to bypass a qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to performing the quantitative impairment test. An entity will be able to resume performing the qualitative assessment in any subsequent period. In conducting a qualitative assessment, an entity should consider the extent to which relevant events and circumstances, both individually and in the aggregate, could have affected the significant inputs used to determine the fair value of the indefinite-lived intangible asset since the last assessment. An entity also should consider whether there have been changes to the carrying amount of the indefinite-lived intangible asset when evaluating whether it is more likely than not that the indefinite-lived intangible asset is impaired. An entity should consider positive and mitigating events and circumstances that could affect its determination of whether it is more likely than not that the indefinite-lived intangible asset is impaired. The amendments are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance.

In February 2013, the FASB issued revised guidance on "Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income." The revised guidance does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, the revised guidance requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The revised guidance is effective prospectively for reporting periods beginning after December 15, 2012 for public entities. The revised guidance will not have a material effect on us.

In March 2013, the FASB issued accounting guidance related to a parent's accounting for the cumulative translation adjustment upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity (ASC 830 Foreign Currency Matters). This guidance requires that the cumulative translation adjustment associated with a qualifying derecognized subsidiary or group of assets be immediately recognized within the income statement by the parent company. This guidance will become effective for Xunlei on January 1, 2014. The adoption of this guidance is not expected to have a material impact on us.

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists", which is an update to provide guidance on the financial statements presentation of an unrecognized tax benefit when a net operating loss carryforward exists. The guidance requires an entity to present an unrecognized tax benefit in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, except for when a net operating loss carryforward is not available as of the reporting date to settle taxes that would result from the disallowance of the tax position or when the entity does not intend to use the deferred tax asset for purposes of reducing the net operating loss carryforward. The guidance is effective for fiscal years beginning after December 15, 2013 and for interim periods within that fiscal year. The adoption of this pronouncement is not expected to have a significant impact on us.

Industry

Internet growth in China

The proliferation of internet usage in China in recent years has made China the largest internet market in the world. According to China Internet Network Information Center, or CNNIC, the number of internet users in China had reached 618 million as of December 31, 2013. Important drivers contributing to the rapid growth of China's internet market include the continuing development of network infrastructure, increasing affordability of internet access, and China's relatively limited traditional media outlet that makes internet the preferred channel for information and entertainment. China had a broadband penetration rate of 88.8% among internet users as of December 31, 2012, according to iResearch.

With the increasing internet penetration in China, the industry has witnessed the rise of several leading internet platforms with large user base. According to iResearch, there are only 10 internet platforms in China with over 300 million monthly unique visitors, based on the data for the month ended December 31, 2013, including Xunlei.

Proliferation of digital media in China

As internet penetration continues to increase in China and throughout the world, digital media has proliferated, resulting in enormous amount of digital media content flow through the internet.

Online video

Online video usage in China grew significantly in recent years after an initial lag caused by bandwidth limitations and software and hardware compatibility problems. According to Analysys International, the number of online video services users in China is expected to grow from 390 million in 2011 to 875 million in 2016, representing a CAGR of 17.6%.

An important driver for online video market growth in China is the highly fragmented nature of content production, which leads to a lack of efficient content distribution channels. According to CNNIC, more than 50% of internet users access traditional TV episodes on the internet in 2012.

According to iResearch, the size of China's online video market, as measured by revenues, is expected to grow from RMB6.3 billion in 2011 to RMB29.8 billion in 2016, representing a CAGR of 36.6%. The following table sets forth the historical and projected size of China's online video market and the respective year-over-year growth rate for the years indicated:

	2011	2012	2013E	2014E	2015E	2016E
China's online video market (RMB in billions)	6.3	9.0	12.8	17.8	23.5	29.8
Year-over-year growth rate	—	43.9%	41.9%	38.7%	32.4%	26.8%

Source: iResearch

Online games

Online games are one of the most popular online activities in China. The number of online game players in China has grown rapidly in recent years. According to CNNIC, China online

game user has reached 345 million, and the penetration rate of online games among internet users in China reached 58.5% as of June 30, 2013.

The most popular form of online games in China is massive multiplayer online role playing games, or MMORPG, which typically require users to download large client end software before they can play, since typical sizes for MMORPGs range from 700 megabytes to 800 megabytes. CNNIC further indicates that more than 50% of the internet games switch to new games in less than one year time. As the number of online gaming users, the number of new games launched, and the size of game files continue to increase, the bandwidth requirements and internet traffic incurred by online games have grown significantly.

The online gaming industry in China has three major segments, namely, client-based games, webgames and mobile games segments. According to iResearch, the size of China's online gaming market, as measured by revenues, is expected to grow from RMB53.4 billion in 2011 to RMB183.7 billion in 2016, representing a CAGR of 27.8%. The following table sets forth the historical and projected size of China's online gaming market and the respective year-over-year growth rate for the years indicated:

	2011	2012	2013E	2014E	2015E	2016E
China's online gaming market (RMB in billions)	53.4	67.1	89.2	115.0	146.8	183.7
Year-over-year growth rate	—	24.6%	32.9%	28.9%	27.7%	25.1%

Source: iResearch

Growth of OTT TV market in China

In addition to PC and mobile, TV is also emerging as a new outlet for Internet consumption. According to Analysys International, the installed base of OTT (over-the-top) TVs in China, including smart TVs and TVs with smart set-top boxes connections, was 17.0 million as of December 31, 2012, and is expected to increase to 239.0 million as of December 31, 2016, representing a CAGR of 93.6%. The following table sets forth the historical and projected installed base of OTT TVs in China and the respective year-over-year growth rate as of December 31 for the years indicated:

As of December 31,	2012	2013E	2014E	2015E	2016E
China's installed base of OTT TVs (million units)	17.0	47.0	95.0	160.7	239.0
Year-over-year growth rate	—	176.5%	102.1%	69.2%	48.7%

Source: Analysys International

The growth of OTT TVs is driven by the increasing penetration of Android smart system in the set-top box and smart TV. The Android enabled set-top box and smart TV offer users rich applications and content as well as highly interactive operation that differentiate from traditional cable TV. Furthermore, it also for the first time makes the convergence of various smart devices possible, where a user can gain unified internet experience on TV, mobile phone and PC.

According to a survey conducted by CNNIC in November 2012, 11.4% of the internet users in China had accessed to internet via OTT TV, among which 72.7% watched video as opposed to 37.3% for news and less than 20% for all the other content.

Key challenges for digital media distribution

Although the internet has become the mainstream channel for accessing digital media content including online videos, online games and others, challenges for data transmission still exist:

- *Growing size of digital media content.* Given the proliferation of data-intensive digital media content, such as high-definition videos and highly interactive and graphic-rich games, the size of digital media files continues to grow to provide better user experience. The growing size of digital media content continues to generate significant demand and opportunities for accelerated data transmission.

- *Increasing consumption of digital media content.* Digital media consumption, including online videos, online games and others, is growing rapidly in China. Increasing consumption of digital media content, especially such data-intensive content, may cause latency and other network performance issues.

- *Network congestion.* The internet consists of many interconnected networks, or subnets. Without adequate interconnection between these networks, data transmissions between subnets can be considerably slower and less reliable than transmissions within subnets. In China, most of the internet traffic goes through the networks of three carriers, China Telecom, China Unicom and China Mobile, which form the internet backbone of the country. However, major subnets are operated by different carriers in each province with limited interconnectivity between each other of the three carriers, which causes network congestion despite improving last mile access enabled by increasing bandwidth. As a result, internet users in China constantly seek advanced technologies to enhance the accessibility of internet content.

Key opportunities and trends

There emerge immense opportunities for more advanced digital media content access and management technologies:

- *Advanced architecture to enable faster, more reliable and more efficient data transmission.* Due to the speed and reliability issues present in the traditional client server model, a more advanced technology solution that better optimizes the data transmission performance, with effective cost structure, will drive the future growth of the digital media content consumption

- *Integrated cloud technology platform.* Given the increase in the average size of digital media content files and the fundamental issues with China's internet network infrastructure that are unlikely to be resolved in the short term, consumer-centric cloud computing services such as server-side data transmission, streaming and storage, will become increasingly important. As users currently need to visit different websites and access different applications to perform searching, streaming, transmission and storage. An integrated cloud-based service platform could significantly enhance user experience for accessing and managing digital media content

- *Device-agnostic content delivery.* With the proliferation of diverse internet-enabled devices including PC, smartphone, tablet and OTT TV, seamless cross device content delivery has become critical to user experience. Content providers that enables maximized compatibility with different devices will attract more users by providing mobility and variability in accessing and consuming digital media content

Business

Overview

We are one of the top 10 largest internet companies in China, as measured by user base. According to iResearch, we had over 300 million monthly unique visitors in December 2013. Digital media content, such as video, music and games, is one of the most popular usages for internet users in China. We operate a powerful internet platform in China based on cloud computing to enable users to quickly access, manage, and consume digital media content. We are increasingly extending to mobile devices in part through potentially pre-installed acceleration products in mobile phones and to living rooms through TV coverage (set-top boxes and IPTV) to further expand our user base and offer our users a wider range of access points. We aspire to deliver superior user experience in ease of access, management and consumption of digital media content anywhere, anytime, and on any device.

We are the No. 1 acceleration product provider in China as measured by market share in December 2013, according to iResearch. To address deficiencies of digital media transmission over the internet in China, such as low speed and high delivery failure rates, we provide users with quick and easy access to online digital media content through two core products and services:

- Xunlei Accelerator, which enables users to accelerate digital transmission over the internet, is our most popular and free product, with approximately 147 million monthly active users in December 2013, according to the iResearch Report. Xunlei Accelerator enjoys a market share of 80.5% based on the number of launches among all transmission and acceleration products in China in December 2013, according to iResearch; and

- Our cloud acceleration subscription services (delivered through products such as Green Channel, Offline Accelerator and Yunbo), offer users premium services for speed and reliability, with approximately 5.1 million subscribers as of December 31, 2013, up from approximately 1.1 million as of January 31, 2011.

Benefitting from the large user base for our core product, Xunlei Accelerator, we have further developed various value-added services to meet a fuller spectrum of our users' digital media content access and consumption needs including:

- Xunlei Kankan, the 7th largest online video streaming platform in China, with monthly unique visitors of approximately 136.0 million in December 2013, according to iResearch. Users can watch what they want for free from our comprehensive content library;

- Pay per view services, launched in the second half of 2012 and serving approximately 144,000 subscribers as of December 31, 2013, providing them with access to our premium content library of over 800 movies, primarily new releases. As of December 31, 2013, about 62% of our pay per view subscribers are also subscribers for our premium acceleration services, presenting opportunities for further cross-selling; and

- Online game services, including web games and MMOGs, offered on our gaming platform.

We are increasingly extending our services to mobile devices and living rooms through internet-enabled devices, as part of our cloud-based and home mobile strategies. Starting in August 2013, we began to pre-install our acceleration products in set-top boxes distributed by

third-party hardware providers. We also plan to pre-install our acceleration products in Xiaomi phones. Xiaomi is a well recognized smart phone brand in China and its affiliated investment vehicle, Xiaomi Ventures Limited, or Xiaomi Ventures, made a strategic investment in approximately 25% of our company in March 2014. As of December 31, 2013, we had accumulated an installed base of approximately 530,000 set-top boxes across China. We believe our living room strategy combined with our success on PC internet will provide a seamless user experience to access digital media content from any devices. We also target to make our mobile applications as the center user interface for accessing and managing digital media content in a synchronized manner. We expect that these strategies would further grow our user base with a more compelling value proposition, allowing users to access and enjoy digital media content regardless of devices or locations of their choice.

The technological backbone of our products and services is our cloud acceleration technology, comprised of a proprietary file locating system and massive file index database. Our technology enables us to support greater user expansion with incremental increases in server and bandwidth costs. This technology, based on distributed computing architecture, along with our indexing technology, enables users to access content in an efficient manner.

We have successfully monetized our large user base. We generate revenues primarily through the following services:

- Cloud acceleration subscription services. We provide premium acceleration services for subscribers to enable faster and more reliable access to digital media content;
- Online advertising services. We offer advertising services by providing marketing opportunities on our online video streaming websites and platform to our advertisers; and
- Other internet value-added services. We offer multiple other value-added services to our users, including online games and pay per view services.

We have grown significantly in recent years. Our revenues increased from US$87.5 million in 2011 to US$148.2 million in 2012 and US$180.2 million in 2013. We had net loss attributable to Xunlei Limited of US$0.01 million in 2011 and net income attributable to Xunlei Limited of US$0.5 million in 2012 and US$10.7 million in 2013, respectively.

Our strengths

We believe we offer the best integrated platform for efficient access, management and consumption of digital media content in China. We believe the following key strengths contribute to our success and differentiate us from our competitors:

Leading consumer internet platform in China

We are one of the top 10 largest internet companies in China, as measured by user base. According to iResearch, our platform, enabled by cloud-computing and data analytics, had over 300 million monthly unique visitors in December 2013. We effectively provide cloud acceleration products and services to users on a range of internet-enabled devices, including PC, television and mobile devices, to enable faster, more reliable and more efficient transmission and management of digital media content.

We believe that digital media content is important to most Chinese internet users, and through our proprietary technology, internet-connected devices and our broad ecosystem, our users can

transmit in a speedy manner and access digital media content at work, at home or while in transit, virtually anywhere, any time.

Large and loyal user base with growing number of subscribers

We had an aggregate of over 300 million monthly unique visitors on our platform in December 2013, according to iResearch. Our large and growing user base serves as the basis for the future continued growth of our subscriber base. We launched our cloud acceleration subscription services in March 2009, which have experienced substantial growth. The total number of our subscribers reached approximately 5.1 million as of December 31, 2013 from 2.8 million as of December 31, 2011. The subscribers are divided into seven VIP levels, and the VIP level of a subscriber increases over time based on daily awards of "value points" as such subscriber continues with the subscription. The number of our subscribers ranked VIP level three and above as a percentage of our total subscribers increased from 25.9% as of January 31, 2011 to 60.5% as of December 31, 2013, reflecting subscriber loyalty for our services.

Highly scalable and cost-efficient distributed computing network

Our proprietary technology and highly scalable massive distributed computing network are our core competitive advantage, enabling us to provide popular transmission and streaming acceleration services and superior user experience. Our resource discovery network leverages our distributed computing power and significantly reduces our reliance on servers operated by us. This in turn provides us with a clear cost advantage over our competitors. We have achieved powerful network effects that we believe are difficult to replicate and create high entry barriers for potential competitors. We have created, and continue to maintain, a massive, proprietary and real-time updated index of more than 6.0 billion digital media content files and their locations across the internet as of December 31, 2013. Based on a distributed computing network architecture, we operate a vast distributed file locating system supported by over one million third-party servers and over 8,000 servers we owned as of December 31, 2013. As our user base grows, we are able to expand our distributed computing resources and broaden our indexes of digital media content files to further improve acceleration and streaming performance across our network and enhance our user experience, which in turn attracts more users. This positive cycle has enabled us to maintain our leading market position and increase our market share.

Proven monetization track record

We derive revenues from multiple sources, including cloud acceleration subscription services, online advertising and other internet value-added services. Multiple revenue streams provide us with both revenue diversification and multiple growth areas.

Our large and loyal user base and growing subscriber base present a solid foundation for our different revenue streams. The total number of our subscribers has continued to grow, reaching approximately 5.1 million as of December 31, 2013, presenting significant growth potential for our subscriber base. Revenues generated by our cloud acceleration subscription services experienced significant growth since the launch of these services in March 2009, increasing from US$25.6 million in 2011 to US$86.7 million in 2013. Our subscription-based business model helps generate recurring revenues. In addition, we are able to introduce new services to make our services more attractive and continue to raise the number of paying users and subscribers without incurring significant additional costs. We provide online advertising services primarily

through Xunlei Kankan. We serve a broad range of brand advertisers consisting of international and domestic companies in a variety of industries, and had 399 advertisers in 2013. Our advertising revenues for 2011, 2012 and 2013 were approximately US$38.3 million, US$61.8 million and US$48.0 million, respectively. In terms of other internet value-added services, we had US$30.7 million in online games revenues and US$2.0 million pay per view revenues in 2013.

Culture of innovation and experienced management team

Our company is a technology company at its core, and we believe our focus on best-in-class technology and innovation is an integral part of our culture and success. Our management team has a strong background in engineering and technology. In particular, our chief executive officer and co-founder, Mr. Sean Shenglong Zou, is recognized as a pioneer in network architecture and cloud computing technologies in China. We believe our focus on technology development and our technology-driven culture of innovation are key to drive our growth and continued market leadership position.

Our strategies

Our mission is to become the leading technology company for internet users in China to access, manage and consume digital media content through internet-enabled devices. We intend to achieve this mission by pursuing the following strategies:

Continue to grow our user base, and improve user engagement and retention through user experience enhancement

We intend to further grow our user base by enhancing our user experience through making our services device agnostic and synchronizing digital media content. We intend to continue to empower our users to access our services through multiple internet-enabled devices, such as tablets, smartphones, set-top boxes and internet televisions, while striving for a consistent, high-quality user experience across applications that run on different operating systems. For example, we have launched a version of Xunlei Kankan HD dedicated to iPad users that offers high-quality, fast video streaming services.

We also intend to increase user engagement and stickiness through enhancing user experience. For example, we began to focus more on user behaviors and study users' life cycles on our platform so that we can offer the relevant services at the right time and encourage users to continue using our services. This has helped us improve customer care and user loyalty. We continue to identify, research and develop, through big data analytics of user behavior and user account information, potential new services that would appeal to our users to further serve their individual needs and enhance their experience.

Further monetize our large user base

We intend to further monetize our user base and incentivize users to become subscribers by expanding our offerings of fee-based services such as cloud-based storage and implementation of cross device media access. Thus, we provide one-stop services for our users, not only in terms of accessing digital media content but also the storage and synchronization of content across devices. Through these initiatives, we expect to improve the percentage of our users to paying users and subscribers.

Endeavor to provide seamless cross device user access

We intend to continue to extend our services from internet-enabled PCs to televisions and mobile devices, to serve our users seamlessly in every aspect of their lives from offices to living rooms. As the use of mobile internet continues to spread, we intend to capture mobile users' needs and develop applications that run on various mobile operating systems. We target to develop mobile devices as a primary user interface for our services in the future.

In addition, we intend to focus on mobile devices and home entertainment by leveraging our existing technology and collaborating with hardware manufacturers such as set-top boxes manufacturers, among others. For example, we established cooperation relationship with Xiaomi in August 2013, pursuant to which our Xunlei Accelerator was pre-installed onto some of Xiaomi's set-top boxes. As of December 31, 2013, we had accumulated an installed base of approximately 530,000 set-top boxes across China. Our strategic cooperation with Xiaomi has been further strengthened with Xiaomi Ventures' investment in us in March 2014.

Strengthen relationships with strategic partners to further build our ecosystem

We intend to deepen relationships with our current digital media content providers as well as develop relationships with new digital media content providers, including video content copyright owners or distributors, software and game developers, application developers and other internet content publishers, through strategic collaboration.

In addition, we intend to develop extensive relationships with client-end product/service providers, such as set-top boxes and similar home entertainment devices, that need our accelerator technological support. We intend to build strategic relationship and embed Xunlei Accelerator in these hardware devices as a fundamental utility for the whole internet ecosystem.

Continue to focus on research and development and maintain our technological leadership

Technological leadership is critical to our long-term success and we intend to continue to devote substantial resources to our research and development efforts to further improve the performance of our services, expand our product portfolio and enhance our user experience. Our research and development will focus on further improving our proprietary indexing technology, distributed file locating system, and overall cloud acceleration technology, while continuing to develop innovative technologies such as file-locating technology, distributed cloud storage, seamless video format conversion across multiple internet-enabled devices.

Selectively pursue business expansion via partnerships and acquisitions

We intend to pursue business expansion via partnerships and acquisitions that are strategically complementary and that can add long-term value to our shareholders. We believe selective strategic partnerships and acquisitions may benefit us by enriching our service offerings, enlarging our user base, enhancing our user experience or allowing us to acquire complementary technologies.

Our platform

On our platform, users can accelerate digital media transmission, stream and watch high-definition videos and play a broad range of the latest online games, among other things.

Cloud accelerator

Accelerator

We launched our core product, Xunlei Accelerator, in 2004 to address deficiencies of digital media content transmission over internet in China, such as low speed and high delivery failure rates. We believe that our integrated services and strong technological base have helped cultivate optimized user experience and enhanced user loyalty.

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 our Xunlei Kankan website, which provides high-definition online video, Xunlei Media Player, which supports both online and offline video watching, and our various online games including web games and MMOGs, by recommending and providing links to these services on its user interface.

Xunlei Accelerator, now in Version VII, 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 venders 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.

Subscription services

We charge monthly or annual fee for our premium cloud acceleration subscription services and other exclusive services at different VIP levels. The VIP level of a subscriber increases over time based on daily awards of "value points," as long as such subscriber continues the subscription. Meanwhile, the corresponding benefits and services within the subscription package, which typically include incrementally larger bandwidth and faster acceleration speed, are upgraded according to the VIP level. The longer a subscriber uses our services, the higher the VIP level he or she gets.

Our subscription mechanism encourages heightened user loyalty and helps generate a recurring and predictable revenue stream for us. As of December 31, 2013, we had approximately 5.1 million subscribers. Since we launched the subscription services, high-VIP-level subscribers accounted for an increasing portion of our growing subscriber base. For example, approximately 60.5% of our subscribers are ranked VIP level three and above as of December 31, 2013 as compared with approximately 25.9% as of January 31, 2011. In the meantime, subscribers with higher VIP levels generally conduct more daily transmissions than subscribers with lower VIP levels. In December 2013, the VIP six level subscribers transmitted 1.6 times more frequently than VIP one level subscribers. The subscription fees generally remain unchanged for subscribers at higher VIP levels.

Our cloud acceleration subscription services are delivered through the following major premium acceleration products:

Type of Service	Description of Services
Green Channel	This product allows our subscribers to transmit digital media files from the internet with the facilitation of our servers, 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.
Offline Accelerator	This product allows our subscribers to engage us to transmit digital media files from the internet on their behalf. The transmitted files are temporarily cached on our servers, which the subscribers have easy access to and can consume and manage when they want within a limited period of time.
Yunbo	This product allows our subscribers to watch digital media content without transmitting the files to their own devices. The subscribers can enjoy the content without incurring burden to recourses on their devices.

We adopted different strategies and various promotion programs for each VIP level. For example, we discover that some of our users were not aware of the existence of our subscription services, so we provide users with greater exposure to our subscription services in different parts of our platform and promote products with significant potential interests to specific users. We use our powerful digital data analysis capabilities to explore different areas of user needs previously unmet by existing functions and research and develop relevant functions based on such analysis. We offer users promotional measures such as providing 120 seconds of free trials of premium acceleration services, showing the differences in the data transmission speeds to demonstrate how our premium services tremendously enhance data delivery speed and overall subscriber experience.

Xunlei Kankan online video streaming website

We provide online video streaming services through our Xunlei Kankan website at www.kankan.com to enable our users to watch high-definition video in streaming form for free. Xunlei Kankan is the 7th largest video streaming portal in China, as measured by the 136.0 million monthly unique visitors in December 2013, according to iResearch.

The comprehensive content library of Xunlei Kankan consists primarily of licensed long-form videos, including television series, movies, variety shows and animations. The transmission of online video is supported by our distributed computing capacity, which reduces our infrastructure construction costs, such as bandwidth and server costs that are typically incurred by online video companies.

As of December 31, 2013, we held licenses to over 1.8 million hours of online videos consisting of approximately 1,600 movie titles, 760 television series covering over 27,000 episodes, and 1,200 other types of shows. We differentiate Xunlei Kankan and the viewing experience it delivers by focusing on providing high-definition content. A significant portion of our videos are in high-definition format. We label each video on Xunlei Kankan based on their respective

levels of resolution to ensure optimal viewing experience. We had established long-term relationships with more than 150 professional media data providers as of December 31, 2013, either directly or through third-party copyright distributors, including online video sites, news providers, online game companies and media companies.

Other than free videos, we also offer pay per view premium videos which charge users different amount of fees for every video they watch and access. Pay per view videos include movies newly released in the theaters and popular television shows. We provide pay per view services on subscription basis to encourage users to visit Xunlei Kankan's website more frequently. As of December 31, 2013, we had approximately 144,000 pay per view monthly subscribers on Xunlei Kankan and approximately 62% of these pay per view subscribers were also subscribers for Xunlei's acceleration services.

Xunlei Media Player

We launched Xunlei Media Player in 2008 as a supplementary tool to help deliver a more comprehensive viewing experience of digital media content to the users of both Xunlei Accelerator and Xunlei Kankan. 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 offer online games through our online game website and purchase licenses from, or enter into revenue sharing arrangements with, game developers. 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 also provide other ancillary services catering to users' needs and adjust our ancillary service offerings from time to time to supplement the major services we provide.

Technology

We provide accelerated data transmission services 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:

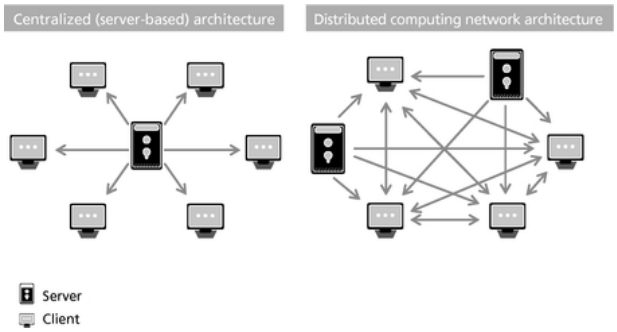
File indexing. We have created, and continue to maintain, a proprietary file index database that stores a massive index of unique file signatures representing all digital media content file that Xunlei Accelerator has found across the internet. Each file signature uniquely identifies the index of a given 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. As of December 31, 2013, our file index contained over 6.0 billion digital media content files available on third-party servers and PCs connected to our distributed file locating system.

Distributed internet crawling techniques. Our network of Xunlei Accelerator 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.



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

We provide cloud acceleration 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 42 co-location centers and over one million third party servers and over 8,000 servers 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.

Advertising services

Online advertising was and continues to be a significant source of revenues for us. We provide advertising services primarily through various forms of advertisements placed on Xunlei Kankan. While we had previously placed advertising on Xunlei Accelerator, we have ceased such advertising to improve the experience for our Xunlei Accelerator users. We had 399 advertisers in 2013. Our brand advertisers include a broad range of international and domestic companies that operate in a variety of industries. A significant majority of our advertisers purchase our online advertising services through third-party advertising agencies.

We focus on providing advertisers with creative and cost-effective advertising solutions. We strive to creatively utilize our integrated service interface in designing a particular advertising campaign for our online advertisers. For example, for a single advertising campaign, we not only can deliver different forms of in-video and display advertisements on Xunlei Kankan, but also can design tailored theme skins to be installed by our Xunlei Accelerator and Xunlei Media Player users. We offer advertisements with noticeable visual impact on Xunlei Kankan, such as

high-definition background advertisements that border the video screen during the streaming and viewing of the video.

Marketing

Our user base has grown 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. We 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 drive the growth of our subscribers, we market our premium paid services and place subscription advertisements at prominent locations throughout our integrated service offerings.

Research and development

We believe that our commitment to research and development is an important contributing factor in our success. As of December 31, 2013, we had a team of 908 engineers. We provide our engineers with various continuing training programs and opportunities. To maintain and enhance our leadership position, 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.

Our research and development team is divided, according to focus areas, into core research and development, application engineering, subscription services engineering and wireless and embedded system engineering. The table below provides an outline of what each focus area entails:

Core research and development	Primarily focuses on the development of our basic technologies to ensure that we use the most advanced transmission techniques to maintain our competitive advantage.
Application Engineering	Primarily focuses on continuous development of our resource discovery/distributed file locating technologies to maintain the competitive advantages of our key products, such as Xunlei Accelerator and Xunlei Kankan, as well as the online games platform that we operate.
Subscription Services Engineering	Primarily focuses on diversifying and refining the paid services we provide to our subscribers.
Wireless and Embedded System Engineering	Primarily focuses on expanding our services into other internet-enabled devices, such as tablets, smartphones, set-top boxes and internet televisions.

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, 2013, we had 43 patents granted in the PRC and 3 granted in the United States, while another 6 patent applications are being examined by the State Intellectual Property Office of the PRC and 1 additional United States patent application is being reviewed by the United States Patent and Trademark Office. We also seek to vigorously protect our Xunlei brand and the brands of our other services. As of December 31, 2013, we have applied to register 150 trademarks, of which we have received 123 registered trademarks in different applicable trademark categories including 1 trademark registered with the United States Patent and Trademark Office and 1 trademark registered with World Intellectual Property Organization.

Digital media data monitoring and copyright protection

We take initiatives 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 relevant PRC laws and regulations to remove content from our Xunlei Kankan website and our digital media content file index and platform promptly after we receive notice of infringement from the legitimate rights holder, and we work closely with the relevant regulatory authorities in China to ensure compliance with all relevant rules and regulations. We seek assurances in our contracts with digital media content providers that (i) they have the legal right to license the digital media data for the uses we require; (ii) the digital media content itself as well as the authorization or rights granted to us neither breach any applicable law, regulations or public morals, nor impair any third-party rights; and (iii) they will indemnify us for losses resulting from both the non-compliance of such digital media content with the laws and claims from third parties.

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 other contingencies beyond our control. The read and write characteristics of our distributed file locating system is 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.

Our Xunlei Accelerator would primarily compete with Tencent (QQ Cyclone) and Baidu. Our Xunlei Kankan website primarily competes with other major online video websites in China such as Youku.com, Tudou.com and iQiyi.com. In addition, we also face competition for the advertisement budgets of our advertisers from other internet companies and other forms of media.

Employees

We had 1,094 and 1,362 employees as of December 31, 2011, and 2012, respectively. As of December 31, 2013, we had 1,523 employees, including 57 in management, 908 in research and development, 200 in content procurement, 263 in sales and marketing and 95 in general administration. 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 and have not experienced any material labor disputes since our inception.

Facilities

Our principal executive offices are located at 4/F, Hans Innovation Mansion, North Ring Road, No. 9018 High-Tech Park, Nanshan District, Shenzhen, People's Republic of China, which comprises approximately 5,300 square meters of office space. In addition to other offices in Shenzhen, we also have offices in Beijing, Shanghai and Hong Kong and representative offices in Xiamen and Guangzhou, respectively, totaling approximately 16,000 square meters. Our leased premises are leased from unrelated third parties who have valid title to the relevant properties. The lease for our principal executive offices will expire in December 2016, and the other 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 automatically upon expiration. We believe that we will be able to obtain adequate facilities, principally through leasing, to accommodate our future expansion plans.

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. Internet services and media companies such as ours are frequently involved in litigation based on intellectual property-related claims. See "Risk factors—Risks related to our business—We face and expect to continue to face copyright infringement claims and other related claims, including claims based on content available through our services, which could be time-consuming and costly to defend

and may result in damage awards, injunctive relief and/or court orders, divert our management's attention and financial resources and adversely impact our business." As of December 31, 2013, we have 22 copyright infringement lawsuits pending against us with an aggregate amount of claimed damages against us of approximately RMB15.8 million (US$2.6 million).

We are involved in three copyright infringement lawsuits in the PRC relating to the online video services we provide on Xunlei Kankan. We are also defending 16 copyright infringement lawsuits in the PRC involving Gougou, a digital media content search engine previously owned by us. The plaintiffs in these lawsuits allege that the search result pages of Gougou place links to unauthorized index hosted by third parties. Although we are a named defendant in these cases, we sold the Gougou website and related intellectual property rights in 2010 to an unaffiliated third party, who agreed to assume all present and future Gougou-related intellectual property liabilities, including liabilities incurred in connection with these lawsuits. Pursuant to that agreement, we agreed to continue to provide technical support until the purchaser can independently operate the website. We have ceased to provide technical support to Gougou website since February 2011. In addition, we are party to three copyright infringement lawsuits involving other aspects of our business.

Although legal proceedings are inherently uncertain and their results cannot be predicted, we believe that the resolutions of the outstanding legal proceedings, even if adverse to us, will not individually or in the aggregate result in material liability to us, nor will they have a material adverse effect on our business, financial condition or results of operations. Regardless of the outcome, however, any litigation can result in substantial costs, and we face and expect to continue to face copyright infringement claims and other related claims, which could be time-consuming and costly to defend and may result in substantial damage awards, injunctive relief and/or court orders, divert our management's attention and financial resources and adversely impact our business.

Regulation

The following is a summary of the principal laws and regulations that are or may be applicable to companies such as ours in the PRC. The scope and enforcement of many of the laws and regulations described below are uncertain. We cannot predict the effect of further developments in the PRC legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof.

Regulation on catalogue relating to foreign investment

Investment activities in the PRC by foreign investors are subject to the Catalogue for the Guidance of Foreign Investment Industry, or the Catalogue, which was promulgated and is amended from time to time by the Ministry of Commerce and the National Development and Reform Commission, or the NDRC. The Catalogue divides industries into three categories: encouraged, restricted and prohibited. Industries not listed in the Catalogue are generally open to foreign investment unless specifically restricted by other PRC regulations.

Pursuant to the latest Catalogue amended in 2011, the provision of value-added telecommunications services falls in the restricted category and the percentage of foreign ownership cannot exceed 50%. The provision of internet cultural operating service (including online game operation services), internet news service, and production 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 in China principally through contractual arrangements among Giganology Shenzhen, our wholly-owned PRC subsidiary, and Shenzhen Xunlei, our VIE, and its shareholders. Shenzhen Xunlei holds the licenses and permits necessary to conduct our resource discovery network, online video, online advertising, online games and related businesses in China and holds various operating subsidiaries that conduct a majority of our operations in China. Both of Giganology Shenzhen and Xunlei Computer, another wholly-owned PRC subsidiary of ours, engage in the development of computer software, technical consulting and other related technical services and businesses, none of which falls into any of encouraged, restricted or prohibited categories under the Catalogue. Hence, these activities are deemed as permitted and open to foreign investment.

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, MIIT, and other relevant 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* (2000), or the Telecom Regulations. The Telecom 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 "Catalog of Telecommunications Business," an attachment to the Telecom Regulations and updated by

MIIT's Notice on Adjusting the Catalog of Telecommunications Business effective from April 1, 2003, categorizes various types of telecommunications and telecommunications-related activities into basic or value-added telecommunications services, according to which, internet information services, or ICP services, are classified as value-added telecommunications businesses. Under the Telecom Regulations, commercial operators of value-added telecommunications services must first obtain an ICP License from MIIT or its provincial level counterparts.

- *Administrative measures on internet information services* (2011, revised), or the Internet Measures. According to the Internet Measures, a commercial ICP service operator must obtain an ICP License from the relevant 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 relevant regulations, prior approval from the respective regulating authorities must be obtained prior to applying for the ICP License from MIIT 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* (2009, revised), or the Telecom License Measures. The Telecom License 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 ICP License from MIIT's applicable provincial level counterpart, while an ICP service operator providing ICP services across provinces must apply for a Trans-regional ICP License directly from MIIT. An ICP service operator that has been granted a Trans-regional ICP License must file a record with the local branch of MIIT at the provincial level prior to conducting any value added telecommunications business in such provinces. The appendix to the ICP License must detail 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 ICP License. The ICP License is subject to annual review and the annual review result will be recorded as an appendix to the ICP License, published to the public and notified to the applicable administrative authority for industry and commerce.

- *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 MIIT or its local branches at the provincial level on its own or through the access service provider.

- *Regulations for administration of foreign-invested telecommunications enterprises* (2008, revised), or the FITE Regulations. The FITE Regulations set forth detailed requirements with respect to, among others, capitalization, investor qualifications and application procedures in connection with the establishment of a foreign-invested telecommunications enterprise. Under the FITE Regulations, 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 and the major foreign investor in any value-added telecommunications service business in the PRC shall have good and profitable records and operating experiences in such industry.

- *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 an ICP License is prohibited from leasing, transferring or selling the ICP 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 ICP License, and such company should establish and improve its internal internet and information security policies and standards and emergency management procedures.

To comply with these PRC laws and regulations, we operate our websites through Shenzhen Xunlei, our PRC variable interest entity. Shenzhen Xunlei currently holds an ICP License expiring on April 30, 2015 and owns the essential trademarks and domain names in relation to our value-added telecommunications business.

Under various 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 ICP License holders that violate any of such content restrictions and requirement, revoke their ICP 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.

Regulation on online transmission of audio-visual programs

On July 6, 2004, GAPPRFT promulgated the *Measures for the Administration of Publication of Audio-visual Programs through Internet or Other Information Network*, or the 2004 Internet

A/V Measures, which apply to the activities relating to the opening, broadcasting, integration, transmission or download of audio-visual programs via internet or other information network. An applicant who engages in the business of transmitting audio-visual programs must apply for a license issued by GAPPRFT in accordance with the categories of business, receiving terminals, transmission networks and other items. Foreign invested enterprises are not allowed to engage in the above business. 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, MOC, GAPPRFT, 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 December 20, 2007, GAPPRFT and MIIT jointly promulgated the *Administrative Provisions on Internet Audio-visual Program Service*, or the Audio-visual Program Provisions, which came into effect on January 31, 2008. The Audio-visual Program 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 GAPPRFT or complete certain registration procedures with GAPPRFT. 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 audio-visual program services determined by GAPPRFT. In a press conference jointly held by GAPPRFT and MIIT to answer questions with respect to the Audio-visual Program Provisions in February 2008, GAPPRFT and MIIT clarified that providers of internet audio-visual program services who engaged in such services prior to the promulgation of the Audio-visual Program 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 May 21, 2008, GAPPRFT 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. The notice also provides that providers of internet audio-visual program services who engaged in such services prior to the promulgation of the Audio-visual Program Provisions 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 Audio-visual Program Provisions.

On December 28, 2007, GAPPRFT issued the *Notice on Strengthening the Administration of TV Dramas and Films Transmitted via the Internet*, or the *Notice on Dramas and Films*. 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 will apply accordingly. In addition, providers of such services should obtain prior consents from copyright owners of all such audio-visual programs.

Further, on March 31, 2009, GAPPRFT issued the *Notice on Strengthening the Administration of the Content of Internet Audio-visual Programs*, or the *Notice on Content of A/V Programs* which reiterates the requirement of obtaining the relevant permit of audio-visual programs to be published to the public through information network, where applicable, and prohibits certain types of internet audio-visual programs containing violence, pornography, gambling, terrorism, superstition or other hazardous factors. In addition, on August 14, 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 Audio-visual Programs Received by Television Terminals." On April 1, 2010, GAPPRFT issued the *Internet Audio/Visual Program Services Categories (Provisional)*, or the Provisional Categories, which classified internet audio-visual programs into four categories. However, at this stage, the Provisional Categories do not include internet television or mobile television, and it is unclear as to how the categorization system under the newly adopted Provisional Categories will be enforced or how will it evolve. To comply with these laws and regulations, Shenzhen Xunlei holds a License for Online Transmission of Audio-visual Programs which was updated in February 2012 with an effective period from February 29, 2012 to February 28, 2015. We plan to apply for the update of such license to cover the website of www.xunlei.com, the terminals of mobile devices and TVs and to cover all the business activities that we are currently engaging, such as the transmission of political news. See "Risk factors—Risks related to our business—We are strictly regulated in China. Any lack of requisite licenses or permits applicable to our business and any changes in government policies or regulations may have a material and adverse impact on our business, financial condition and results of operations."

Regulation on foreign movies and television programs

Broadcast of foreign movies and television programs is strictly regulated by GAPPRFT. On August 11, 1997, the State Council promulgated the *Administrative Regulations on Television and Radio*, under which any foreign television drama or other foreign television program to be broadcast by television or radio stations shall be subject to the prior inspection and approval by GAPPRFT or its authorized agencies. On December 25, 2001, the State Council promulgated the Administrative Provisions on Films, under which any foreign films to be published or shown in public shall also be subject to the prior inspection and approval by GAPPRFT or its authorized agencies.

In addition, on September 23, 2004, GAPPRFT promulgated the *Administrative Regulations on the Introduction and Broadcasting of Foreign Television Programs*, pursuant to which only organizations designated by GAPPRFT are qualified to apply to GAPPRFT or its authorized agencies for introduction or broadcasting of foreign television dramas or foreign television programs. Approval of such application is subject to the general plan of GAPPRFT and content of such foreign television dramas or programs must not by any means threaten the national security or violate any laws or regulations. In 2007, GAPPRFT issued the *Notice on Further Strengthening the Administration of the Introduction and Broadcasting of Foreign Television Programs*, emphasizing that the aforesaid regulations must be strictly followed.

The 2004 Internet A/V Measures also explicitly prohibit the internet service providers from broadcasting any foreign television or radio program over the information network and any violation may result in warnings, monetary penalties or criminal liabilities in severe cases. On November 19, 2009, GAPPRFT issued a notice to extend the prohibition of broadcasting foreign television programs to mobile TV. However, pursuant to several notices issued by GAPPRFT, such as the *Notice on Dramas and Films and the Notice on Content of A/V Programs* referenced above under "*—Regulation on online transmission of audio-visual programs*," foreign audio-visual programs may be published to the public through the internet, provided that such foreign audio-visual programs comply with the regulations on administration of radios, films and television, and that the relevant permits required by PRC laws and regulations, such as the Permit for Issuance of TV Dramas, Permit for Public Screening of Films, Permit for Issuance of Cartoons or academic literature movies and Permit for Public Screening of Academic Literature Movies and TV Plays, have been obtained for such foreign audio-visual programs. The promulgation of the *Notice on Dramas and Films and the Notice on Content of A/V Programs* implies that the absolute restriction over broadcasting foreign television or radio programs on the Internet as set forth in the 2004 Internet A/V Measures has been lifted.

We source foreign movies and television programs from various content providers. In dealing with content providers, we seek general assurance in the contracts we enter into with them that the content granted to us shall neither breach any applicable laws, regulations or public morals, nor impair any third party rights. We also source some foreign audio-visual programs directly from foreign content providers. However, we have not obtained any approval from GAPPRFT for introducing and broadcasting such foreign audio-visual programs and cannot assure you that we may be able to obtain such approval if required to do so. See "Risk factors—Risks related to our business—We are strictly regulated in China. Any lack of requisite licenses or permits applicable to our business and any changes in government policies or regulations may have a material and adverse impact on our business, financial condition and results of operations."

Regulation on production of radio and television programs

On July 19, 2004, GAPPRFT promulgated the *Regulations on the Administration of Production of Radio and Television Programs*, or the Radio and TV Programs Regulations, which came into effect as of August 20, 2004. Under the Radio and TV Programs Regulations, any entities that engage in the production of radio and television programs are required to apply for a license from GAPPRFT or its provincial branches. Entities with the Permit for Production and Operation of Radio and TV Programs must conduct their business operation strictly in compliance with the approved scope of production and operation and other than radio and TV stations, such entities must not produce radio and TV programs regarding current political news or similar subjects and columns. Shenzhen Xunlei holds a Permit for Production and Operation of Radio and TV Program which was last updated in September 2012 and will expire on September 24, 2015, with an approved scope of the production of radio plays, TV dramas, animations, featured shows and entertainment programs.

Regulation on online cultural activities

On February 17, 2011, MOC promulgated the new *Provisional Measures on Administration of Internet Culture*, or the Internet Culture Measures, which became effective as of April 1, 2011,

and the *Notice on Issues Relating to Implementing the Newly Amended Provisional Measures on Administration of Internet Culture* on Mar 18, 2011. MOC also abolished the *Provisional Measures on Administration of Internet Culture* promulgated on May 10, 2003 and amended on July 1, 2004 as well as the *Notice on Issues Relating to Implementing the Provisional Measures on Administration of Internet Culture* issued on July 4, 2003. The Internet Culture Measures apply to entities that engage in activities related to "online cultural products." "Online cultural products" are classified 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 relevant 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.

To comply with these then- and currently effective laws and regulations, Shenzhen Xunlei holds an Online Culture Operating Permit which was updated in September 2013 with an effective period from March 15, 2013 to March 15, 2016 for the operating of online games (including issuance of virtual currency), music entertainment products and animation and comic and Xunlei Games obtained an Online Culture Operating Permit in July 2013 with an effective period from July 30, 2013 to July 30, 2016 for the operating of online games (including issuance of virtual currency).

Regulation on online games

MOC is the government agency primarily responsible for regulating online games in the PRC. On June 3, 2010, MOC promulgated the *Provisional Measures on the Administration of Online Games*, pursuant to which the content of the online games are subject to the review of MOC. These measures set forth a series of prohibitions regarding the content of the online games, including but without limitation the prohibition on content that oppose the fundamental principles stated in the PRC Constitution, compromise state security, divulge state secrets, subvert state power or damage national unity, and content that is otherwise prohibited by laws or administrative regulations. Moreover, in accordance with these measures, ICP service operators engaging in any activities involving the operation of online games, issuance or trading of virtual currency must obtain the Online Culture Operating Permit and handle the censorship procedures for imported online games and the filing procedures for domestically developed online games with MOC and its provincial counterparts. The procedures for the censorship of imported online games must be conducted with MOC prior to the commencement date of the online operation and the filing procedures for domestic online

games must be conducted with MOC within 30 days after the commencement date of the online operation or the occurrence date of any material alteration of such online games. Regarding virtual currency trading, ICP service operators can only issue virtual currency in exchange of the service provided by itself rather than trading for service or products provided by third parties. ICP service operators cannot appropriate the advance payment by the players and are not allowed to provide trading service of virtual currency to minors. All the transactions in the accounts shall be kept in records for a minimum of 180 days. To comply with these laws and regulations, Shenzhen Xunlei and Xunlei Games have obtained the Online Culture Operating Permit respectively for operating online games.

Further, the online publication of online games is subject to the regulation of GAPPRFT under the *Tentative Administration Measures on Internet Publication* and ICP service operators must obtain the Internet Publication License prior to provision of any online game 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*", or the Notice of Three Provisions and Internet Games, which expressly requires that all online games need to be screened by GAPPRFT through the advanced 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 Sino-foreign joint ventures, Sino-foreign cooperatives and wholly foreign-owned enterprises. The indirect functions such as contractual control and technology supply are also prohibited.

Our online games services are currently provided by Shenzhen Xunlei and Xunlei Games. Shenzhen Xunlei holds an Internet Publication License and Xunlei Games is in the process of applying for an Internet Publication License from GAPPRFT for its publication of online games. We also require the developers of certain online games to obtain the requisite approvals of relevant online games from GAPPRFT, and make the filings with MOC, for relevant online games. See "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 successfully implement our plan to acquire exclusive rights to operate and sub-license games or to obtain all the licenses required to operate online games, which may subject us to penalties from relevant authorities, including the discontinuance of our online game business."

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*, or the Real-name Registration Notice, to strengthen the implementation of the anti-fatigue and real-name registration system. The main purpose of the Real-name Registration 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. The Real-name Registration 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, MOC, together with several other government agencies, jointly issued a *Circular on Printing and* Distributing *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 person in charge, set up specific service webpages and publicize specific hotlines 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 MOC office each quarter.

We have developed and implemented an anti-fatigue and compulsory real-name registration system in our online games, and will cooperate with the National Citizen Identity Information Center to launch the identity verification system upon the issuance of relevant implementing rules. For game players who do not provide verified identity information, we assume that they are minors under 18 years of age. In order to comply with the anti-fatigue rules, we set up our system so that after three hours of playing our online games, minors only receive half of the virtual items or other in-game benefits they would otherwise earn, and after playing for more than five hours, minors would receive no in-game benefits.

Regulation on online game virtual currency

On February 15, 2007, MOC, the People's Bank of China and other relevant government authorities jointly issued the *Notice on Further Strengthening Administrative Work on the Internet Cafes and Online Games*, or the Internet Cafes Notice, pursuant to which the People's Bank of China is directed to strengthen the administration of virtual currency in online games to avoid any adverse impact on the economy and financial system. This notice provides that the total amount of virtual currency issued by online game operators and the amount purchased by individual game players should be strictly limited, with a strict and clear division between virtual transactions and real transactions carried out by way of electronic commerce. It also provides that virtual currency shall only be used to purchase virtual items. On June 4, 2009, MOC and Ministry of Commerce jointly issued the *Notice on Strengthening the Administrative*

Work on Virtual Currency of Online Games, pursuant to which no enterprise may concurrently provide both virtual currency issuance service and virtual currency transaction service.

In addition, the Provisional Measures on the Administration of Online Games require companies that (i) issue online game virtual currency (including prepaid cards and/or pre-payment or prepaid card points) or (ii) offer online game virtual currency transaction services to apply for the Online Culture Operating Permit from provincial branches of MOC. The regulations prohibit 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 will be subject to sanctions, including but not limited to termination of operation, confiscation of incomes and fines. The regulations also prohibit 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.

To comply with these regulations, Shenzhen Xunlei has obtained the Online Culture Operating Permit for issuing online game virtual currency, and we plan to make the requested filing of its issuance of virtual currency with the local branch of MOC in Guangdong.

Regulation on internet news dissemination

SCIO and MIIT promulgated the *Provisional Regulations for the Administration of Internet Websites Engaging in News Publication Services*, and the *Provisions for the Administration of Internet News Information Services* on November 7, 2000 and September 25, 2005, respectively. Pursuant to such regulations, websites established by non-news organizations may publish news released by certain official news agencies but may not publish news generated by themselves or news sourced elsewhere. In order to disseminate news, such websites must satisfy the relevant requirements set forth in the foregoing two regulations and have acquired the approval from SCIO after securing permission from the news office of the local government at the provincial level. Moreover, the websites intending to publish the news released by the aforementioned news agencies must enter into agreements with the respective news agencies, and file copies of such agreements with the news office of the local government at the provincial level. In addition, any organization is prohibited from establishing Sino-foreign joint ventures, Sino-foreign cooperatives and wholly foreign owned enterprises to operate internet news dissemination service. The content we currently provide on our websites includes some current political news from third party news providers. Currently we do not hold an internet news license from SCIO and we plan to apply for such internet news license. However, we cannot assure you that we will be able to obtain such license in a timely manner or at all. See "Risk factors—Risks related to our business—We are strictly regulated in China. Any lack of requisite licenses or permits applicable to our business and any changes in government policies or regulations may have a material and adverse impact on our business, financial condition and results of operations."

Regulation on internet publication

GAPPRFT is the government agency responsible for regulating publication activities in the PRC. On June 27, 2002, MIIT and GAPPRFT jointly promulgated the *Tentative Administration*

Measures on Internet Publication, or the Internet Publication Measures, which took effect on August 1, 2002. The Internet Publication Measures require internet publishers to secure approval, or the Internet Publication License, from GAPPRFT to conduct internet publication activities. The term "internet publication" is defined as an act of online dissemination where internet information service providers select, edit and process works created by themselves or others (including content from books, newspapers, periodicals, audio and video products, electronic publications, and other sources that have already been formally published or works that have been made public in other media) which they then post on the internet or transmit to users via the internet for browsing, use or downloading by the public. The Internet Publication Measures also provide the detailed qualifications and application procedures for obtaining the Internet Publication License. Neither GAPPRFT nor MIIT has specified whether the approval required by the Internet Publication Measures is applicable to the dissemination of online audio and video programs. However, the Notice of Three Provisions and Internet Games issued jointly by GAPPRFT and other relevant administrations confirmed that the entities operating internet games must obtain the Internet Publication License. On February 21, 2008, the GAPPRFT promulgated the *Rules for the Administration of Electronic Publication*, or the Electronic Publication Rules, which took effect on April 15, 2008. Under the Electronic Publication Rules and other regulations issued by the GAPPRFT, 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 the Electronic Publication 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 GAPPRFT.

Shenzhen Xunlei holds an Internet Publication License for the publication of internet games with an expiry date of September 17, 2017 and is in the process of applying for expansion of the business scope therein to include the publication of music works and other internet publishing activities, and Xunlei Games is in the process of applying for the internet publication license for its publication of online games. See "Risk factors—We may not be able to successfully address the challenges and risks we face in the online games market, such as a failure to successfully implement our plan to acquire exclusive rights to operate and sub-license games or to obtain all the licenses required to operate online games, which may subject us to penalties from relevant authorities, including the discontinuance of our online game business."

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 enacted legislation on internet use to protect personal information from any unauthorized disclosure. The Internet Measures 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 BBS Measures, ICP service operators that provide electronic messaging services must keep users' personal information confidential and must not disclose such personal information to any third party without the users' consent, unless such disclosure is required by law. The regulations further authorize the relevant telecommunications authorities to order ICP service operators to rectify unauthorized disclosure. ICP service operators are subject to legal liability if the unauthorized disclosure results in damages or losses to users. The PRC government, however, has the power and authority to order ICP service operators to turn over

personal information if an internet user posts any prohibited content or engages in illegal activities on the internet. Under the *Several Provisions on Regulating the Market Order of Internet Information Services* issued by MIIT 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 by the Standing Committee of the National People's Congress of the PRC on December 28, 2012, or the Decision, and the *Order for the Protection of Telecommunication and Internet User Personal Information* issued by MIIT on July 16, 2013, or the Order, 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 the Decision or the Order 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.

To comply with these laws and regulations, we have required our users to consent to our collecting and using their personal information, established information security systems to protect user's privacy.

Regulation on internet medicine information service

The State Food and Drug Administration, or the SFDA, promulgated the *Administration Measures on Internet Medicine Information Service* on July 8, 2004 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 SFDA. Shenzhen Xunlei 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 November 26, 2018.

Regulation on advertising business

The State Administration for Industry and Commerce, or the SAIC, 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 SAIC 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 any relevant law or regulation. 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. 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 applicable law. In providing advertising services, advertising operators and advertising distributors must review the supporting documents provided by advertisers for advertisements and verify that the content of the advertisements complies with applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, advertising distributors are obligated to verify that such censorship has been performed and approval has been obtained. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, SAIC or its local branches may revoke violators' licenses or permits for their advertising business operations.

To comply with these laws and regulations, we have obtained a business license, which allows us to operate advertising businesses, and adopted several measures. Our advertising contracts require that substantially all advertising agencies or advertisers that contract with us must examine the advertising content provided to us to ensure that such content are truthful, accurate and in full compliance with PRC laws and regulations. In addition, we have established a task force to review all advertising materials to ensure the content does not violate the relevant laws and regulations before displaying such advertisements, and we also request relevant advertisers to provide proof of governmental approval if an advertisement is subject to special government review. See "Risk factors—Risks related to our business—Advertisements we display may subject us to penalties and other administrative actions."

Regulation on information security and censorship

The applicable 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 these 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 newly amended *Law on Preservation of State Secrets* which became effective on October 1, 2010 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 request of the authorities of state security, public security or state secrecy, the internet service provider should delete any content on its website that may lead to disclosure of state secrets. Failure to do so on a timely and adequate basis may subject the internet service provider to liability and certain penalties given by the State Security Bureau, the Ministry of Public Security and/or MIIT or their respective local counterparts. As Shenzhen Xunlei is an ICP operator, it is subject to the laws and regulations relating to information security and censorship. To comply with these laws and regulations, it has completed the mandatory security filing procedures with the local public

security authorities, and regularly updates its information security and content-filtering systems with newly issued content restrictions as required by the relevant laws and regulations.

Regulation on torts

The *Tort Law* was promulgated by the Standing Committee of the National People's Congress on December 26, 2009 and became effective on July 1, 2010. Under this law, 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 relevant 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.

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 Copyright Law (1990), as revised in 2001 and 2010, and its related Implementing Regulations (2002), as revised in 2013, creators of protected works enjoy personal and property rights, including, among others, 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 PRC National Copyright Administration and MIIT 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 contents through the internet based on the instructions of internet users who publish contents 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 (2006)*, as amended in 2013, an ICP service provider may be exempted from indemnification liabilities under certain 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 audio-visual 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*, which provides that 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 we have licensed from content providers before they are released on Xunlei Kankan 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 Patent Law in 1984, and amended it in 1992, 2000 and 2008, 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 State Intellectual Property Office under the State Council 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 or 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 will constitute an infringement of the patent rights. Among the patent applications we have filed, 43 were granted in the PRC, while another six applications are being examined by the State Intellectual Property Office of the PRC.

Trademark law

Registered trademarks are protected under the Trademark Law adopted in 1982 and amended in 1993, 2001 and 2013. The PRC Trademark Office of SAIC is responsible for the registration and administration of trademarks throughout the PRC. The 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 relevant 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, 2013, we have applied for registration of 150 trademarks, of which we have received 123 registered trademarks in different applicable trademark categories, including 1 trademark registered with the United States Patent and Trademark Office and 1 trademark registered with World Intellectual Property Organization.

Regulation on domain name

The domain names are protected under the *Administrative Measures on the Internet Domain Names* promulgated by MIIT on November 5, 2004 and effective on December 20, 2004. MIIT is the major regulatory body responsible for the administration of the PRC internet domain names, under supervision of which China Internet Network Information Center, or CNNIC, is responsible for the daily administration of CN domain names and Chinese domain names. On September 25, 2002, CNNIC promulgated the *Implementation Rules of Registration of Domain Name*, or the CNNIC Rules, which was renewed on June 5, 2009 and May 29, 2012, respectively. Pursuant to the *Administrative Measures on the Internet Domain Names* and the CNNIC Rules, 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. In the event of a domain name dispute, the disputed parties may lodge a complaint to the designated domain name dispute resolution institution to trigger the domain name dispute resolution procedure in accordance with the *CNNIC Measures on Resolution of the Domain Name Disputes*, file a suit to the People's Court or initiate an arbitration procedure. We have registered www.xunlei.com, www.kankan.com and other domain names.

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 of China enacted a new *PRC Enterprise Income Tax Law*, or the EIT Law, which became effective on January 1, 2008. On December 6, 2007, the State Council promulgated the *Implementation Rules to the PRC Enterprise Income Tax Law*, or the Implementation Rules, which also became effective on January 1, 2008. 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, or the Transition Preferential Policy Circular, which became effective simultaneously with the EIT Law. The EIT 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 EIT Law and the Transition Preferential Policy Circular, enterprises that were established before March 16, 2007 and already enjoyed preferential tax treatments will 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 EIT Law and its implementation rules permit qualified high and new technology enterprises, or HNTEs, to enjoy a reduced enterprise income tax rate of 15%.

Moreover, under the EIT 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 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 State Administration of Taxation's general position 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.

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 "Risk factors—Risks related to doing business in China—Our global income may be subject to PRC EIT Law, which may have a material adverse effect on our results of operations."

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. We could face material and adverse tax consequences if the PRC tax authorities were to determine that the contractual arrangements among Giganology Shenzhen, our wholly-owned subsidiary in China and Shenzhen Xunlei, our variable interest entity in China and its shareholders 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 business tax

Pursuant to applicable PRC tax regulations, any entity or individual conducting business in the service industry is generally required to pay a business tax at the rate of 5% on the revenues generated from providing such services. However, if the services provided are related to technology development and transfer, such business tax may be exempted subject to the approval of relevant tax authorities.

PRC value added tax

On January 1, 2012, the Chinese State Council officially launched a pilot value-added tax reform program, or the Pilot Program, applicable to businesses in selected industries. Businesses in the Pilot Program would pay value added tax, or VAT, instead of business tax. The Pilot Program initially applied only to transportation industry and "modern service industries" in Shanghai and would be expanded to eight trial regions (including Beijing and Guangdong province) and nationwide if conditions permit. The pilot industries in Shanghai included industries involving the leasing of tangible movable property, transportation services, research and development and technical services, information technology services, cultural and creative services, logistics and ancillary services, certification and consulting services. Revenues generated by advertising services, a type of "cultural and creative services", are subject to the VAT tax rate of 6%. According to official announcements made by competent authorities in Beijing and Guangdong province, Beijing launched the same Pilot Program on September 1, 2012, and Guangdong province launched it on November 1, 2012.

The business tax has been imposed primarily on our revenues from the provision of taxable services, assignments of intangible assets and transfers of real estate. Prior to the implementation of the pilot program, our business tax generally ranged from 3% to 5%, subject to the nature of the revenues being taxed. Before the implementation of the pilot program, we were mainly subject to a small amount of VAT mainly for revenues of the sale of software. VAT has been imposed on those revenues at a rate of 17%. With the implementation of the Pilot Program, in addition to the revenues currently subject to VAT, our advertising and content sub-licensing revenues are in the scope of the pilot program and are now subject to VAT at a rate of 6%.

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*, or the Pilot Collection Circular. The scope of certain modern services industries under the Pilot Collection Circular extends to the inclusion of radio and television services.

PRC dividend withholding tax

Under the PRC tax laws effective prior to January 1, 2008, dividends paid to foreign investors by foreign-invested enterprises were exempt from PRC withholding tax. Pursuant to the EIT Law and the 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-HK 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%. According to the SAT Circular 601, the 5% tax rate does not automatically apply and approvals from competent local tax authorities are required before an enterprise can enjoy the relevant tax treatments relating to dividends under the relevant taxation treaties. In addition, according to a tax circular issued by SAT 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 may be able to enjoy the preferential withholding tax rate of 5% under the China-HK Taxation Arrangement.

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, 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.

Regulation on foreign exchange control and administration

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

- *Foreign Exchange Administration Rules*, or the Exchange Rules, promulgated by the State Council on January 29, 1996, which was amended on January 14, 1997 and on August 5, 2008 respectively; and

- *Administration Rules of the Settlement, Sale and Payment of Foreign Exchange*, or the Administration Rules promulgated by the People's Bank of The PRC on June 20, 1996.

Under the Exchange 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, 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 relevant 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 the Ministry of Commerce, SAFE and the National Development and Reform Commission, 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.

On August 29, 2008, SAFE issued the *Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises*, or Circular No. 142. Pursuant to Circular No. 142, the Renminbi capital from the settlement of foreign currency capital of a foreign-invested enterprise must be used within the business scope as approved by the applicable government authority and unless it is otherwise provided by law, such Renminbi capital cannot be used for domestic equity investment. Documents certifying the purposes of the settlement of foreign currency capital into Renminbi, including a business contract, must also be submitted for the settlement of the foreign currency. In addition, SAFE strengthened its oversight of the flow and use of the Renminbi capital converted from foreign currency registered capital of a foreign-invested company. The use of such Renminbi capital may not be altered without the SAFE's approval, and such Renminbi capital may not be used to repay Renminbi loans if such loans have not been used. Violations of the Circular No. 142 could result in severe monetary fines or penalties.

On November 19, 2012, SAFE promulgated the *Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment*, or Circular 59, which became effective on December 17, 2012. Circular 59 substantially amends and simplifies the current foreign exchange procedure. The major developments under Circular 59 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 issuance of Circular 59. Reinvestment of RMB 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.

Regulation on foreign exchange registration of offshore investment by PRC residents

On October 21, 2005, SAFE issued the *Circular on Several Issues concerning Foreign Exchange Administration for Domestic Residents to Engage in Financing and in Return Investments via Overseas Special Purpose Companies*, or Circular No. 75, which went into effect on November 1, 2005. Circular No. 75 and related rules provide that if PRC residents establish or acquire direct or indirect interests of offshore special purpose companies, or offshore SPVs, for the purpose of financing these offshore SPVs with assets of, or equity interests in, an enterprise in the PRC, or inject assets or equity interests of PRC entities into offshore SPVs, they must register with local SAFE branches with respect to their investments in offshore SPVs. Circular No. 75 also requires PRC residents to file changes to their registration if their offshore SPVs undergo material events such as capital increase or decrease, share transfer or exchange, merger or division,

long-term equity or debt investments, and provision of guaranty to a foreign party. SAFE subsequently issued relevant guidance to its local branches with respect to the operational process for the SAFE registration under Circular No. 75, which standardized more specific and stringent supervision on the registration relating to Circular No. 75 and imposed obligations on onshore subsidiaries of offshore SPVs to coordinate with and supervise PRC residents holding direct or indirect interest in offshore SPVs to complete the SAFE registration process. Under the relevant SAFE rules, failure to comply with the registration procedures set forth in Circular No. 75 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore companies of offshore SPVs, including the payment of dividends and other distributions to its offshore parent or affiliate and the capital inflow from such offshore entity, and may also subject relevant PRC residents and onshore company to penalties under PRC foreign exchange administration regulations.

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 Circular No. 75 and other related rules. Our PRC resident shareholders, namely Sean Shenglong Zou, Hao Cheng and Fang Wang, have completed the registration and amendment registration with the local SAFE branch in relation to all our previous private financings and their subsequent ownership changes by April 2012 as required under the SAFE regulations and are in the process of applying for the relevant amendment registrations with the local SAFE branch in relation to their ownership changes in our Company after April 2012. 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 Circular No. 75 or other related rules. The failure or inability of our PRC resident shareholders to make any required registrations or comply with other requirements under Circular No. 75 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 this offering) our PRC subsidiaries, limit our PRC subsidiaries' ability to pay dividends or otherwise distribute profits to us, or otherwise adversely affect us.

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*, or the Stock Option Rules, which replaced the *Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Publicly-Listed Companies* issued by SAFE on March 28, 2007. Pursuant to the Stock Option Rules, 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 PRC optionees, will be subject to the Stock Option Rules when our company becomes an overseas listed company upon the completion of this offering. If we or our PRC optionees fail to comply with the Individual Foreign Exchange Rule and the Stock Option Rules, we and/or our PRC optionees may be subject to fines and other legal sanctions. We may also face regulatory uncertainties that could restrict our ability to adopt additional option plans for our directors and employees under PRC law. In addition, the State Administration for Taxation has issued certain circulars concerning employee share options. Under these circulars, our employees working in the PRC who exercise share options will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

Regulation on dividend distributions

The principal regulations governing the distribution of dividends paid by wholly foreign-owned enterprises include:

- *Company Law* (2005);
- *Wholly Foreign-Owned Enterprise Law* (1986), as amended in 2000; and
- *Wholly Foreign-Owned Enterprise Law Implementation Regulations* (1990), as amended in 2001.

Under these regulations, wholly foreign-owned 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, a wholly foreign-owned 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 general reserves until its cumulative total reserve funds reaches 50% of its registered capital. The board of directors of a wholly foreign-owned enterprise has the

discretion to allocate a portion of its after tax profits to its employee welfare and bonus funds. These reserve funds, however, may not be distributed as cash dividends.

Regulation on overseas listings

On August 8, 2006, six PRC regulatory agencies, namely, the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, SAIC, 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 were amended on June 22, 2009. The M&A Rules purport, among other things, to require that offshore special purpose vehicles, or SPVs, 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 SPVs 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 [NYSE/NASDAQ Global 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.

However, our PRC legal counsel has further advised us uncertainties still exist as to how the M&A Rules will be interpreted and implemented and its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules. If CSRC or another PRC regulatory agency subsequently determines that prior CSRC approval was required, we may face regulatory actions or other sanctions from CSRC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations, limit our operating privileges, delay or restrict the repatriation of the proceeds from this offering into the PRC or payment or distribution of dividends by our PRC subsidiaries, or take other actions that could materially adversely affect our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. CSRC or other PRC regulatory agencies also may take actions requiring us, or making it advisable for us, to halt this offering before settlement and delivery of the ADSs offered hereby. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur. In addition, if CSRC later requires that we obtain its approval for this offering, we may be unable to obtain a waiver of CSRC approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding CSRC approval requirements could have a material adverse effect on the trading price of our ADSs.

Management

Directors and executive officers

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

Directors and executive officers	Age	Position/title
Sean Shenglong Zou	42	Co-Founder, Chairman and Chief Executive Officer
Hao Cheng	39	Co-Founder, Director and General Manager of Xunlei Kankan and Games Business Unit
Qin Liu	41	Director
Quan Zhou	57	Director
Yang Wang	40	Director
Ye Yuan	35	Director
Bin Lin	46	Director
Chuan Wang	44	Director
Peng Huang	46	Chief Operating Officer
Tao Thomas Wu	48	Chief Financial Officer

Mr. Sean Shenglong Zou is our co-founder and has been our chief executive officer and chairman since our inception in February 2005. Mr. Zou is an expert in distributed computing. Mr. Zou pioneered the theory of content-based multimedia indexing technology and resource discovery network that provides time-saving online experience for internet users and has led our company to revolutionize traditional internet acceleration by the technology and network. Mr. Zou received a master's degree in computer science from Duke University in the U.S. in 1998 and a bachelor's degree in computer science from University of Wisconsin-Madison in 1997.

Mr. Hao Cheng is our co-founder and has been our director since our inception in February 2005. Mr. Cheng is also currently the chief executive officer of Xunlei Games Development (Shenzhen) Co. Ltd. Prior to joining us, Mr. Cheng managed the products, services, marketing and sales of the corporate search team at Baidu, Inc. Mr. Cheng received a master's degree in computer science from Duke University in the U.S. in 1999 and a bachelor's degree in mathematics from Nankai University in China in 1997.

Mr. Qin Liu has been a director of our company since September 2005. Mr. Liu has been a director of Morningside China TMT Fund I, L.P. and Morningside China TMT Fund II, L.P., where he is primarily responsible for managing early-stage investments in the internet, wireless, media, entertainment and consumer services sectors in China. Mr. Liu has served as a director in YY Inc., a Nasdaq-listed company since June 2008, and also serves as a director in several non-public portfolio companies of the fund. From 2000 through 2008, Mr. Liu worked at Morningside IT Management Services (Shanghai) Co., Ltd. and established its print media business and served as publisher of The Bund, an upscale lifestyle weekly publication. Mr. Liu received a master's degree in business administration, or MBA, from China Europe International Business School in 1999 and a bachelor's degree in electrical engineering from Beijing Science & Technology University in 1993.

Mr. Quan Zhou has served as a director of our company since November 2006. Mr. Zhou is currently a managing member of the general partner of IDG Technology Venture Investments, L.P. and its successor funds. Mr. Zhou is also serving as a director of the general partner of each of IDG-Accel China Growth Fund I and IDG-Accel China Capital Fund, and their respective successor funds. He currently serves on the board of SouFun Holdings Limited, a NYSE-listed company, and a number of non-public portfolio companies. Mr. Zhou received a Ph.D degree in fiber optics from Rutgers University in 1989, a master's degree in chemical physics from the Chinese Academy of Sciences in 1985 and a bachelor's degree in chemistry from China Science and Technology University in 1982.

Mr. Yang Wang has been a director of our company since February 2012. Since 2010, Mr. Wang has been a partner of Primavera Capital Group, focusing on private equity investments. From 2006 to 2010, Mr. Wang was an executive director and managing director of Goldman Sachs private equity investment division. From 2000 to 2006, Mr. Wang served as associate and then vice president at China International Capital Corp., where he served for private equity and investment banking divisions. Mr. Wang is currently also a director of Geely Automotive Holdings Ltd., a company listed on the Hong Kong Stock Exchange. Mr. Wang received a master's degree in science and a bachelor's degree in engineering from Shanghai Jiaotong University in 2000 and 1997, respectively.

Mr. Ye Yuan has been a director of our company since September 2013. Mr. Yuan joined Ceyuan Ventures funds in 2005, and became its partner in 2009. Mr. Yuan is also a director of Light in the Box Limited, a NYSE-listed company and several portfolio companies. From 2003 to 2005, Mr. Yuan worked at the audit department of KPMG (Beijing) Accounting LLP and Latitude Capital. Mr. Yuan received his master's degree from the University of Windsor in Canada in 2003 and his bachelor's degree in finance from University of International Business and Economics in China in 2002.

Mr. Bin Lin has been a director of our company since March 2014. Mr. Lin co-founded Xiaomi Technology in April 2010 and has since then been its president in charge of day-to-day operation, strategic planning and supply chain management. Between 2006 and 2010, Mr. Lin worked at Google Inc. as the vice-president of its engineering research institute in China as well as a global engineering director, spearheading the engineering research of mobile search and local application of Android products in China. From 1995 to 2006, Mr. Lin served various senior positions in Microsoft Corporation, including as a supervisory engineer at the headquarters in Redmond, a senior development manager at Microsoft Research Asia (MSRA), as well as the co-founder and development director of Microsoft's Advanced Technology Center (ATC) in Beijing. Mr. Lin received his master of science degree in computer science from Drexel University in 1992 and his bachelor of science degree in electronics and information system from Sun Yat-Sen University, Guangzhou, China in 1990.

Mr. Chuan Wang has been a director of our company since March 2014. Mr. Wang is a co-founder of Beijing Xiaomi Technology Co., Ltd., or Xiaomi Technology, and the founder of Beijing Duokan Technology Co., Ltd., where he has served as its chief executive officer since its inception of business in 2010. Between 2005 and 2011, Mr. Wang was the general manager of Beijing Thunder Stone Century Technology Co., Ltd. Prior to that, Mr. Wang was the general manager of Beijing Thunder Stone Digital Technology Co., Ltd. since 1997. Mr. Wang received his bachelor of science degree from Beijing University of Technology in China in 1993.

Mr. Peng Huang has been our chief operating officer since September 2013. Mr. Huang joined us in 2009, and currently oversees our business operation and strategic cooperation. From 2006 to 2009, Mr. Peng worked as a general vice president for PPTV. From 1996 to 2001, Mr. Peng was the director of the Shanghai office of Shenzhen Huawei Technology Co., Ltd. and general manager of Shanghai Huawei Company. Mr. Huang received a master's degree in communications and electronic system from the University of Electronic Science and Technology of China in 1992 and a bachelor's degree in wireless engineering from Northwestern Polytechnical University of China in 1987.

Mr. Tao Thomas Wu has been our chief financial officer since November 2013. Prior to joining our company, Mr. Wu had served as the chief financial officer of Noah Holdings Limited, a U.S. listed company, since 2010. Prior to that, Mr. Wu spent nearly 20 years working in the financial services sector. Most recently, Mr. Wu was a senior portfolio manager with AllianceBerstein L.P. in the United States and a senior analyst with Moody's Investors Services in New York. Mr. Wu previously also worked in investment banks, primarily with JPMorgan Chase & Co. in New York and Singapore. Mr. Wu received his master's degree in public administration from Syracuse University in 1992 and his bachelor's degree in mathematics from Grinnell College in May 1987.

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-months' or three-months' 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, he or she will not 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 the 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.

Board of directors

Our board of directors currently consists of eight directors. A director is not required to hold any shares in our company to qualify to serve as a director. Our board of directors may exercise all the powers of our company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any thereof and, subject to the rights and powers of any class or series of preferred shares, may issue debentures, debenture stock and other securities, whether outright or as a security for any debt, liability or obligation of our company or any third party.

Committees of the board of directors

Prior to the completion of this offering, we intend to establish an audit committee, a compensation committee and a corporate governance and nominating committee under the board of directors. We intend to adopt a charter for each of the three committees prior to the completion of this offering. Each committee's members and functions are described below.

Audit committee. Our audit committee will consist of , and , and will be chaired by . Our board of directors has determined that each of satisfies the "independence" requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended, and [Section 303A of the Corporate Governance Rules of the NYSE/Rule 5605(a)(2) of the Nasdaq Listing Rules]. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be 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;
- meeting separately and periodically with management and the independent registered public accounting firm; and
- reporting regularly to the board.

Compensation committee. Our compensation committee will consist of , and , and will be chaired by . Our board of directors has determined that each of satisfies the "independence" requirements of [the Corporate Governance Rules of the NYSE/Rule 5605(a)(2) of the Nasdaq Listing Rules]. The compensation committee will assist 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 will be responsible for, among other things:

- reviewing the total compensation package for our three 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 three 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.

Corporate governance and nominating committee. Our corporate governance and nominating committee will consist of , and , and will be chaired by . Our board of directors has determined that each of satisfies the "independence" requirements of [the Corporate Governance Rules of the NYSE/Rule 5605(a)(2) of the Nasdaq Listing Rules]. The corporate governance and nominating committee will assist the board in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The corporate governance and nominating committee will be responsible for, among other things:

- recommending nominees to the board for election or re-election to the board, or for appointment to fill any vacancy on the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, age, skills, experience and availability of service to us;
- selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the corporate governance and nominating committee itself;
- 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 have a fiduciary duty to act honestly, in good faith and with a view to our best interests. 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. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company may have the right to seek damages if a duty owed by our directors is breached. You should refer to "*Description of share capital—Differences in corporate law*" for additional information on our standard of corporate governance under Cayman Islands law.

Terms of directors and officers

Our officers are elected by and serve at the discretion of our board of directors. Our directors are not subject to a term of office and hold office 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 (1) if a simple majority of all directors (including a non-independent director) 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 (2) 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.

Compensation of directors and executive officers

For the fiscal year ended December 31, 2012, we paid an aggregate of approximately US$0.4 million in cash to our executive officers, and we did not pay any cash compensation to our non-executive directors. In addition, for the fiscal year ended December 31, 2013, we paid approximately US$15,000 to provide pension, housing funds 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, see "—Share incentive plans." For restricted share grants outside the share incentive plan, see "—Share Incentive Plans."

Share incentive plans

We have adopted a 2010 share incentive plan, or the 2010 Plan, in December 2010, and a 2013 share incentive plan, or the 2013 Plan, in November 2013. The purpose of the plans is to attract and retain the best available personnel by linking the personal interests of the members of the board, employees, and consultants to the success of our business and by providing such individuals with an incentive for outstanding performance to generate superior returns for our shareholders.

2010 Plan

Under the 2010 Plan and the sixth amended and restated shareholders' agreement dated as of March 5, 2014, the maximum number of shares in respect of which options, restricted shares, or restricted share units that may be granted is 26,822,828 shares. As of the date of this prospectus, options to purchase an aggregate number of 19,364,497 common shares are outstanding.

The following paragraphs summarize the terms of the 2010 Plan.

Types of awards. The following briefly describe the principal features of the various awards that may be granted under the 2010 Plan.

- *Options.* Options provide for the right to purchase a specified number of our Class A common shares at a specified price and usually will become exercisable in the discretion of our plan administrator in one or more installments after the grant date. The option exercise price may be paid, subject to the discretion of the plan administrator, in cash or by check, in our Class A common shares which have been held by the option holder for such period of time as may be required to avoid adverse accounting treatment, in other property with value equal to the exercise price, through a broker-assisted cashless exercise, or by any combination of the foregoing.

- *Restricted Shares.* A restricted share award is the grant of our Class A common shares which are subject to certain restrictions and may be subject to risk of forfeiture. Unless otherwise determined by our plan administrator, a restricted share is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator may also impose other restrictions on the restricted shares, such as limitations on the right to vote or the right to receive dividends.

- *Restricted Share Units.* Restricted share units represent the right to receive our Class A common shares at a specified date in the future, subject to forfeiture of such right upon termination of employment or service during the applicable restriction period. If the restricted share units have not been forfeited, then we shall deliver to the holder unrestricted Class A common shares that will be freely transferable after the last day of the restriction period as specified in the award agreement.

Plan administration. Before our shares are listed on a stock exchange, the 2010 Plan shall be administered by our board of directors. After our shares are listed on a stock exchange, the 2010 Plan shall be administered by our board of directors or the compensation committee of the board of directors (or a similar body) formed in accordance with applicable exchange rules. The plan administrator will determine the provisions and terms and conditions of each grant.

Award agreement. Options, restricted shares, or restricted share units granted under the 2010 Plan are evidenced by an award agreement that sets forth the terms, conditions, and limitations for each grant.

Option exercise price. The exercise price subject to an option shall be determined by the plan administrators which may be a fixed or variable price related to the fair market value of the subject of the grant. The exercise price may be amended or adjusted in the absolute discretion of the plan administrators, the determination of which shall be final, binding and conclusive. To the extent not prohibited by applicable laws or the rules of any exchange on which our

securities are listed, a downward adjustment of the exercise prices of options shall be effective without the approval of the shareholders or the approval of the affected participants.

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

Term of the awards. The term of each option grant shall be stated in the award agreement, provided that the term shall not exceed 10 years from the date of the grant. As for the restricted shares and restricted share units, the plan administrator shall determine and specify the period of restriction in the award agreement.

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 plan administrators, no option award shall be assigned, transferred, or otherwise disposed of other than by will or the laws of descent and distribution.

Termination. Unless terminated earlier, the 2010 Plan will expire automatically in December 2020. With the approval of our board of directors, the plan administrators may, at any time and from time to time, terminate, amend or modify the 2010 Plan. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law.

The following table summarizes, as of the date of this prospectus, the options granted to our executive officers, directors, and other individuals as a group.

Name	Common shares underlying options awarded	Exercise price (US$/share)	Date of grant	Date of expiration
Peng Huang	*	2.40	June 3, 2009	June 2, 2016
Tao Thomas Wu	*	2.11	November 18, 2013	November 17, 2020
Other Individuals as a Group[(1)]	20,919,380			
Total	21,461,141			

* Less than one percent of our total outstanding share capital.

(1) As of the date of this prospectus, other individuals as a group held outstanding options to purchase 18,822,736 common shares of our company, with exercise prices ranging from US$0.01 to US$3.97. These options were granted on various dates from April 1, 2003 through March 6, 2014. Each option that was granted before January 1, 2007 will expire after ten years from the date of grant. Each option that was granted after January 1, 2007 will expire after seven years from the date of grant.

2013 Plan

Under the 2013 Plan, the maximum number of share awards that may be granted is 9,073,732 restricted shares, which have been issued to Leading Advice Holdings Limited for the purposes of administrating the awards and acts according to the 2013 Plan. As of the date of this prospectus, 6,497,618 restricted shares (excluding those forfeited) have been granted to certain executive officers and other employees under the 2013 Plan.

The following paragraphs summarize the terms of the 2013 Plan.

Plan administration. Before our shares are listed on a stock exchange, the 2013 Plan shall be administered by Leading Advice Holdings Limited or its designee. Upon completion of this offering, the 2013 Plan will be administered by our board of directors or the compensation committee of the board of directors (or a similar body) formed in accordance with applicable exchange rules. The administrator will determine the grantees under the 2013 Plan.

Award agreement. Each award of restricted shares is evidenced by an award agreement that specifies the number of restricted shares so granted, the vesting schedule, the applicable provisions in the event the grantee's employment or service terminates, and such other terms and conditions that the administrator shall determine in its sole discretion.

Eligibility. The restricted shares may be granted to members of our senior management, consisting of our chief operating officer, chief technical officer, vice presidents, or their equivalents, and counsel or consultant to our company.

Vesting schedule. Each grant of restricted shares will be subject to a vesting schedule determined solely by the administrator. Once vested, the restricted shares will no longer be subject to forfeiture and other restrictions contained in the award agreement, unless otherwise specified therein.

Shareholder rights. Grantees of restricted shares will not be entitled to any shareholder rights (including the right to dividends) on unvested portions of the restricted shares. They will be entitled to dividends on the vested portions of the restricted shares. The administrator will hold all vested portions of share awards for the benefit of the grantees and exercise the voting rights with respect of those shares.

Term of the awards. In the event that the award recipient ceases employment with us or ceases to provide services to us during the applicable restriction period, restricted shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the award agreement, unless otherwise waived in whole or in part by the administrator.

Acceleration. The administrator, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed.

Transfer restrictions. Except as otherwise provided by the plan administrators, no share award shall be assigned, transferred, or otherwise disposed of other than by will or the laws of descent and distribution.

Termination. Unless terminated earlier, the 2013 Plan will expire automatically in November 2023. With the approval of our board of directors, the plan administrators may, at any time and from time to time, terminate, amend or modify the 2013 Plan. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law.

Name	Number of restricted shares granted	Date of grant
Peng Huang	*	November 18, 2013
Tao Thomas Wu	*	November 18, 2013

Principal [and selling] shareholders

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our common shares as of the date of this prospectus and the voting power after this offering held by:

- each of our directors and executive officers;
- each person known to us to beneficially own more than 5% of our common shares[; and
- each selling shareholder.]

The calculations in the table below assume as of the date of this prospectus, there are 70,521,104 common shares outstanding, including 9,073,732 common shares that have been issued to Leading Advice Holdings Limited for grants under our 2013 plan. These 9,073,732 common shares are not deemed as outstanding for the purpose of calculating the beneficial ownership in the following table. The calculations also assume 180,408,996 preferred shares outstanding as of the date of this prospectus prior to completion of this offering, and common shares, including 183,565,182 common shares into which all of our outstanding preferred shares will automatically convert upon completion of this offering, and common shares underlying ADSs that are being sold in this offering to the underwriters, assuming the underwriters do not exercise their option to purchase additional ADSs.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant, or other right or the

conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Common shares beneficially owned prior to this offering[1]		Class A common shares being sold in this offering[2]		Class A common shares beneficially owned after this offering[3]		Class B common shares beneficially owned after this offering[4]		Voting power after this offering[5]
	Number	%	Number	%	Number	%	Number	%	%
Directors and executive officers:**									
Sean Shenglong Zou	43,149,285[6]	17.8							
Hao Cheng	16,994,685[7]	7.0							
Qin Liu	—[8]	—							
Quan Zhou	21,649,920[9]	9.0							
Yang Wang	13,401,552[10]	5.6							
Bin Lin	—[11]	—							
Chuan Wang	—[12]	—							
Ye Yuan	14,155,917[13]	5.9							
Peng Huang	*	*							
Tao Thomas Wu	—	—							
All directors and executive officers as a group	109,551,359	45.3							
Principal [and selling] shareholders:									
Xiaomi Ventures Limited	106,463,237[14]	38.4							
Vantage Point Global Limited	43,149,285[15]	17.8							
Morningside Technology Investments Limited	37,787,909[16]	15.6							
IDG Funds	21,649,920[17]	9.0							
Aiden & Jasmine Limited	16,994,685[18]	7.0							
Ceyuan Funds	14,155,917[19]	5.9							
Skyline Global Company Holdings Limited	13,401,552[20]	5.6							

Notes:

* Less than 1%.

** Except for Mr. Qin Liu, Mr. Quan Zhou, Mr. Yang Wang and Mr. Ye Yuan, the business address of our directors and executive officers is c/o 4/F, Hans Innovation Mansion, North Ring Road, No. 9018 High-Tech Park, Nanshan District, Shenzhen, 518057, People's Republic of China.

(1) The number of common shares outstanding in calculating the percentages for each listed person or group includes the common shares underlying options held by such person or group exercisable within 60 days of the date of this prospectus. Percentage of beneficial ownership of each listed person or group prior to this offering is based on (i) 241,856,368 common shares outstanding as of the date of this prospectus, including common shares convertible from our preferred shares, and (ii) the number of common shares underlying options and warrants exercisable by such person or group within 60 days of the date of this prospectus.

(2) For each person and group included in this column, percentage ownership is calculated by dividing the number of Class A common shares to converted, re-designated and sold by such person or group at the time of this offering, by the sum of , being the total number of Class A common shares to be sold by us [and the selling shareholders] in this offering, assuming the underwriters do not exercise their over-allotment option.

(3) For each person and group included in this column, percentage ownership is calculated by dividing the number of Class A common shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days of the date of this prospectus, by , being the sum of the total number of Class A common shares outstanding immediately after the completion of this offering, and the number of Class A common shares underlying share options held by such person or group that are exercisable within 60 days of the date of this prospectus.

(4) For each person and group included in this column, percentage ownership is calculated by dividing the number of Class B common shares beneficially owned by such person or group, including Class B common shares that such person or group has the right to acquire within 60 days of the date of this prospectus, by , being the sum of the total number of Class B common shares outstanding immediately after the completion of this offering.

(5) For each person or group included in this column, percentage of total voting power represents voting power based on both Class A and Class B common shares held by such person or group with respect to all outstanding shares of our Class A and Class B common shares as a single class. Each holder of Class A common shares is entitled to one vote per Class A common share. Each holder of our Class B common shares is entitled to votes per Class B common share. Our Class B common shares are convertible at any time by the holder into Class A common shares.

(6) Represents 43,149,285 common shares held by Vantage Point Global Limited, a British Virgin Islands company which is 100% beneficially owned by Mr. Sean Shenglong Zou through a family trust.

(7) Represents 16,994,685 common shares held by Aiden & Jasmine Limited, a British Virgin Islands company which is 100% owned by Mr. Hao Cheng through a family trust.

(8) The business address of Mr. Liu is 2/F, Le Prince de Galles, 3-5 Avenue des Citronniers MC 98000.

(9) Represents 21,649,920 common shares issuable upon conversion of (i) 18,120,000 series A preferred shares held by IDG Technology Venture Investment III, L.P., (ii) 1,515,416 series B preferred shares held by IDG Technology Venture Investment III, L.P., and (iii) 2,014,504 series B preferred shares held by IDG Technology Venture Investment IV, L.P. We refer to IDG Technology Venture Investment III, L.P. and IDG Technology Venture Investment IV, L.P. collectively as IDG Funds. IDG Technology Venture Investment III, L.P. is a limited partnership with IDG Technology Venture Investment III, LLC as its sole general partner. IDG Technology Venture Investment III, LLC is controlled by Mr. Quan Zhou and Mr. Chi Sing Ho, its two managing members. IDG Technology Venture Investment IV, L.P. is a limited partnership with IDG Technology Venture Investment IV, LLC as its sole general partner. IDG Technology Venture Investment IV, LLC is controlled by Mr. Quan Zhou and Mr. Chi Sing Ho, its two managing members. Mr. Zhou disclaims beneficial ownership of shares held by IDG Technology Venture Investment III, L.P. and IDG Technology Venture Investment IV, L.P., except to the extent of his pecuniary interest therein. The business address of Mr. Zhou is c/o IDG Capital Partners, 6/F, COFCO Plaza, No. 8 Jianguomennei Avenue, Beijing 100005, China.

(10) Represents 13,401,552 common shares, including (i) 1,303,402 common shares, and (ii) common shares issuable upon conversion of (a) 75,499 series A preferred shares, (b) 1,642,919 series A-1 preferred shares, (c) 2,014,547 series B preferred shares, (d) 10,580,397 series D preferred shares, and (e) 3,406,824 series E preferred shares issuable upon exercise of warrants held by Skyline Global Company Holdings Limited, less 469,225 common shares, 27,180 series A preferred shares, 591,451 series A-1 preferred shares, 725,237 series B preferred shares and 3,808,943 series D preferred shares that we will repurchase on or before April 1, 2014. Skyline Global Company Holdings Limited is 100% beneficially owned by Primavera Capital (Cayman) Fund I, L.P., which is controlled by its sole general partner, Primavera Capital (Cayman) GP1 L.P., a limited partnership organized under the laws of the Cayman Islands, which is in turn controlled by its sole general partner, Primavera (Cayman) GP1 Ltd ("PV GP1 Ltd"), an exempted company with limited liability incorporated under the laws of the Cayman Islands. Mr. Fred Zuliu Hu is the controlling shareholder of PV GP1 Ltd. Mr. Wang disclaims beneficial ownership of shares held by Skyline Global Company Holdings Limited, except to the extent of his pecuniary interest therein. The business address of Mr. Wang is 28/F, No. 28 Hennessy Road, Wanchai, Hong Kong.

(11) The business address of Mr. Lin is 68 Qinghe Middle Street WuCaiCheng Office Building, 12th floor, Haidian District, Beijing, China.

(12) The business address of Mr. Wang is 68 Qinghe Middle Street WuCaiCheng Office Building, 12th floor, Haidian District, Beijing, China.

(13) Represents 14,155,917 common shares issuable upon conversion of (i) 13,561,368 series B preferred shares held by Ceyuan Ventures I, L.P. and (ii) 594,549 series B preferred shares held by Ceyuan Ventures Advisors Fund, LLC. We refer to Ceyuan Ventures I, L.P. and Ceyuan Ventures Advisors Fund, LLC collectively as Ceyuan Funds. The general partner of Ceyuan Ventures I, L.P. and the sole director of Ceyuan Ventures Advisors Fund, LLC is Ceyuan Ventures Management, LLC. Yanxi Holding Co., Ltd., Ceyuan Partners, Mr. Weiguo Zhao, Mr. John S. Wadsworth Jr., Mr. Bo Feng, Mr. Fisher Zhang, Heidi Van Horn Trust and NewMargin Fund Management Company Limited collectively hold 100% shares of Ceyuan Ventures Management, LLC. Mr. Ye Yuan has the sole voting and dispositive power over the shares held by Yanxi Holding Co., Ltd., Mr. Tao Feng has the sole voting and dispositive power over the shares held by NewMargin Fund Management Company Limited, and Mr. Christopher Wadsworth has the sole voting and dispositive power over shares held by Ceyuan Partners. The director of Ceyuan Ventures Management, LLC is Mr. Bo Feng. Mr. Yuan disclaims the beneficial ownership with respect to the shares in our company held by Ceyuan Funds, except to the extent of his pecuniary interest therein. The business address of Mr. Yuan is Exhibit Hall 1, 2/F, Poly Plaza 14, Dongzhimen Nandajie, Dongcheng District, Beijing 100027, China.

(14) Represents (i) 70,975,491 common shares issuable upon conversion of 70,975,491 series E preferred shares held by Xiaomi Ventures Limited, and (ii) the option within three months after March 5, 2014 to purchase an additional 35,487,746 series E preferred shares which, if exercised, will be convertible into 35,487,746 common shares. The common shares beneficially owned by Xiaomi Ventures Limited after this offering include common shares that Xiaomi Ventures has agreed to purchase from us at the per share equivalent of the price to the public in this offering with a total purchase amount of US$50 million. The business address of Xiaomi Ventures Limited is 68 Qinghe Middle Street WuCaiCheng Office Building, 12th Floor, Haidian District, Beijing, People's Republic of China.

(15) Represents 43,149,285 common shares held by Vantage Point Global Limited, a British Virgin Islands company which is 100% beneficially owned by Mr. Sean Shenglong Zou through a family trust. The registered address of Vantage Point Global Limited is P.O. Box 438, Palm Grove House, Road Town, Tortola, British Virgin Islands.

(16) Represents 37,787,909 common shares issuable upon conversion of (i) 34,757,081 series A-1 preferred shares and (ii) 3,030,828 series B preferred shares held by Morningside Technology Investments Limited, a company incorporated in British Virgin Islands. Morningside Technology Investments Limited is ultimately indirectly held under a trust for the benefit of Madam Chan Tan Ching Fen. The trustee of the trust is a company incorporated in the British Virgin Islands whose directors include

Raymond Long Sing Tang, Simon Crispin Groom, Ian Fred Ledger, and Peter Stuart Allenby Edwards. The address of Morningside Technology Investments Limited is 2/F, Le Prince de Galles, 3-5 Avenue des Citronniers MC 98000.

(17) Represents 21,649,920 common shares issuable upon conversion of (i) 18,120,000 series A preferred shares and held by IDG Technology Venture Investment III, L.P., (ii) 1,515,416 series B preferred shares held by IDG Technology Venture Investment III, L.P. and (iii) 2,014,504 series B preferred shares held by IDG Technology Venture Investment IV, L.P. IDG Technology Venture Investment III, L.P. is a limited partnership with IDG Technology Venture Investment III, LLC as its sole general partner. IDG Technology Venture Investment III, LLC is controlled by Mr. Quan Zhou and Mr. Chi Sing Ho, its two managing members. IDG Technology Venture Investment IV, L.P. is a limited partnership with IDG Technology Venture Investment IV, LLC as its sole general partner. IDG Technology Venture Investment IV, LLC is controlled by Mr. Quan Zhou and Mr. Chi Sing Ho, its two managing members. The registered address of the IDG Funds is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, United States.

(18) Represents 16,994,685 common shares currently held by Aiden & Jasmine Limited, a British Virgin Islands company which is 100% owned by Mr. Hao Cheng. The business address of Aiden & Jasmine Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

(19) Represents 14,155,917 common shares issuable upon conversion of (i) 13,561,368 series B preferred shares held by Ceyuan Ventures I, L.P. and (ii) 594,549 series B preferred shares held by Ceyuan Ventures Advisors Fund, LLC. The general partner of Ceyuan Ventures I, L.P. and the sole director of Ceyuan Ventures Advisors Fund, LLC is Ceyuan Ventures Management, LLC, a company incorporated in the Cayman Islands. Yanxi Holding Co., Ltd., Ceyuan Partners, Mr. Weiguo Zhao, Mr. John S. Wadsworth Jr., Mr. Bo Feng, Mr. Fisher Zhang, Heidi Van Horn Trust and NewMargin Ventures collectively hold 100% shares of Ceyuan Ventures Management, LLC. Mr. Ye Yuan has the sole voting and dispositive power over the shares held by Yanxi Holding Co., Ltd., Mr. Tao Feng has the sole voting and dispositive power over the shares held by NewMargin Fund Management Company Limited, and Mr. Christopher Wadsworth has the sole voting and dispositive power over shares held by Ceyuan Partners. The director of Ceyuan Ventures Management, LLC is Mr. Bo Feng. The registered address of Ceyuan Funds is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(20) Represents 13,401,552 common shares, including (i) 1,303,402 common shares, and (ii) common shares issuable upon conversion of (a) 75,499 series A preferred shares, (b) 1,642,919 series A-1 preferred shares, (c) 2,014,547 series B preferred shares, (d) 10,580,397 series D preferred shares, and (e) 3,406,824 series E preferred shares issuable upon exercise of warrants held by Skyline Global Company Holdings Limited, less 469,225 common shares, 27,180 series A preferred shares, 591,451 series A-1 preferred shares, 725,237 series B preferred shares and 3,808,943 series D preferred shares that we will repurchase on or before April 1, 2014. Skyline Global Company Holdings Limited is 100% beneficially owned by Primavera Capital (Cayman) Fund I, L.P., which is controlled by its sole general partner, Primavera Capital (Cayman) GP1 L.P., a limited partnership organized under the laws of the Cayman Islands, which is in turn controlled by its sole general partner, Primavera (Cayman) GP1 Ltd ("PV GP1 Ltd"), an exempted company with limited liability incorporated under the laws of the Cayman Islands. Mr. Fred Zuliu Hu is the controlling shareholder of PV GP1 Ltd. The business address of Skyline Global Company Holdings Limited is 28/F, 28 Hennessy Road, Wanchai, Hong Kong.

As of the date of this prospectus, none of our outstanding common shares are held by record holders in the United States, a total of 26,196,164 preferred shares are held by four record holders in the United States; the total number of shares held by these preferred shareholders represent 10.8% of our total outstanding shares on an as-converted basis. None of our shareholders has informed us that he or she is affiliated with a registered broker-dealer or is in the business of underwriting securities. Except in connection with the reclassification of our common shares, we are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. See "Description of share capital—History of securities issuances" for a description of issuances of our common shares and preferred shares that have resulted in significant changes in ownership held by our major shareholders.

Related party transactions

Contractual arrangements with our PRC variable interest entities and their shareholders

Due to current legal restrictions on foreign ownership and investment in value-added telecommunications services in China, we conduct our operations in China principally through a series of contractual arrangements with our variable interest entities and their shareholders in China. For a description of these contractual arrangements, see "Corporate history and structure."

Shareholders agreement

See "Description of share capital—Shareholders agreement."

Employment agreements

See "Management—Employment agreements."

Share incentives

See "Management—Share incentive plans"

Advances extended to certain directors

We extended advances amounting to an aggregate of US$85,000 to Mr. Hao Cheng in 2013. These advances were used for general business purposes. As of the date of this prospectus, all the advances have been paid off.

All the advances to Mr. Hao Cheng were unsecured, interest-free and have no repayment terms.

Game sharing arrangement with Zhuhai Qianyou Technology, Co., Ltd.

In November 2011, we obtained an exclusive game operation right from Zhuhai Qianyou Technology, Co., Ltd., or Zhuhai Qianyou, our equity investee, which is specialized in developing online games. According to the agreement in relation to such game operation right that we entered into with Zhuhai Qianyou, we need to share revenues derived by the licensed games with Zhuhai Qianyou. In the years ended December 31, 2012 and 2013, game sharing cost paid and payable to Zhuhai Qianyou was US$1.0 million and US$1.8 million, respectively. As of December 31, 2012 and 2013, we had amounts of US$0.3 million and US$0.2 million, respectively, due to Zhuhai Qianyou.

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.

As of the date of this prospectus, the aggregate amount of the fees that have been paid by Shenzhen Xunlei to Xunlei Computer for its technology development services and the software license under the framework agreement is approximately RMB100 million (US$16.3 million).

Description of share capital

We are a Cayman Islands company and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time and the Companies Law (2013 Revision) of the Cayman Islands, which we refer to as the Companies Law below.

As of the date hereof, our authorized share capital is US$150,000 and consists of 355,532,959 common shares with a par value of US$0.00025 each and 244,467,041 preferred shares with a par value of US$0.00025 each, of which 26,416,560 preferred shares are designated as series A preferred shares, 36,400,000 preferred shares are designated as series A-1 preferred shares, 30,308,284 preferred shares are designated as Series B preferred shares, 5,728,264 preferred shares are designated as series C preferred shares, 18,000,000 preferred shares are designated as series D preferred shares and 127,613,933 preferred shares are designated as series E preferred shares. As of the date of this prospectus, 70,521,104 common shares, 26,416,560 series A preferred shares, 36,400,000 series A-1 preferred shares, 30,308,284 series B preferred shares 5,728,264 series C preferred shares, 10,580,397 series D preferred shares and 70,975,491 series E preferred shares are issued and outstanding. All our issued and outstanding common shares and preferred shares are fully paid. We will adopt a dual class common share structure immediately upon the completion of this offering. Immediately upon the completion of this offering, there will be Class B common shares outstanding, representing % of the total outstanding share capital and % of the total voting power immediately after the completion of this offering (assuming the underwriters do not exercise the over-allotment option).

On , we adopted our seventh amended and restated memorandum of association and sixth amended and restated articles of association, or memorandum and articles of association, which will become effective upon the completion of this offering. The following are summaries of material provisions of our memorandum and articles of association and the Companies Law insofar as they relate to the material terms of our common shares. This summary is not complete, and you should read the form of our memorandum and articles of association, which have been filed as exhibits to the registration statement of which this prospectus is a part.

Exempted company

We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company is not required to open its register of members for inspection;
- an exempted company does not have to hold an annual general meeting;

- an exempted company may in certain circumstances issue no par value, negotiable or bearer shares;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

Common shares

General. Our common shares are divided into Class A common shares and Class B common shares. Holders of Class A common shares and Class B common shares have the same rights except for voting and conversion rights. All of our outstanding common shares are fully paid. Certificates representing the common shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares. We will issue non-negotiable shares and not bearer or negotiable shares.

Register of members

Under Cayman Islands law, we must keep a register of members and there shall be entered therein:

(a) the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;

(b) the date on which the name of any person was entered on the register as a member; and

(c) the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members shall be deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Upon the closing of this public offering, the register of members shall be updated promptly thereafter to reflect the issue of shares by us to whoever has subscribed to be a member in connection with this offering and will be updated upon subsequent transfers of our shares. Once the register of members of our company has been updated, the shareholders recorded in the register of members shall be deemed to have legal title to the shares set against their name. There is no requirement under Cayman Islands laws for the register of members to be filed with the Cayman Islands Companies Registrar.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Cayman Islands Grand Court

for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Dividends. The holders of our common shares are entitled to such dividends as may be declared by our board of directors, which is subject to the approval by the holders of the number of common shares representing a majority of the aggregate voting power of all outstanding shares and the approval of the holders of a majority of the total outstanding Class A common shares (provided always that dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, and provided further that a dividend may not be paid if this would result in our company being unable to pay in debts as they fall due in the ordinary course of business).

Conversion. Each Class B common share is convertible into one Class A common share at any time by the holder thereof. Class A common shares are not convertible into Class B common shares under any circumstances.

Voting rights. Each holder of Class A common shares is entitled to one vote and each Class B common share is entitled to votes.

A quorum required for a meeting of shareholders consists of at least one shareholder present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative, who hold in aggregate not less than fifty percent of the total voting power of the company. Shareholders' meetings may be held annually and may be convened by our board of directors on its own initiative or upon a request to the directors by shareholders holding in aggregate at least one-third of the total voting power of the company. Advance notice of at least seven calendar days is required for the convening of shareholders' meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the common shares cast in a general meeting, while a special resolution requires the affirmative vote of at least two-thirds of the votes attaching to the common shares cast in a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our memorandum and articles of association. A special resolution is required for important matters such as a change of name or making changes to our memorandum and articles of association. Holders of the common shares may effect certain changes by ordinary resolution, including increasing the amount of our authorized share capital, consolidating all or any of our share capital and dividing all or any of our share capital into shares of larger amount than our existing shares, and cancelling any authorized but unissued shares.

Transfer of shares. Subject to the restrictions set out in our memorandum and articles of association, our shareholders may transfer all or any of their common shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board may decline to register any transfer of any common share which is not paid up or on which we have a lien. Our board may also decline to register any transfer of any share unless (a) the instrument of transfer is lodged with us, accompanied by the certificate for the common shares to which it relates and such other evidence as our board may reasonably require to show the right of the transferor to make the transfer; (b) the instrument of transfer

is in respect of only one class of share; (c) the instrument of transfer is properly stamped (in circumstances where stamping is required); (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four; (e) the shares transferred are free of any lien in favor of us; and (f) a fee of such maximum sum as the [NYSE/NASDAQ Global Market] may determine to be payable, or such lesser sum as our board may from time to time require, is paid to us in respect thereof.

If our board of directors refuses to register a transfer it shall, 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 be suspended on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means and the register closed at such times and for such periods as our board may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any calendar year.

Liquidation. On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares), assets available for distribution shall be distributed among the holders of common shares on a pro rata basis. If our assets available for distribution are insufficient to pay all of the paid up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately. We are a "limited liability" company formed under the Companies Law, and under the Companies Law, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our memorandum of association contains a declaration that the liability of our members is so limited.

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. Shares that have been called upon and remain unpaid on the specified time 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 thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders, or are otherwise authorized by our memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh 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 the company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law 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 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.

Variations of rights of shares. If at any time, our share capital is divided into different classes of shares, all or any of the rights attached to any class of shares may be varied either with the written consent of the holders of a majority of the issued shares of that class or with the

sanction of an ordinary resolution passed at a general meeting of the holders of the shares of that class.

Inspection of books and records. Holders of our common shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we intend to provide our shareholders with annual audited financial statements. See "Where you can find additional information."

History of securities issuances

The following is a summary of our securities issuance during the past three years:

Option grants. We granted options to purchase our common shares to certain of our directors, executive officers and employees and consultants under our 2010 Plan, for their past and future services. For details, see "Management—Share incentive plans." In addition, we granted an option to purchase 4,205,100 common shares to each of our co-founders, Mr. Sean Shenglong Zou and Mr. Hao Cheng, in 2006 and issued the equivalent number of common shares to Vantage Point Global Limited, a British Virgin Islands company beneficially owned by Mr. Zou, and Aiden & Jasmine Limited, a British Virgin Islands company beneficially owned by Mr. Cheng, in April 2011 upon the founders' exercise of their fully vested options.

Share Split. On January 21, 2011, we effected a 4-for-1 share split. As a result of the share split, the par value of USD$0.001 per share was changed to USD$0.00025 per share. The share split has been retroactively reflected for all periods presented in this prospectus.

Repurchase of common shares. In April 2011, we repurchased 28,033,976 common shares from Aiden & Jasmine Limited and 28,033,976 common shares from Vantage Point Global Limited for a consideration of the par value of $0.00025 per share. The repurchases were completed in order to cancel the total of 56,067,952 common shares that were held as treasury shares since September 2005 following the forfeiture of those shares from our two founders.

Series C preferred shares. In April 2011, we issued and sold 5,728,264 series C preferred shares to two series C investors, RW Investments LLC and CRP Holdings Limited, for a total consideration of US$30.0 million, which were paid in full.

Series D preferred shares and warrants to purchase series D preferred shares. In February and March 2012, we issued and sold 9,310,749 and 1,269,648 series D preferred shares, respectively, to Skyline Global Company Holdings Limited, or Skyline, for a total consideration of US$37.5 million. In relation to the issuance of series D preferred shares, we adjusted the conversion price for the series C preferred shares from US$5.24 per share to US$4.14 per share while other terms of the series C preferred shares remain unchanged. As a result of such adjustment of the conversion price, we would issue 7,103,327 and 144,966 common shares to RW Investments LLC and CRP Holdings Limited, respectively, on a fully-converted basis of the then total of 5,728,264 series C preferred shares upon conversion. In connection with our series D preferred shares, we also granted and issued warrants to Skyline to purchase 1,952,663 and 266,272 series D preferred shares in our company at US$3.38 per share in February and March 2012, respectively. Each warrant has a term of two years starting from the date of grant. The two warrants expired in February and March 2014, respectively.

Series E preferred shares and warrants to purchase series E shares. In March 2014, we completed the series E preferred shares financing with Xiaomi Ventures, pursuant to which Xiaomi Ventures subscribed for 70,975,491 series E preferred shares for a total purchase price of US$200 million, or approximately US$2.8 per share. As of the date of this prospectus, Xiaomi Ventures holds approximately 25% of our total issued and outstanding shares on an as-converted basis. Within three months after the closing, Xiaomi Ventures will have the right to purchase, or designate any other person(s) to purchase, an additional 35,487,746 series E preferred shares at approximately US$2.8 per share. In addition, concurrent with the closing of Xiaomi Ventures' subscription, we issued warrants to Xiaomi Ventures with an exercise price of approximately US$2.8 per share. Xiaomi Ventures is entitled to subscribe for up to 17,743,873 series E preferred shares upon exercise of the warrants. If we are unable to complete this offering by December 31, 2014, then such warrants are exercisable at Xiaomi Ventures' option starting from January 1, 2015 and ending on March 1, 2015. Moreover, in relation to the series E preferred shares financing, we also issued warrants to Skyline, with an exercise price of approximately US$2.8 per share. Skyline is entitled to subscribe for up to 3,406,824 series E preferred shares upon its exercise of the warrants. Such warrants are exercisable at Skyline's option no later than the pricing date of this offering or March 1, 2015, whichever is earlier. The issuance of series E preferred shares triggered the anti-dilution rights of series C preferred shares held by CRP Holdings Limited and series D preferred shares held by Skyline pursuant to our then effective memorandum and articles of association. As a result, we adjusted the conversion price of the series C preferred shares held by CRP Holdings Limited from US$4.14 to approximately US$3.64, and the conversion price of series D preferred shares held by Skyline from US$3.544 to approximately US$2.86. Accordingly, we will issue 164,771 and 12,196,749 common shares upon conversion of 114,565 series C preferred shares held by CRP Holdings Limited and 10,580,397 series D preferred shares held by Skyline.

Pursuant to our existing shareholders agreement, on or before April 1, 2014, we will repurchase from Skyline 469,225 common shares, 27,180 series A preferred shares, 591,451 series A-1 preferred shares, 725,237 series B preferred shares and 3,808,943 series D preferred shares at a total consideration of US$24,275,665.3.

Grant of incentive awards. In November, we issued 9,073,732 common shares in November 2013 to Leading Advice Holdings Limited, a BVI company designated by our founders, which acts as the administrator of our 2013 share incentive plan prior to the completion of this offering. As of the date of this prospectus, we have awarded certain number of restricted shares to our executive officers and other employees under the 2013 Plan. See "Management—Share Incentive Plans—2013 Plan" for more details.

Shareholders agreement

In connection with the issuance of our series E preferred shares, we entered into a sixth amended and restated shareholders agreement in March 2014 with our shareholders and relevant parties therein. Pursuant to this sixth amended and restated shareholders agreement, for as long as holders of each class of the series A and series A-1 preferred shares continue to hold at least 10% and 12% of the shares in the authorized capital of our company, respectively, the holders of a majority of each of these classes of preferred shares are each entitled to designate and remove one voting director of the board. Our existing series D preferred shareholder is entitled to designate and remove one voting director of the board as

long as the aggregate number of shares this shareholder has transferred (less the aggregate number of shares this shareholder has acquired) divided by 15,616,764 is less than or equal to 36.3%. In addition, for so long as Xiaomi Ventures continues to hold any series E preferred shares, Xiaomi Ventures is entitled to designate and remove two voting directors of the board. For so long as our co-founders together continue to hold, directly and indirectly, at least 5% of the issued and outstanding shares, Mr. Sean Shenglong Zou is entitled to appoint and remove two voting directors of the board and Mr. Hao Cheng is entitled to appoint and remove one voting director of the board. Under the shareholders agreement and our sixth amended and restated memorandum of association and fifth amended and restated articles of association, our series A, series A-1, series B, series C, series D and series E preferred shareholders are also entitled to registration rights and certain preferential rights, including right of first refusal, right of co-sale, right of first offer and drag-along rights. Except for the registration rights, all preferred shareholders' rights will automatically terminate upon the completion of this offering.

Registration rights

Pursuant to our sixth amended and restated shareholders agreement, we have granted certain registration rights to our shareholders. Set forth below is a description of the registration rights granted under the agreement.

Demand registration rights. At any time following the completion of this offering or the fourth anniversary of March 5, 2014, whichever is earlier, upon a written request from the holders of at least 30% of the registrable securities then outstanding, we shall file a registration statement covering the offer and sale of the registrable securities. Registrable securities include our common shares issued or issuable upon conversion of the preferred shares provided that, with respect to demand registration right, registrable securities exclude common shares issued or issuable upon conversion of the series C preferred shares. However, we are not obligated to proceed with a demand registration if (i) such registration is in any particular jurisdiction in which we would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless we already are subject to service in such jurisdiction and except as may be required by the Securities Act; (ii) we have already effected three demand registrations; (iii) such registration is during the period starting with the date 60 days prior to our good faith estimate of the date of filing of, and ending on a date 180 days after the effective date of a registration initiated by us, provided that we are actively employing in good faith all reasonable efforts to cause such registration statements to become effective; (iv) the initiating holders (defined in the shareholders agreement) propose to dispose of registrable securities which may be immediately registered on Form F-3 pursuant to a request from other holders of registrable shares; (v) initiating holders do not request that such offering be firmly underwritten by underwriters selected by the initiating holders or (vi) if we and the initiating holders are unable to obtain the commitment of the underwriter described in clause (v) above to firmly underwrite the offer. We have the right to defer filing of a registration statement for up to 120 days if our board of directors determines in good faith that the filing of a registration statement would be materially detrimental to us, but we cannot exercise the deferral right more than once in any 12-month period.

Piggyback registration rights. If we propose to file a registration statement for a public offering of our securities other than pursuant to registration statement relating to any

employee benefit plan or a corporate reorganization, then we must offer holders of registrable securities an opportunity to include in that registration all or any part of their registrable securities. The underwriters of any underwritten offering have the right to limit the number of shares with registration rights to be included in the registration statement, subject to certain limitations; for example, the number of shares that may be included in the registration and the underwriting shall be allocated first to us and then to the series E, series D, series C, series B and series A-1 preferred shareholders in turn.

Form F-3 registration rights. When we are eligible for registration on Form F-3, holders of at least 30% of the registrable securities then outstanding will have the right to request that we file registration statements on Form F-3 covering the offer and sale of their securities. A Form F-3 registration shall not be deemed to be a demand registration.

We are not obligated to effect a Form F-3 registration, among other things, if (1) we have already effected a registration under the Securities Act within the six months period preceding the date of such request, other than a registration from which the registrable securities of the holders have been excluded, or (2) the dollar amount of securities to be sold is of an aggregate price to the public of less than US$1.0 million. We have the right to defer filing of a registration statement for up to 90 days if our board of directors determines in good faith that the filing of a registration statement would be materially detrimental to us, but we cannot exercise the deferral right more than once in any 12-month period.

Expenses of registration. We will pay all expenses relating to any demand, piggyback, or Form F-3 registration, other than underwriting commissions and discounts.

Termination of obligations. Our obligations with respect to the piggyback registration rights shall terminate on the second anniversary of the completion of this offering. Our obligations with respect to the demand registration rights or the Form F-3 registration rights shall terminate on the fifth anniversary of the completion of this offering. In addition, we shall have no obligation to effect any demand, or Form F-3 registration if, in the opinion of our counsel, all registrable securities may be sold at that time without registration pursuant to Rule 144 under the Securities Act.

Differences in corporate law

The Companies Law of the Cayman Islands is modeled after that of the English Companies legislation but does not follow recent English statutory enactments. In addition, the Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and similar arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company; and (b) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order

to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The 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.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to majority vote have been met;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such that a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

When a take-over offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two month period, require the holders of the remaining shares to transfer such shares 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 unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States 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 and 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 courts ordinarily would be expected to apply and follow the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) which permit a minority

shareholder to commence a representative action against, or derivative actions in the name of, our company to challenge:

- an act which is illegal or ultra vires;
- an irregularity in the passing of a resolution which requires a qualified (or special) majority; and
- an act which constitutes a fraud on the minority where the wrongdoers are themselves in control of the company.

Indemnification. 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.

Under our memorandum and articles of association, we shall indemnify each of our directors and officers of our 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 our company.

We intend to enter into indemnification agreements with our directors and executive officers to indemnify them to the fullest extent permitted by applicable law and our articles of association, from and against all costs, charges, expenses, liabilities and losses incurred in connection with any litigation, suit or proceeding to which such director is or is threatened to be made a party, witness or other participant.

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

General meetings and shareholder proposals. Cayman Islands law 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 memorandum and articles of association allow our shareholders holding not less than one-third of our voting share capital to requisition a general meeting of the shareholders, in which case the directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our 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.

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors. We, however, will hold an annual shareholders' meeting during each fiscal year, as required by the rules of the [NYSE/NASDAQ Global Market].

Description of American Depositary Shares

has agreed to act as the depositary for the American Depositary Shares. 's depositary offices are located at . American Depositary Shares are frequently referred to as "ADSs" and represent ownership interests in securities that are on deposit with the depositary. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts" or "ADRs." The depositary typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is .

We have appointed as depositary pursuant to a deposit agreement. A copy of the deposit agreement will be on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333- when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive Clas s A common shares on deposit with the custodian. An ADS also represents the right to receive any other property received by the depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary. As an ADS holder you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of Class A common shares will continue to be governed by the laws of the Cayman Islands, which may be different from the laws in the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on behalf of you to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the "direct registration system" or "DRS"). The

direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and The Depository Trust Company ("DTC"), the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

Dividends and distributions

As a holder, you generally have the right to receive the distributions we make on the securities deposited with the custodian bank. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of a specified record date (which will be set as close as possible to the record date of the Class A common shares).

Distributions of cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary will arrange for the funds to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the Cayman Islands laws and regulations.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The amounts distributed to holders will be net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement.

Distributions of shares

Whenever we make a free distribution of Class A common shares for the securities on deposit with the custodian, we will deposit the applicable number of Class A common shares with the custodian. Upon receipt of confirmation of such deposit, the depositary will either distribute to holders new ADSs representing the Class A common shares deposited or modify the

ADS-to-Class A common share ratio, in which case each ADS you hold will represent rights and interests in the additional Class A common shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-Class A common share ratio upon a distribution of Class A common shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary may sell all or a portion of the new Class A common shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (i.e., the U.S. securities laws) or if it is not operationally practicable. If the depositary does not distribute new ADSs as described above, it may sell the Class A common shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of rights

Whenever we intend to distribute rights to purchase additional Class A common shares, we will give prior notice to the depositary and we will assist the depositary in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depositary will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new Class A common shares other than in the form of ADSs.

The depositary will *not* distribute the rights to you if:

- We do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- We fail to deliver satisfactory documents to the depositary; or
- It is not reasonably practicable to distribute the rights.

The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

Elective distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective distribution to be made available to you. In such case,

we will assist the depositary in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a holder of Class A common shares would receive upon failing to make an election, as more fully described in the deposit agreement.

Other distributions

Whenever we intend to distribute property other than cash, Class A common shares or rights to purchase additional Class A common shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will *not* distribute the property to you and will sell the property if:

- We do not request that the property be distributed to you or if we ask that the property not be distributed to you; or
- We do not deliver satisfactory documents to the depositary; or
- The depositary determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is reasonably practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary will convert the redemption funds received into U.S. dollars upon the terms of the deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. You may have to pay fees, expenses, taxes and other governmental charges

upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a *pro rata* basis, as the depositary may determine.

Changes affecting Class A common shares

The Class A common shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, a split-up, cancellation, consolidation or reclassification of such Class A common shares or a recapitalization, reorganization, merger, consolidation or sale of assets.

If any such change were to occur, your ADSs would, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the Class A common shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the Shares. If the depositary may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon deposit of Class A common shares

Upon completion of this offering, the Class A common shares being offered pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in this prospectus. After the completion of this offering, the depositary may create ADSs on your behalf if you or your broker deposit Class A common shares with the custodian. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the Class A common shares to the custodian. Your ability to deposit Class A common shares and receive ADSs may be limited by U.S. and the Cayman Islands legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the Class A common shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When you make a deposit of Class A common shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- The Class A common shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- All preemptive (and similar) rights, if any, with respect to such Class A common shares have been validly waived or exercised.
- You are duly authorized to deposit the Class A common shares.
- The Class A common shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the

ADSs issuable upon such deposit will not be, "restricted securities" (as defined in the deposit agreement).

- The Class A common shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, combination and split up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR certificate is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of shares upon cancellation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary for cancellation and then receive the corresponding number of underlying Class A common shares at the custodian's offices. Your ability to withdraw the Class A common shares may be limited by U.S. and Cayman Islands legal considerations applicable at the time of withdrawal. In order to withdraw the Class A common shares represented by your ADSs, you will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the Class A common shares being withdrawn. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel your ADSs. The withdrawal of the Class A common shares represented by your ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except for:

- Temporary delays that may arise because (i) the transfer books for the Class A common shares or ADSs are closed, or (ii) Class A common shares are immobilized on account of a shareholders' meeting or a payment of dividends.
- Obligations to pay fees, taxes and similar charges.
- Restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the Class A common shares represented by your ADSs. The voting rights of holders of Class A common shares are described in the Section entitled *Description of share capital—Voting rights*.

As soon as practicable, after receipt of notice by the depositary at least thirty (30) days prior to a shareholders meeting or the voting deadline for a consent or solicitation of proxies, the depositary will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the securities represented by ADSs.

Voting at our shareholders' meetings is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of our board of directors or any shareholder present in person or by proxy. If the depositary bank timely receives voting instructions from a holder of ADSs, the depositary bank will endeavor to cause the Class A common shares on deposit to be voted as follows: (a) in the event voting takes place at a shareholders' meeting by show of hands, the depositary bank will instruct the custodian to vote all Class A common shares on deposit in accordance with the voting instructions received from a majority of the holders of ADSs who provided voting instructions; or (b) in the event voting takes place at a shareholders' meeting by poll, the depositary bank will instruct the custodian to vote the Class A common shares on deposit in accordance with the voting instructions received from holders of ADSs.

In the event of voting by poll, Class A common shares in respect of which no timely voting instructions have been received from ADS holders and provided that the depositary received notice of the meeting or solicitation of vote at least 30 days prior to such meeting or vote, such ADS holder will be deemed to have instructed the depositary to give a discretionary proxy to a person designated by the Company to vote the Class A common shares represented by such ADSs. No discretionary proxy will be given with respect to any matter as to which the Company informs the Depositary that the Company does not wish such proxy to be given, and no discretionary proxy will be given (x) with respect to any matter as to which the Company informs the depositary that (i) there exists substantial opposition, or (ii) the rights of holders of ADSs or the shareholders of the Company will be adversely affected and (y) in the event the vote is on a show of hands.

Please note that the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary in a timely manner. Securities for which no voting instructions have been received will not be voted.

Fees and charges

As an ADS holder, you will be required to pay the following service fees to the depositary:

Service	Fees
• Issuance of ADSs	Up to U.S. 5¢ per ADS issued
• Cancellation of ADSs	Up to U.S. 5¢ per ADS canceled
• Distribution of cash dividends or other cash distributions	Up to U.S. 5¢ per ADS held
• Distribution of ADSs pursuant to stock dividends, free stock distributions or exercise of rights	Up to U.S. 5¢ per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to U.S. 5¢ per ADS held
• Depositary services	Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the Depositary
• Transfer of ADRs	U.S. $1.50 per certificate presented for transfer

As an ADS holder you will also be responsible to pay certain fees and expenses incurred by the depositary and certain taxes and governmental charges such as:

- Fees for the transfer and registration of Class A common shares charged by the registrar and transfer agent for the Class A common shares in the Cayman Islands (i.e., upon deposit and withdrawal of Class A common shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities (i.e., when Class A common shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of Class A common shares on deposit.

Depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The Depositary fees payable for cash distributions are generally deducted from the cash being distributed. In the case of distributions other than cash (i.e., stock dividend, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes.

The depositary bank may reimburse us for certain expenses incurred by us in respect of the ADR program established pursuant to the deposit agreement, by making available a portion of the depositary fees charged in respect of the ADR program or otherwise, upon such terms and conditions as the Company and the Depositary may agree from time to time.

Amendments and termination

We may agree with the depositary to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the Class A common shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At

that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

Books of depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on obligations and liabilities

The deposit agreement limits our obligations and the depositary's obligations to you. Please note the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in Class A common shares, for the validity or worth of the Class A common shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our memorandum and articles of association, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for the deposit agreement or in our memorandum and articles of association or in any provisions of or governing the securities on deposit.

- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting Shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit which is made available to holders of Class A common shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.

Pre-release transactions

Subject to certain terms and conditions, the depositary may issue to broker/dealers ADSs before receiving a deposit of common shares. These transactions are commonly referred to as "pre-release transactions," and are entered into between the depositary and the applicable broker/dealer. The deposit agreement limits the aggregate size of pre-release transactions (not to exceed 30% of the shares or deposit in the aggregate) and imposes a number of conditions on such transactions (i.e., the need to receive collateral, the type of collateral required, the representations required from brokers, etc.). The depositary may retain the compensation received from the pre-release transactions.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign currency conversion

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting

foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

Shares eligible for future sale

Upon completion of this offering, we will have ADSs outstanding, representing approximately % of our outstanding common shares, which (i) assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs, and (ii) include the common shares we issue and sell through a concurrent private placement to Xiaomi Ventures Limited, our existing series E preferred shareholder, through a concurrent private placement, calculated based on an initial public offering price of US$ per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus. All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our common shares or the ADSs, and while application has been made for the ADSs to be listed on the [NYSE/NASDAQ Global Market], we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our common shares not represented by the ADSs.

Lock-up agreements

Each of [the selling shareholders,] our directors, executive officers, our other existing shareholders and the holders of [most of the options] to purchase our common shares has agreed, subject to some exceptions, not to transfer or dispose of, directly or indirectly, any of our common shares, in the form of ADSs or otherwise, or any securities convertible into or exchangeable or exercisable for our common shares, in the form of ADSs or otherwise, for a period of 180 days after the date this prospectus becomes effective. After the expiration of the 180-day period, the common shares or ADSs held by [the selling shareholders,] our directors, executive officers, our existing shareholders and option holders may be sold subject to the restrictions under Rule 144 under the Securities Act or by means of registered public offerings.

The 180-day restricted period is subject to adjustment under certain circumstances. If (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to us occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Rule 144

Under Rule 144 as currently in effect, a person who has beneficially owned our restricted shares for at least six months is generally entitled to sell the restricted securities without registration under the Securities Act beginning 90 days after the date of this prospectus, subject to certain additional restrictions.

Our affiliates may sell within any three-month period a number of restricted shares that does not exceed the greater of the following:

- 1% of the then outstanding common shares, in the form of ADSs or otherwise, which will equal approximately common shares immediately after this offering; or
- the average weekly trading volume of our common shares in the form of ADSs or otherwise, on the [NYSE/NASDAQ Global Market], during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Affiliates who sell restricted securities under Rule 144 may not solicit orders or arrange for the solicitation of orders, and they are also subject to notice requirements and the availability of current public information about us.

Persons who are not our affiliates are only subject to one of these additional restrictions, the requirement of the availability of current public information about us, and this additional restriction does not apply if they have beneficially owned our restricted shares for more than one year.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our common shares from us in connection with a compensatory stock or option plan or other written agreement relating to compensation is eligible to resell such common shares 90 days after we became a reporting company under the Securities Exchange Act of 1934, as amended, or the Exchange Act in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

Registration rights

Upon completion of this offering, certain holders of our common shares or their transferees will be entitled to request that we register their shares under the Securities Act, following the expiration of the lock-up agreements described above. See "Description of share capital—Registration rights."

Taxation

The following summary of material Cayman Islands, PRC and United States federal income tax consequences of an investment in our ADSs or common shares is based upon laws and relevant interpretations thereof as of the date of this prospectus, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or common shares. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder, our special Cayman Islands counsel; and to the extent it relates to PRC tax law, it represents the opinion of Zhong Lun Law Firm, our special PRC counsel.

Cayman Islands taxation

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

People's Republic of China taxation

Under the PRC EIT 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 State Administration of Taxation 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 EIT 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 "Risk factors—Risks related to doing business in China—Our global income may be subject to PRC taxes under the PRC EIT 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 non-resident 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 three 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.

United States federal income tax considerations

The following discussion is a summary of the United States federal income tax considerations relating to the acquisition, ownership and disposition of our ADSs or common shares by a U.S. Holder (as defined below) that acquires our ADSs in the offering and holds our ADSs as "capital assets" (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended, or 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. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to any United States federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This

discussion 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, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, regulated investment companies, real estate investment trusts, broker-dealers, traders in securities that elect mark-to-market treatment, partnerships and their partners, and tax-exempt organizations (including private foundations), holders who are not U.S. Holders, holders who own (directly, indirectly or constructively) 10% or more of our voting stock, holders that will hold their ADSs or common shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction, or holders that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below). In addition, except to the extent described below, this discussion does not discuss any state, local, alternative minimum tax, non-United States tax considerations, or the Medicare tax. U.S. Holders are urged to consult their tax advisors regarding the United States federal, state, local, and non-United States income and other tax considerations of an investment in 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, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under the Code.

If a partnership (or other entity 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 an investment in our ADSs or common shares.

For United States federal income tax purposes, a U.S. Holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. Accordingly, deposits or withdrawals of common shares for ADSs will generally not be subject to United States federal income tax. The United States Treasury has expressed concerns that parties to whom American depositary shares are released before shares are delivered to the depositary (a "pre-release transaction"), or intermediaries in the chain of ownership between holders of American depositary shares and the issuer of the security underlying the American depositary shares, may be taking actions that are inconsistent with the claiming of foreign tax credits by holders of American depositary shares. These actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the creditability of any PRC taxes, and the availability of the reduced tax rate for dividends received by certain non-corporate

U.S. Holders, each described below, could be affected by actions taken by such parties or intermediaries in respect of a pre-release transaction.

Passive foreign investment company considerations

A non-United States corporation, such as our company, will be classified as a "passive foreign investment company", or "PFIC", for United States federal income tax purposes, 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 average quarterly value of its assets (as determined on the basis of fair market value) during such year 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, more than 25% (by value) of the stock. Although the law in this regard is unclear, we treat Shenzhen Xunlei as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entity but also because we are entitled to substantially all of the economic benefits associated with this entity, and, as a result, we consolidate this entity's operating results in our consolidated financial statements. If it were determined, however, that we are not the owner of Shenzhen Xunlei for United States federal income tax purposes, we may be treated as a PFIC for our current taxable year and any subsequent taxable year.

Assuming that we are the owner of Shenzhen Xunlei for United States federal income tax purposes, based upon our current income and assets (taking into account the expected proceeds from this offering) and projections as to the value of our ADSs and common shares immediately following the offering, we do not presently expect to be classified as a PFIC for the current taxable year or the foreseeable future. While we do not expect to be or become a PFIC, the determination of whether we are a PFIC for any particular year will depend upon the composition of our income and assets and the value of our assets from time to time, including, in particular, the value of our goodwill and other unbooked intangibles (which may depend upon the market value of our ADSs and common shares from time-to-time, which may be volatile) and may also be affected by how, and how quickly, we spend our liquid assets and the cash raised in this offering.

In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization immediately following the close of this offering. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become classified as a PFIC for the current or future taxable years. Although we believe that our classification methodology and valuation approach is reasonable, it is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our being classified as a PFIC for the current or future taxable years.

It is also possible that we may be or become a PFIC in the current or any future taxable due to changes in our asset or income composition, which will be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. In addition, the IRS may challenge

the classification of certain of our non-passive revenues as passive royalty income, which may result in our becoming classified as a PFIC in the current or future taxable years. 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.

Because PFIC status is a factual determination made annually, our special United States counsel expresses no opinion with respect to our PFIC status and also expresses no opinion with respect to our expectations regarding our PFIC status. The discussion below under "Dividends" and "Sale or other disposition of ADSs or common shares" is written on the basis that we will not be classified as a PFIC for United States federal income tax purposes. The United States federal income tax rules that apply if we are classified as a PFIC for our current or future taxable years are generally discussed below under "Passive foreign investment company rules."

Dividends

Subject to the discussion below under "Passive foreign investment company rules," any cash distributions (including the amount of any 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. 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. We have applied to list the ADSs on the [NYSE/NASDAQ Global Market]. Provided the listing is approved, we believe that the ADSs will be readily tradable on an established securities market in the United States and that we will be a qualified foreign corporation with respect to dividends paid on the ADSs. 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. In the event we are deemed to be a resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of the United States-PRC income tax treaty (which the U.S. Treasury Department has determined is satisfactory for this purpose) and we would be treated as a qualified foreign corporation with respect to dividends paid on our common shares or ADSs. Each non-corporate U.S. Holder is advised to consult their tax advisors regarding the availability

of the lower capital gains rate applicable to qualified dividend income for any dividends we pay with respect to the common shares and ADSs. Dividends received on our ADSs or common shares will not be eligible for the dividends received deduction allowed to corporations.

Dividends will generally be treated as passive income from foreign sources for United States foreign tax credit purposes. 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. 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. 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.

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. 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. In the event that gain from the disposition of the ADSs or common shares is subject to tax in the PRC, a U.S. Holder that is eligible for the benefits of the income tax treaty between the United States and the PRC may elect to treat the gain as PRC source income. U.S. Holders are advised to consult its tax advisors regarding the tax consequences if a PRC tax is imposed on a disposition of our ADSs or common shares, including the availability of the foreign tax credit under their particular circumstances.

Passive foreign investment company rules

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 VIE 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 VIE 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 the [NYSE/Nasdaq Global Market]. In addition, we do not expect that holders of common shares that are not represented by ADSs will be eligible to make a mark-to-market election. 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 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 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.

Because a mark-to-market election cannot 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 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 concerning the United States federal income tax consequences of purchasing, 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.

Information reporting and backup withholding

Pursuant to the Hiring Incentives to Restore Employment Act enacted on March 18, 2010, in tax years beginning after the date of enactment, an individual U.S. Holder and certain entities may be required to submit to the IRS certain information with respect to their beneficial ownership of the ADSs or common shares, if such ADSs or ordinary shares are not held on their behalf by a U.S. financial institution. This law also imposes penalties if an individual U.S. Holder is required to submit such information to the IRS and fails to do so.

In addition, U.S. Holders may be subject to information reporting to the IRS and backup withholding with respect to dividends on and proceeds from the sale or other disposition of our ADSs or common shares. Each U.S. Holder is advised to consult with its tax advisor regarding the application of the United States information reporting rules to their particular circumstances.

Underwriting

We [and the selling shareholders] are offering the ADSs described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC and Citigroup Global Markets Inc. are acting as the joint book-running managers of the offering and as the representatives of the underwriters. We [and the selling shareholders] have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we [and the selling shareholders] have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of ADSs listed next to its name in the following table:

Name	Number of ADSs
J.P. Morgan Securities LLC	
Citigroup Global Markets Inc.	
Total	

The underwriting agreement provides that the obligations of the underwriters to purchase the ADSs included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are committed to purchase all the ADSs offered by us [and the selling shareholders] if they purchase any ADSs. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the ADSs directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of US$ per ADSs. Any such dealers may resell ADSs to certain other brokers or dealers at a discount of up to US$ per ADSs from the initial public offering price. After the initial public offering of the ADSs, the offering price and other selling terms may be changed by the underwriters. Sales of ADSs made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additiona l ADSs from us to cover sales of ADSs by the underwriters which exceed the number of ADSs specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this over-allotment option. If any ADSs are purchased with this over-allotment option, the underwriters will purchase ADSs in approximately the same proportion as shown in the table above. If any additional ADSs are purchased, the underwriters will offer the additional ADSs on the same terms as those on which the ADSs are being offered.

[At our request, the underwriters have reserved up to % of the ADSs for sale at the initial public offering price to persons we designate who are directors, officers, employees, consultants, associates and other persons having a relationship with us through a directed share program, subject to the terms of the underwriting agreement, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority and all other applicable laws, rules and regulations. We will pay all fees and expenses incurred by the underwriters in connection with offering the ADSs through the directed share program. Any sales made through the directed share program will be made by . The number of

ADSs available for sale to the general public will be reduced by the number of directed ADSs purchased by participants in the program. The underwriters may offer any ADSs not purchased by participants in the directed share program to the general public on the same basis as the other ADSs being sold hereunder. We have agreed to indemnify against certain losses, expenses and liabilities that it incurs in connection with the directed share program, including indemnification for any losses arising from the failure of any directed share program participant to pay for shares that it agreed to purchase through the directed share program.]

The underwriting fee is equal to the public offering price per ADS less the amount paid by the underwriters to us per ADS. The underwriting fee is US$ per ADS. The following table shows the per ADS and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

		Without over-allotment exercise	**With full over-allotment exercise**
Per ADS	US$	US$	
Total	US$	US$	

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately US$. The underwriters have agreed to reimburse a portion of our expenses.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

Concurrently with, and subject to, the completion of this offering, Xiaomi Ventures Limited has agreed to purchase from us US$50.0 million in common shares at a price per share equal to the initial public offering price adjusted to reflect the ADS-to-common share ratio. Assuming an initial offering price of US$ per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus, this investor will purchase a total of common shares from us. Our proposed issuance and sale of common shares to this investor are being made through private placement pursuant to an exemption from registration with the Securities and Exchange Commission under Regulation S of the Securities Act of 1933, as amended.

We have agreed that we will not (i) issue, offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any common shares or ADSs, or any securities convertible into or exercisable or exchangeable for common shares or ADSs, (ii) file, or announce the intention to file, any registration statement with respect to any common shares or ADSs, or any securities convertible

into or exercisable or exchangeable for common shares or ADSs, or (iii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of common shares or ADSs (regardless of whether any of these transactions are to be settled by the delivery of common shares or ADSs or such other securities, in cash or otherwise), in each case without the prior written consent of the representatives for a period of 180 days after the date of this prospectus, other than (A) the ADSs to be sold hereunder and the Class A common shares represented by such ADSs, (B) grants of employee share options, restricted shares or other equity incentives pursuant to our Share Incentive Plan existing on the date of this prospectus, which are described under "Management—Share Incentive Plans," and (C) issuances of Class A common shares upon the exercise of options granted under such Share Incentive Plan. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or announce material news or a material event relating to our company occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or the occurrence of the material event.

Our directors and executive officers, existing shareholders and holders of [most of the options] to purchase our common shares have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of the representatives, (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any common shares, ADSs or any securities convertible into or exercisable or exchangeable for common shares or ADSs (including without limitation, common shares which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the United States Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant), or publicly disclose the intention to make any offer, sale, pledge or disposition, (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common shares or ADSs (regardless of whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common shares or ADSs or such other securities, in cash or otherwise), or (iii) make any demand for or exercise any right with respect to the registration of any common shares or any security convertible into or exercisable or exchangeable for common shares, except (A) the ADSs and the Class A common shares represented by such ADSs to be sold by such person as a selling shareholder, if any, and (B) under certain circumstances including, without limitation to, transfers pursuant to gifts, dispositions and by will or intestacy where each transferee signs and delivers a lock-up agreement. Furthermore, all of our directors, executive officers, shareholders and holders of the options to purchase our common shares are restricted by our agreement with the depositary from depositing common shares in our ADS facility or having new ADSs issued to them during the "lock-up" period, unless we otherwise instruct the depositary with the prior written consent of the representatives of the underwriters. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or

announce material news or a material event relating to our company occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or the occurrence of the material event.

We [and the selling shareholders] have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We have applied for listing of our ADSs on the [NYSE/NASDAQ Global Market] under the symbol "XNET."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling ADSs in the open market for the purpose of preventing or retarding a decline in the market price of the ADSs while this offering is in progress. These stabilizing transactions may include making short sales of ADSs, which involves the sale by the underwriters of a greater number of ADSs than they are required to purchase in this offering, and purchasing ADSs on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing ADSs in the open market. In making this determination, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market compared to the price at which the underwriters may purchase ADSs through the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase ADSs in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the ADSs, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase ADSs in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those ADSs as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the ADSs or preventing or retarding a decline in the market price of the ADSs, and, as a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the [NYSE/NASDAQ Global Market], in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our ADSs. The initial public offering price will be determined by negotiations between us and the representatives of the

underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock or ADSs of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our ADSs, or that the ADSs will trade in the public market at or above the initial public offering price.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area that has implemented the European Union Prospectus Directive, or a Relevant Member State, from and including the date on which the European Union Prospectus Directive, or EU Prospectus Directive, is implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of the securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the ADSs that has been approved by the

competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the ADSs to the public in that Relevant Member State at any time,

(a) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive) subject to obtaining the prior consent of the book-running managers for any such offer; or

(d) in any other circumstances that do not require the publication by the company of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression EU Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measures in each Relevant Member State.

Notice to Prospective Investors in the United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Switzerland

Neither this prospectus nor any other material relating to the ADSs which are the subject of the offering contemplated by this prospectus constitute an issue prospectus pursuant to Article 652a of the Swiss Code of Obligations. The ADSs will not be listed on the SWX Swiss Exchange and, therefore, the documents relating to the ADSs, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SWX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SWX

Swiss Exchange. The ADSs are being offered in Switzerland by way of a private placement, i.e. to a small number of selected investors only, without any public offer and only to investors who do not purchase the ADSs with the intention to distribute them to the public. The investors will be individually approached by us from time to time. This prospectus or any other material relating to the ADSs are personal and confidential and do not constitute an offer to any other person. This prospectus or any other material relating to the ADSs may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. Such materials may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Notice to Prospective Investors in Australia

This document has not been lodged with the Australian Securities & Investments Commission and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia (Corporations Act);

(ii) a "sophisticated investor" under section 708(8)I or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)I(i) or (ii) of the Corporations Act and related regulations before the offer has been made; or

(iii) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act,

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance.

(b) you warrant and agree that you will not offer any of the shares issued to you pursuant to this document for resale in Australia within 12 months of those shares being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Notice to Prospective Investors in Cayman Islands

This prospectus does not constitute a public offer of the ADSs or common shares, whether by way of sale or subscription, in the Cayman Islands. Each underwriter has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any ADSs or common shares in the Cayman Islands.

Notice to Prospective Investors in United Arab Emirates

This prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates, or the UAE. The ADSs have not been

and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange.

The offering, the ADSs and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the ADSs may not be offered or sold directly or indirectly to the public in the UAE.

Notice to Prospective Investors in Hong Kong

The ADSs may not be offered or sold by means of this document or any other document other than (i) in circumstances that do not constitute an offer or invitation to the public within the meaning of the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap.32, Laws of Hong Kong) or the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances that do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The underwriters will not offer or sell any of our ADSs directly or indirectly in Japan or to, or for the benefit of any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person, except, in each case, pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law of Japan and any other applicable laws and regulations of Japan. For purposes of this paragraph, "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation

for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA; (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 by a relevant person that is:

(a) a corporation (that is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the ADSs under Section 275 except:

(i) to an institutional investor (for corporations, under 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than US$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law.

Expenses relating to this offering

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and the [NYSE/NASDAQ Global Market] listing fee, all amounts are estimates.

SEC Registration Fee	US$
[NYSE/NASDAQ Global Market] Listing Fee	
FINRA Filing Fee	
Printing Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
Total	US$

Legal matters

The validity of the ADSs and certain other legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP. Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP. The validity of the Class A common shares represented by the ADSs offered in this offering and other certain legal matters as to Cayman Islands law will be passed upon for us by Maples and Calder. Legal matters as to PRC law will be passed upon for us by Zhong Lun Law Firm and for the underwriters by Fangda Partners. Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Maples and Calder with respect to matters governed by Cayman Islands law and Zhong Lun Law Firm with respect to matters governed by PRC law. Davis Polk & Wardwell LLP may rely upon Fangda Partners with respect to matters governed by PRC law.

Experts

The consolidated financial statements as of December 31, 2012 and 2013 for each of the three years in the period ended December 31, 2013 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The offices of PricewaterhouseCoopers are located at 22/F, Prince's Building, Central, Hong Kong.

Where you can find additional information

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits and securities under the Securities Act with respect to underlying common shares represented by the ADSs, to be sold in this offering. We have also filed with the SEC a related registration statement on F-6 to register the ADSs. This prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon effectiveness of the registration statement to which this prospectus is a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders, and Section 16 short swing profit reporting for our officers and directors and for holders of more than 10% of our common shares. All information filed with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. You may also obtain additional information over the internet at the SEC's website at www.sec.gov.

Index to consolidated financial statements

Report of independent registered public accounting firm

To the Board of Directors and Shareholders of Xunlei Limited:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of comprehensive income, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Xunlei Limited and its subsidiaries (collectively, the "Group") at December 31, 2012 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers
Hong Kong
March 21, 2014

Xunlei Limited
Consolidated balance sheets

(Amounts expressed in thousands of United States dollars ("USD"), except for number of shares and per share data)	Note	December 31, 2012	December 31, 2013	Pro foma at December 31, 2013
				(unaudited)
Assets				
Current assets:				
Cash and cash equivalents	3	81,906	93,906	93,906
Short-term investments	4	6,523	40,993	40,993
Accounts receivable, net	5	51,602	35,275	35,275
Deferred tax assets	20	874	1,185	1,185
Due from related parties	19	—	85	85
Prepayments and other current assets	6	6,435	6,319	6,319
Copyrights related to content, current portion	8	16,490	16,018	16,018
Total current assets		**163,830**	**193,781**	**193,781**
Non-current assets:				
Long-term investments	9	1,488	2,949	2,949
Deferred tax assets	20	7,912	9,430	9,430
Property and equipment, net	7	14,615	20,208	20,208
Intangible assets, net	8	10,667	11,958	11,958
Prepayments for content copyrights	6	3,393	3,149	3,149
Other long-term prepayments and receivables	6	299	2,928	2,928
Total assets		**202,204**	**244,403**	**244,403**
Liabilities				
Current liabilities:				
Accounts payable (including accounts payable of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD 36,896 and USD 62,603 as of December 31, 2012 and 2013, respectively)		31,834	39,820	39,820
Due to a related party (including due to a related party of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD 313 and USD 225 as of December 31, 2012 and 2013, respectively)	19	313	225	225

(Amounts expressed in thousands of United States dollars ("USD"), except for number of shares and per share data)	Note	December 31, 2012	December 31, 2013	Pro foma at December 31, 2013
				(unaudited)
Deferred revenue, current portion (including deferred revenue, current portion of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD 16,117 and USD 29,352 as of December 31, 2012 and 2013, respectively)	10	16,117	29,352	29,352
Income tax payable (including income tax payable of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD 2,372 and USD 2,581 as of December 31, 2012 and 2013, respectively)		2,372	2,581	2,581
Accrued liabilities and other payables (including accrued liabilities and other payables of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD 36,576 and USD 49,265 as of December 31, 2012 and 2013, respectively)	12	28,908	33,407	33,407
		79,544	**105,385**	**105,385**
Liabilities				
Non-current liabilities:				
Deferred revenue, non-current portion (including deferred revenue, non-current portion of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD 2,071 and USD 2,610 as of December 31, 2012 and 2013, respectively)	10	2,071	2,610	2,610
Deferred government grant (including deferred government grant of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD 5,193 and USD 6,580 as of December 31, 2012 and 2013, respectively)	2(v)	5,193	6,580	6,580

(Amounts expressed in thousands of United States dollars ("USD"), except for number of shares and per share data)	Note	December 31, 2012	December 31, 2013	Pro foma at December 31, 2013 (unaudited)
Deferred tax liability, non-current portion (including deferred tax liability, non-current of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD nil as of December 31, 2012 and 2013, respectively)	20	7,361	8,074	8,074
Warrants liabilities (including warrants liabilities of the consolidated variable interest entities and VIE's subsidiaries without recourse to the Company of USD nil as of December 31, 2012 and 2013, respectively)	13	3,717	2,186	2,186
Total liabilities		**97,886**	**124,835**	**124,835**
Commitments and contingencies	23			
Mezzanine equity				
Series D convertible redeemable preferred shares USD 0.00025 par value, 18,000,000 shares authorized, 10,580,397 shares issued and outstanding as at December 31, 2012 and 2013; aggregate redemption value of USD 51,018 as of December 31, 2012 and 2013, nil outstanding on a pro-forma basis as at December 31, 2013	13	35,990	40,290	—
Equity				
Series C convertible non-redeemable preferred shares USD0.00025 par value, 5,728,264 shares authorized, 5,728,264 shares issued and outstanding as at December 31, 2012 and 2013, nil outstanding on a pro-forma basis as at December 31, 2013	15	1	1	—
Series B convertible non-redeemable preferred shares USD0.00025 par value, 30,308,284 shares authorized, 30,308,284 shares issued and outstanding as at December 31, 2012 and 2013, nil outstanding on a pro-forma basis as at December 31, 2013	15	8	8	—

(Amounts expressed in thousands of United States dollars ("USD"), except for number of shares and per share data)	Note	December 31, 2012	December 31, 2013	Pro foma at December 31, 2013
				(unaudited)
Series A-1 convertible non-redeemable preferred shares USD0.00025 par value, 36,400,000 shares authorized, 36,400,000 shares issued and outstanding as at December 31, 2012 and 2013, nil outstanding on a pro-forma basis as at December 31, 2013	15	9	9	—
Series A convertible non-redeemable preferred shares USD0.00025 par value, 27,932,000 shares authorized, 26,416,560 shares issued and outstanding as at December 31, 2012 and 2013, nil outstanding on a pro-forma basis as at December 31, 2013	15	7	7	—
Common shares USD0.00025 par value, 195,504,449 shares authorized, 61,447,372 shares issued and outstanding as at December 31, 2012 and 70,521,104 shares issued and 61,447,372 shares outstanding as at December 31, 2013, 172,400,906 shares outstanding on a pro-forma basis as at December 31, 2013	14	15	15	43
Additional paid-in-capital		59,540	61,634	101,921
Accumulated other comprehensive income		3,235	6,003	6,003
Statutory reserves		3,142	4,478	4,478
Treasury shares 9,073,732 shares as at December 31, 2013, 9,073,732 shares outstanding on a pro-forma basis as at December 31, 2013	14	—	2	2
Retained earnings		2,011	7,037	7,037
Total Xunlei Limited's shareholders' equity		**67,968**	**79,194**	**119,484**
Non-controlling interest	16	360	84	84
Total liabilities, mezzanine equity and shareholders' equity		**202,204**	**244,403**	**244,403**

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

Xunlei Limited
Consolidated statements of comprehensive income

(Amounts expressed in thousands of USD, except for number of shares and per share data)	Note	Years ended December 31, 2011	2012	2013
Revenues, net of rebates and discounts	2(n)	87,471	148,200	180,244
Business taxes and surcharges		(5,569)	(7,679)	(5,650)
Net revenues		81,902	140,521	174,594
Cost of revenues	12	(48,068)	(84,012)	(93,260)
Gross profit		**33,834**	**56,509**	**81,334**
Operating expenses				
Research and development expenses		(12,142)	(20,357)	(28,832)
Sales and marketing expenses		(10,966)	(20,219)	(26,610)
General and administrative expenses		(18,601)	(18,474)	(23,073)
Total operating expenses		**(41,709)**	**(59,050)**	**(78,515)**
Net gain from exchanges of content copyrights	2(o)	4,742	4,666	1,020
Operating (loss) / income		**(3,133)**	**2,125**	**3,839**
Interest income		270	1,377	1,189
Interest expense		(339)	(1,400)	—
Other income, net	22	1,415	564	4,679
Shares of (loss) /income from an equity investee		(7)	(45)	25
(Loss) / income before income tax		**(1,794)**	**2,621**	**9,732**
Income tax benefit / (expense)	20	1,783	(2,239)	647
Net (loss) / income		**(11)**	**382**	**10,379**
Less: net loss attributable to the non-controlling interest		(1)	(121)	(283)
Net (loss) / income attributable to Xunlei Limited		**(10)**	**503**	**10,662**
Allocation of net income to participating preferred shareholders		—	—	(4,094)
Beneficial conversion feature of Series C convertible preferred shares from their modifications	15	—	(286)	—
Deemed contribution from Series C preferred shareholders	15	—	2,979	—
Accretion to convertible redeemable preferred shares redemption value	13	—	(3,509)	(4,300)
Net (loss) / income attributable to Xunlei Limited's common shareholders		**(10)**	**(313)**	**2,268**
Net (loss) / income		(11)	382	10,379
Other comprehensive income: Foreign currency translation adjustment, net of tax		1,517	490	2,775
Comprehensive income		**1,507**	**993**	**13,437**
Comprehensive income attributable to non-controlling interest shareholders		(23)	(1)	(7)
Comprehensive income attributable to Xunlei Limited		**1,484**	**992**	**13,430**
Basic net (loss) / income per share attributable to Xunlei Limited	18	(0.00)	(0.01)	0.04
Weighted average number of common shares outstanding—basic	18	59,143,208	61,447,372	61,447,372
Diluted net (loss) / income per share attributable to Xunlei Limited	18	(0.00)	(0.01)	0.01
Weighted average number of common shares outstanding—diluted	18	59,143,208	61,447,372	76,065,898

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 USD, except for number of shares and per share data)	Series C convertible non-redeemable preferred share		Series B convertible non-redeemable preferred shares		Series A-1 convertible non-redeemable preferred shares		Series A convertible non-redeemable preferred shares		Common shares		Treasury stock		Additional paid-in capital	Retained earnings	Statutory reserves	Accumulated other comprehensive income	Total shareholders' equity	contr int
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount						
Balance at December 31, 2010	—	—	30,308,284	8	36,400,000	9	26,416,560	7	53,037,172	13	—	—	28,538	3,922	1,554	1,252	35,303	
Share-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	2,099	—	—	—	2,099	
Issuance of shares	5,728,264	1	—	—	—	—	—	—	—	—	—	—	29,365	—	—	—	29,366	
Exercise of share options	—	—	—	—	—	—	—	—	8,410,200	2	—	—	(2)	—	—	—	—	
Statutory reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,588)	1,588	—	—	
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(10)	—	—	(10)	
Translation adjustments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,494	1,494	
Balance at December 31, 2011	5,728,264	1	30,308,284	8	36,400,000	9	26,416,560	7	61,447,372	15	—	—	60,000	2,324	3,142	2,746	68,252	
Share-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	2,233	—	—	—	2,233	
Beneficial conversion feature of Series C convertible preferred shares from their modifications	—	—	—	—	—	—	—	—	—	—	—	—	286	(286)	—	—	—	
Deemed contribution from Series C preferred shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(2,979)	2,979	—	—	—	
Series D preferred shares accretion	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,509)	—	—	(3,509)	
Net income / (loss)	—	—	—	—	—	—	—	—	—	—	—	—	—	503	—	—	503	
Translation adjustments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	489	489	
Balance at December 31, 2012	5,728,264	1	30,308,284	8	36,400,000	9	26,416,560	7	61,447,372	15	—	—	59,540	2,011	3,142	3,235	67,968	
Issuance of common shares	—	—	—	—	—	—	—	—	—	—	9,073,732	2	(2)	—	—	—	—	
Share-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	2,096	—	—	—	2,096	
Series D preferred shares accretion	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,300)	—	—	(4,300)	
Statutory reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,336)	1,336	—	—	
Net income / (loss)	—	—	—	—	—	—	—	—	—	—	—	—	—	10,662	—	—	10,662	
Translation adjustments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,768	2,768	
Balance at December 31, 2013	5,728,264	1	30,308,284	8	36,400,000	9	26,416,560	7	61,447,372	15	9,073,732	2	61,634	7,037	4,478	6,003	79,194	

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

Xunlei Limited
Consolidated statement of cash flows

(Amounts expressed in thousands of USD except for number of shares and per share data)	Years ended December 31, 2011	2012	2013
Cash flows from operating activities			
Net (loss) / income	(11)	382	10,379
Adjustments to reconcile net (loss) / income to net cash generated from operating activities			
—Depreciation of property and equipment	3,175	3,994	5,112
—Amortization of intangible assets	28,881	50,578	38,314
—Allowance for doubtful accounts	2,527	3,700	3,935
—Loss on disposal of property and equipment	10	5	—
—Gain from barter transactions	(6,618)	(7,472)	(2,059)
—Share-based compensation	2,099	2,233	2,096
—Increase/(decrease) in fair value of warrants	—	710	(1,531)
—Share of loss / (income) from equity investee	7	45	(25)
—Investment income on short-term investments	—	(2)	(356)
—Impairment of intangible assets	—	—	808
—Deferred taxes	(1,783)	(123)	(822)
—Deferred government grants	(101)	(1,363)	(1,284)
Changes in operating assets and liabilities:			
—Accounts receivable	(19,857)	(17,831)	13,655
—Prepayments and other assets	(2,999)	(458)	653
—Due from/to related parties	(50)	310	(96)
—Accounts payable	1,480	3,428	5,924
—Deferred revenue	4,914	8,543	12,630
—Income tax payable	—	2,362	116
—Accrued liabilities and other payables	6,603	10,873	(1,916)
Net cash generated from operating activities	**18,277**	**59,914**	**85,533**
Cash flows from investing activities			
Acquisition of property and equipment	(4,220)	(7,447)	(7,372)
Proceeds from disposal of fixed assets	(3)	5	—
Purchase of short-term investments	—	(6,523)	(246,153)
Proceeds from investment income of short-term investments	—	2	—
Proceeds from disposal of short-term investment	—	—	213,506
Purchase of intangible assets	(32,048)	(32,554)	(36,005)
Acquisition of long-term investments	(429)	(952)	(1,390)
Loan to employees	(175)	(2,021)	(856)
Advance to a shareholder	—	—	(82)
Net cash used in investing activities	**(36,875)**	**(49,490)**	**(78,352)**
Cash flows from financing activities			
Issuance of preferred shares	29,400	32,481	—
Issuance of Series D warrants	—	3,007	—
Proceeds from bank borrowings	20,632	20,519	—
Repayment of bank borrowings	—	(41,151)	—
Governments grants received	—	2,836	2,487
Net cash generated from financing activities	**50,032**	**17,692**	**2,487**
Net increase in cash and cash equivalents	**31,434**	**28,116**	**9,668**
Cash and cash equivalents at beginning of year	21,353	53,349	81,906
Effect of exchange rates on cash and cash equivalents	562	441	2,332
Cash and cash equivalents at end of year	**53,349**	**81,906**	**93,906**
Supplemental disclosure of cash flow information			
Interests paid	301	1,438	—
Non cash investing and financing activities			
—Acquisition of property and equipment in form of other payables	441	1,344	4,157
—Purchase of intangible assets in form of accounts payable	15,314	25,048	25,695
—Acquisition of intangible assets in form of barter transactions	6,189	6,650	4,058
—Acquisition of equity investments in form of other payables	159	—	—
—Beneficial conversion feature of Series C convertible preferred shares from their modifications	—	286	—
—Deemed contribution from Series C preferred shareholders	—	(2,979)	—
—Accretion to Series D preferred shares redemption value	—	3,509	4,300

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

Xunlei Limited
Notes to consolidated financial statements
(Amounts in US dollars unless otherwise stated)

1. Organization and nature of operations

Xunlei Limited (the "Company") was incorporated under the law of Cayman Islands ("Cayman") as a limited liability company on February 3, 2005 under the name of Giganology Limited. On December 30, 2010, the shareholders of the Company approved the change of the name of the Company from Giganology Limited to Xunlei Limited and it was registered with the relevant authority on January 28, 2011.

The accompanying consolidated financial statements include the financial statements of the Company, its subsidiaries, its variable interest entity ("VIE") and the VIE's subsidiaries (collectively referred to as the "Group") as follows:

Name of entities	Place of incorporation	Date of incorporation	Relationship	% of direct or indirect economic ownership	Principal activities
Shenzhen Xunlei Networking Technologies, Co., Ltd ("Shenzhen Xunlei").	China	January 2003	VIE	100%	Development of software, provision of online and related advertising, membership subscription and online game services; as well as sales of software licenses
Giganology (Shenzhen) Co. Ltd ("Giganology Shenzhen").	China	June 2005	Subsidiary	100%	Development of computer software and provision of information technology services to related companies
Shenzhen Fengdong Networking Technologies, Co., Ltd. ("Fengdong")	China	December 2005	VIE's subsidiary	100%	Development of software for related companies
Shenzhen Xunlei Kankan Information Technologies Co., Ltd. (formerly known as "155 Networking (Shenzhen) Co., Ltd.")	China	August 2008	VIE's subsidiary	100%	Development of software for related companies
Shenzhen Wangfeng Networking Technologies, Co., Ltd. ("Wangfeng")	China	December 2008	Subsidiary	100%	note a
Xunlei Software (Beijing) Co., Ltd ("Xunlei Beijing").	China	June 2009	VIE's subsidiary	100%	Development of software for related companies

Name of entities	Place of incorporation	Date of incorporation	Relationship	% of direct or indirect economic ownership	Principal activities
Xunlei Software (Shenzhen) Co., Ltd ("Xunlei Software")	China	January 2010	VIE's subsidiary	100%	Provision of software technology development for related companies
Xunlei Software (Nanjing) Co., Ltd. ("Xunlei Nanjing")	China	January 2010	VIE's subsidiary	100%	Development of computer software and online games for related companies and provision of advertising services (note b)
Xunlei Games Development (Shenzhen) Co., Ltd.	China	February 2010	VIE's subsidiary	70%	Development of online game and computer software for related companies and provision of advertising services
Xunlei Network Technologies Limited ("Xunlei BVI")	British Virgin Islands	February 2011	Subsidiary	100%	Holding company
Xunlei Network Technologies Limited ("Xunlei HK")	Hongkong	March 2011	Subsidiary	100%	Development computer software of related companies and provision of advertising services
Xunlei Computer (Shenzhen) Co., Ltd ("Xunlei Computer")	China	November 2011	Subsidiary	100%	Development of computer software and provision of information technology services to related companies
Shenzhen Wangxin Technologies Co., Ltd	China	September 2013	VIE's subsidiary	100%	Development of computer software and provision of information technology services to related companies

note a: In January 2011, the equity owners of Wangfeng resolved to liquidate the subsidiary. In March 2011, Wangfeng was approved to be de-registered by the relevant government authorities. There was no significant financial impact to the consolidated financial statements of the Group.

note b: In January 2011, the equity owners of Xunlei Nanjing resolved to liquidate the subsidiary. In May 2012, Xunlei Nanjing was approved to be de-registered by the relevant government authorities. There was no significant financial impact to the consolidated financial statements of the Group.

note c: The English names of the PRC companies represent management's translation of the Chinese names of these companies as these companies have not adopted formal English names.

The Group engages primarily in the provision of online advertising services on its websites, premium downloading services to its members, online video sharing and distribution and online game platforms for game developers and users.

Prior to September 2005, the business of the Group was operated through Shenzhen Xunlei. Shenzhen Xunlei is an enterprise established in China which was directly or indirectly owned by

Mr. Sean Shenglong Zou and Mr. Hao Cheng, who are the founders of Shenzhen Xunlei, and Ms. Fang Wang and IDG Technology Venture Investment III, L.P. by then. In September 2005, the Group initiated a restructuring in conjunction with the issuance of Series A and Series A-1 convertible preferred shares to Joinway Investments Limited and Morningside Technology Investments Limited by the Company (the "Restructuring"). The Restructuring was completed in December 2005 and was necessary to comply with PRC laws and regulations that prohibit or restrict foreign ownership of companies that provide online advertising services, operate online games, and hold Internet Content Provider ("ICP") license and the License for Transmission of Audio-Visual Programs through the internet ("the Licenses").

As a result of the Restructuring, the Company received all of the economic benefits and residual interest and absorbed all of the risks and expected losses from Shenzhen Xunlei through the various agreements enacted among the Company, Giganology Shenzhen, a wholly owned subsidiary of the Company, Shenzhen Xunlei and legal shareholders of Shenzhen Xunlei.

Details of certain key agreements with the VIE are as follows:

—**Loan Agreements** between Giganology Shenzhen and the shareholders of Shenzhen Xunlei—Giganology Shenzhen provided interest-free loans of RMB 9 million to the shareholders of Shenzhen Xunlei for them to make contributions as registered capital into Shenzhen Xunlei. The term 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 shareholder of Shenzhen Xunlei has repaid the loans in its entirety in accordance with the loan agreement. The 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 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 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 last 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 shareholders of Shenzhen Xunlei also transferred all their shareholders' rights to Giganology Shenzhen. The term of this agreement will expire in 2016 and may be extended with Giganology Shenzhen's confirmation prior to the expiration date. For instance, in May 2011, Shenzhen Xunlei sought and obtained consent from Giganology Shenzhen and the Company to increase its registered

capital by RMB20 million and to revise its articles of association accordingly. The term of this agreement will expire in 2016 and may be extended with Giganology Shenzhen's confirmation prior to the expiration date.

—**Equity Pledge Agreement** between Giganology Shenzhen and the shareholders of Shenzhen Xunlei—Under this agreement, the shareholders of Shenzhen Xunlei pledged all of their equity interests in Shenzhen Xunlei to Giganology Shenzhen. If Shenzhen Xunlei and/or its 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 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 unless the business operation agreement among Giganology Shenzhen, Shenzhen Xunlei and the shareholders of Shenzhen Xunlei is terminated in advance. This period may be extended at Giganology Shenzhen's discretion.

—**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. The amount of service fees payable from Shenzhen Xunlei to Giganology Shenzhen for the years ended December 31, 2011, 2012 and 2013 was USD nil, USD 1,494 thousand and USD nil, respectively.

For the Exclusive Technology Support and Services Agreement and the Exclusive Technology Consulting and Training Agreement, the term of these agreements will expire in 2025 and may be extended with Giganology Shenzhen's written confirmation prior to the expiration date. 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 will expire in 2022 and may be extended with Giganology Shenzhen's written confirmation prior to the expiration date. 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 will expire in 2022 and may be automatically extended for an additional 10 years at Giganology Shenzhen's discretion.

—**Call Option Agreement**—Giganology Shenzhen has an option to acquire all of the outstanding shares of Shenzhen Xunlei at a purchase price equal to RMB 1 or the lowest price permissible by the then-applicable PRC laws and regulation. The term of the agreement will expire in 2022 and may be extended at Giganology Shenzhen's discretion.

As a result of these agreements (collectively defined as "Structured Service Contracts"), Giganology Shenzhen can exercise effective control over Shenzhen Xunlei, receives all of the economic benefits and residual interest and absorbs all of the risks and expected losses from Shenzhen Xunlei as if it were the sole shareholder, and has an exclusive option to purchase all of the equity interest in Shenzhen Xunlei at a minimal price. Therefore, Giganology Shenzhen is considered the primary beneficiary of Shenzhen Xunlei and accordingly Shenzhen Xunlei's results of operations, assets and liabilities have been consolidated in the Company's financial statements.

On December 24, 2013, for the purposes of developing the Group's computer software and information technology capability, Shenzhen Xunlei and Xunlei Computer entered into a technology development and software licenses 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. The framework agreement signed between Shenzhen Xunlei and Xunlei Computers does not have an impact on the Structured Services Contracts with Shenzhen Xunlei.

Share split

On January 21, 2011, the Company effected a 4 for 1 share split of all of its outstanding common shares and a proportional adjustment to the existing conversion ratios for preferred Series A, Series A-1 and Series B shares.

2. Summary of significant accounting policies

(a) Basis of presentation and use of estimates

The accompanying consolidated financial statements 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 Restructuring was accounted for at historical costs. The assets and liabilities of Shenzhen Xunlei are consolidated in the Company's financial statements at carryover basis.

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 the useful lives of property and equipment, allowance for doubtful accounts, valuation allowance of deferred tax assets, sales rebate to advertising agencies, amortization period of online game revenue, amortization of content copyrights, fair value of content copyrights exchange, and impairment assessment of long-lived assets. In addition, the Group uses assumptions in a valuation model to estimate the fair value of share options granted, warrants issued and underlying common shares.

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, VIE for which the Company is the primary beneficiary and its subsidiaries. All significant transactions and balances among the Company, its subsidiaries, VIE and its subsidiaries have been eliminated upon consolidation.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one-half of the voting 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 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.

In determining whether the Company or its subsidiary is the primary beneficiary of a VIE, the Company considered whether it has the power to direct activities that are significant to the VIE's economic performance, including the power to appoint senior management, right to direct company strategy, power to approve capital expenditure budgets, and power to establish and manage ordinary business operation procedures and internal regulations and systems.

Management has evaluated the contractual arrangements among Giganology Shenzhen, Shenzhen Xunlei and its shareholders and concluded that Giganology Shenzhen receives all of the economic benefits and absorbs all of the expected losses from Shenzhen Xunlei and has the power to direct the aforementioned activities that are significant to Shenzhen Xunlei's economic performance, and is the primary beneficiary of Shenzhen Xunlei. Therefore, Shenzhen Xunlei and its subsidiaries' results of operation, assets and liabilities have been included in the Group's consolidated financial statements. Management monitors the regulatory risk associated with these contractual arrangements. See Note 24 for further discussion.

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 is presented on the face of the consolidated statements of comprehensive income as an allocation of the total income or loss for the year/period between non-controlling shareholders and the shareholders of the Company.

(c) Foreign currency translation

The Company's reporting and functional currency is the United States Dollar ("USD"). Xunlei BVI and Xunlei HK's functional currency is the USD. The functional currency of other subsidiaries, VIE and its subsidiaries located in the PRC is Renminbi ("RMB"), which is their respective local currency. 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 (loss) within the consolidated statements of comprehensive income.

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 USD. The resulting translation differences are recorded in cumulated translation adjustments, a component of shareholders' equity.

(d) Cash and cash equivalents

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.

(e) Short-term investments

Short-term investments include deposits placed with banks with original maturities of more than three months but less than one year and investments in financial instruments with a variable interest rate indexed to the performance of underlying assets. 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. Interest generated from short term investments are recorded when interest payments are received at the maturity date. It is recorded as "other income" on the statement of comprehensive income and measured based on the actual amount of interest the Group received.

(f) Fair value of financial instruments

The Group's financial instruments consist principally of cash and cash equivalents, short-term investments, accounts receivable, other receivables, amounts due from/(to) related parties, accounts payable, other payables and warrants liabilities. The carrying value of these balances,

with the exception of short-term investments (see note 2 (e)), approximates their fair value due to the current and short term nature of these balances.

(g) Accounts receivable, net

Accounts receivable are presented net of allowance for doubtful accounts. The Group uses specific identification method in providing for bad debts when facts and circumstances indicate that collection is doubtful and a loss is probable and estimable. If the financial conditions of its customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances might be required.

(h) Long-term investments

The Group holds investments in privately held companies. The Group accounts for these investments over which it has significant influence but does not own a majority equity interest or otherwise control using the equity method of accounting. For investments in an investee over which the Group does not have significant influence and of which the investee has no readily determinable fair value, the Group carries the investment using the cost method. Under the cost method, the investment is measured initially at cost. The investment carried at cost should recognize income when dividends are received from the distribution of the investee's earnings. The Group assesses its long-term investments for other-than-temporary impairment by considering factors including, but not limited to, current economic and market conditions, operating performance of the companies, including current earnings trends and undiscounted cash flows, and other company-specific information. The fair value determination, particularly for investments in privately-held companies, requires significant judgment to determine appropriate estimates and assumptions. Changes in these estimates and assumptions could affect the calculation of the fair value of the investments and determination of whether any identified impairment is other-than-temporary. During the years ended December 31, 2011, 2012 and 2013, the Group did not impair any of its long-term investments.

(i) 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 equipment at the end of the estimated useful lives as a percentage of the original cost.

	Estimated useful lives	Residual rate
Servers and network equipment	5 years	5% - 10%
Computer equipment	5 years	5%
Furniture, fittings and office equipment	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 disposition, 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 operations.

The cost and related accumulated depreciation and amortization are removed from the financial statements.

(j) Intangible assets

l) Content copyrights

Licensed copyrights of movies, TV series and variety shows (collectively "Content Copyrights") are capitalized when 1) the cost of the content is known 2) the content has been accepted by the Group in accordance with the conditions of the license agreement and 3) the content is available for its first showing on the Group's website. Content Copyrights are carried at cost less accumulated amortization and impairment loss, if any.

The Group has two types of Content Copyrights, 1) non-exclusive Content Copyrights and 2) exclusive Content Copyrights. With non-exclusive Content Copyrights, the Group has the right to broadcast the contents on its own websites. While, with exclusive Content Copyrights, besides the broadcasting right, the Group also has the right to sub-license these exclusive Content Copyrights to third parties.

For non-exclusive Content Copyrights, which only generates primarily indirect cash flows, the amortization method is based on the analysis of historical viewership consumption patterns.

The Group determines consumption patterns by tracking the number of viewers watching the content throughout its life cycle. This information is then aggregated to come up with a viewership trend that can support an appropriate method to amortize non-exclusive Content Copyrights. The Group generally categorize the Group's contents in the Xunlei Kankan website into three broad categories, namely movies; TV series; and variety shows and others, which include reality shows, talent shows, talk shows and entertainment news. Prior to April 1, 2011, the Group concluded there was insufficient historical viewership data to support a demonstrative pattern in viewership of the Group's non-exclusive Content Copyrights. Therefore, the Group have determined that a straight-line method of amortization over the estimated useful lives of the related non-exclusive Content Copyright provides the right level of expenses attribution. Effective April 1, 2011, based on an accumulation of data gathered on historical viewing patterns of the non-exclusive Content Copyrights, the Group revised the method to amortize new release of non-exclusive Content Copyrights over the shorter of estimated useful lives or their respective licensing periods using an accelerated method based on consumption patterns. Estimates of the consumption patterns for these non-exclusive Content Copyrights are reviewed periodically and revised, if necessary.

Exclusive Content Copyrights generate both direct and indirect cash flows. For the portion of exclusive Content Copyrights that generate indirect cash flows, prior to April 1, 2011, these contents were amortized on a straight-line method based on the discussion above. Effective April 1, 2011, the Group uses the amortization method based on the analysis of historical viewership consumption patterns, which is the same with that of non-exclusive Content Copyright as discussed above.

This change in accounting estimate for non-exclusive Content Copyrights and exclusive Content Copyrights that generate indirect cash flows decreased net income and basic net income per share by USD 1,368 thousand and USD 0.02, respectively, for the year ended December 31, 2011.

For the portion of exclusive Content Copyrights that generates direct cash flows, the Group amortizes the purchase costs using an individual-film-forecast-computation method, which amortizes such costs based on the ratio of sub-licensing revenue and barter transaction gain (details described in Note 2(o)) generated for the current period to the total ultimate direct revenue estimated to be generated by the exclusive Content Copyrights for their whole license period or estimated useful lives. The Group revisits the forecast at each quarter or year end and makes adjustment, when appropriate.

II) Other intangible assets

Other intangible assets, which include computer software, internal use software development costs, online game licenses, domain names and land use right, are carried at cost less accumulated amortization and impairment loss, if any. Exclusive game licenses are amortized using the straight-line method over their licensing period of three years. Computer software, internal use software and domain name are amortized using the straight-line method over their estimated useful life of five years. Land use right is amortized using the straight-line method over their estimated useful life of thirty years.

(k) Impairment of long-lived assets

The Group evaluates the program usefulness of non-exclusive Content Copyrights and exclusive Content Copyrights pursuant to the guidance in ASC 920-350 Intangible—Goodwill and Other: Recognition, which provides that such rights be reported at the lower of unamortized cost or estimated net realizable value.

For non-exclusive Content Copyrights which only generate indirect cashflows, the Group evaluates the net realizable value of the content library by its three content categories (i.e. movies, TV series, variety shows and others). If management's expectations of programming usefulness, which represents the expected revenues and related net cash flows derived from the contents, are revised downward, they assess whether it is necessary to write down the unamortized costs to estimated net realizable value. The Group evaluates programming usefulness by category on an annual basis by comparing the unamortized cost to the estimated net realizable value. On a quarterly basis, the Group also monitors whether there are indicators of changes in their expected usage of program materials.

The Group estimates net realizable value using expected net cash flows of the content based on expected future levels of advertising revenues. Such estimates consider historical amounts and anticipated levels of demand. Expected future revenues are reduced by estimated direct costs to provide access to the website and generate the related revenue, including bandwidth costs and server costs. For purposes of estimating revenues for each category of content, the Group considers both expected future advertising revenues sold based on number of impressions delivered as well as advertising sold based on the period of time that it is displayed.

For exclusive Content Copyrights that generate both direct and indirect cash flows, the Group evaluates the net realizable value of the Group's licensed copyright on a content by content basis. Impairment is assessed on an annual basis by comparing the unamortized cost to the Group's estimated net realizable value. The Group estimates the net realizable value using expected net cash flows based on expected future levels of advertising and content sub-licensing revenues. For expected future levels of advertising revenue, the Group uses the same estimation methodology used for the impairment assessment of non-exclusive Content Copyrights.

For both exclusive and non-exclusive Content Copyrights, there were no impairments for the years ended December 31, 2011, 2012 and 2013 because a significant portion of the contents was related to movies and TV series, of which approximately 70% to 90% of the purchase costs of the Content Copyrights had already been amortized during the first year of the licensed period. As such, the unamortized carrying amounts were lower than the respective net realizable values when the impairment assessment was performed.

For other long-lived 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 identify 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. The impairment of online game license were USD nil, USD nil and USD 808 thousand as of December 31, 2011, 2012 and 2013.

(l) 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 regards 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.

(m) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease are charged to the statements of comprehensive income on a straight-line basis over the period of the lease.

(n) Revenue recognition

The Group generates revenues from various streams. The Group operates a prepaid virtual items system, under which, prepaid virtual items at fixed face value are sold to third parties. Virtual items purchased can be used to subscribe for membership or purchase of virtual items in online games, as discussed below. Virtual items sold but not yet consumed by the users are recorded as "Receipts in advance from customers" and upon consumption, they are recognized as membership subscription and online game revenue according to the respective prescribed revenue recognition policies addressed below.

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 except in the cases when they elect to pay via their mobile operators. The membership fee is collected when the subscribers pay for the monthly phone bills. The terms of time-based subscriptions range from one month to twelve months, with the subscribers having the option to renew the contract. The receipt of subscription fee is initially recorded as deferred revenue and revenue is recognized ratably 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 the principal versus agent criteria and determined that the Group is the principal in the transaction and accordingly record revenue on a gross basis. In determining whether to report revenues gross for the amount of subscription revenue, the Group assesses whether it maintains the principal relationship with the VIP members, whether it bears the credit risk and whether it establishes prices for the end users. Service fees levied by online system, fixed phone line and mobile payment channels ("Payment Handling Fees") are recorded as the cost of revenues in the same period as the revenue for the membership fee is recognized.

II) Advertising revenues

Advertising revenues are derived principally from arrangements where the customers pay to place their advertisements on the Group's platform in different formats over a particular period of time. Such formats generally includes but not limited to videos, banners, links, logos and buttons. Advertisements on the Group's platform are generally charged on the basis of duration, and advertising contracts are signed to establish the fixed price and the advertising services to be provided The Group enters into advertising contracts with third party advertising agencies that represents advertisers, as well as directly with advertisers. A typical contract term would range from a few days to 3 months. Both third party advertising agencies and direct

advertisers are generally billed at the end of the display period and payments are due usually within 3 months.

Where the Group's customers purchase multiple advertising spaces with different display periods in the same contract, the Group allocates the total consideration to the various advertising elements based on their relative fair values and recognize revenue for the different elements over their respective display periods. The Group determines the fair values of different advertising elements based on the prices charged when these elements were sold on a standalone basis. The Group recognizes revenue on the elements delivered and defer the recognition of revenue for the fair value of the undelivered elements until the remaining obligations have been satisfied. Where all of the elements within an arrangement are delivered uniformly over the agreement period, the revenue are recognized on a straight line basis over the contract period.

Transactions with third party advertising agencies

For contracts entered into with third party advertising agencies, the third party advertising agencies will in turn sell the advertising services to advertisers. Revenue is recognized ratably over the contract period of display based on the following criteria:

— There is persuasive evidence that an arrangement exists—the Group will enter into framework and execution agreements with the advertising agencies, specifying price, advertising content, format and timing

— Price is fixed and determinable—price charged to the advertising agencies are specified in the agreements, including relevant discount and rebate rates

— Services are rendered—the Group recognizes revenue ratably over the contract period of display

— Collectability is reasonably assured—the Group assesses credit history of each advertising agency before entering into any framework and execution agreements. If the collectability from the agencies is assessed as not reasonably assured, the Group recognizes revenue only when the cash is received and all the other revenue criteria are met.

The Group provides sales incentives in the forms of discounts and rebates to third party advertising agencies based on purchase volume. As the advertising agencies are viewed as the customers in these transactions, revenue is recognized based on the price charged to the agencies, net of sales incentives provided to the agencies. Sales incentives are estimated and recorded at the time of revenue recognition based on the contracted rebate rates and estimated sales volume based on historical experience.

Transactions with advertisers

The Group also enters into advertisement contracts directly with advertisers. Under these contracts, similar to transactions with third party advertising agencies, the Group recognizes revenue ratably over the contract period of display. The terms and conditions, including price, are fixed according to the contract between the Group and the advertisers. The Group also performs credit assessment of all advertisers prior to entering into contracts. Revenue is recognized based on the amount charged to the advertisers, net of discounts.

The Group has estimated and recorded sales rebates provided to the agencies and advertisers of USD 5,493 thousand, USD 7,414 thousand and USD 7,207 thousand for the years ended December 31, 2011, 2012 and 2013, respectively.

III) Other internet value-added services

i) Online game revenues

Users play games through the Group's platform free of charge and are charged for purchases of virtual items including consumable and perpetual items, which can be utilized in the online games to enhance their game-playing experience. Consumable items represent virtual items that can be consumed by a specific user within a specified period of time. Perpetual items represent virtual items that are accessible to the users' account over the life of the online game.

Pursuant to contracts signed between the Group and game developers, revenue from the sale of virtual items are shared based on a pre-agreed ratio for each game. The Group enters into both non-exclusive and exclusive licensing contracts with game developers.

Non-exclusive game licensed contracts

The games under non-exclusive licensed contracts are maintained, hosted and updated by the game developers. The Group mainly provides access to the platform and limited after-sale services to the game players. The determination of whether to record these revenues using the gross or net method is based on an assessment of various factors; the primary factors are whether the Group acts as the principal in offering services to the game players or as agent in the transaction, and the specific requirements of each contract. The Group determined that for non-exclusive game licensed arrangements, the third party game developers are the principal given that the game developers design and develop the game services offered, have reasonable latitude to establish prices of game virtual items, and are responsible for maintaining and upgrading the game content and virtual items. Accordingly, the Group records online game revenue, net of the portion remitted to the game developers.

Given that online games are managed and administered by the game developers for non-exclusive licensed games, the Group does not have access to the data on the consumption details and the types of virtual items purchased by the game players. The Group has adopted a policy to recognize revenues relating to both consumable and perpetual items over the shorter of 1) estimated lives of the games and 2) the estimated lives of the user relationship with the Group, which were approximately two to six months for the periods presented.

Adjustments arising from the changes of estimated lives of virtual items are applied prospectively as such changes are resulted from new information indicating a change in the game player behavioral patterns.

Exclusive licensing game contracts

For exclusive licensing contracts with game developers, the games are maintained and hosted by the Group. Accordingly, the Group is determined to be the principal, the Group records online game revenue on a gross basis, with the amount remitted to the game developers reported as cost of revenue. Payment Handling Fees are recognized as cost of revenues when the related revenues are recognized.

For exclusive licensed games which are maintained on the Group's server, the Group has access to the data on the consumption details and types of virtual items purchased by the game players. The Group does not maintain information on consumption details of virtual items, and only have limited information related to the frequency of log-ons. Given that a substantial portion of the virtual items purchased by the game players in exclusive licensed games are perpetual items, management determine that it would be most appropriate to recognize the related revenue over the shorter of 1) estimated lives of the games and 2) the estimated lives of the user relationship with the Group, which were approximately three months for the periods presented. Revenues relating to consumable items are recognized immediately upon consumption.

Game players can purchase prepaid virtual items which can be used to purchase virtual items via online channels. The Group incurs service fees levied by those payment channels, and such payment expenses are recorded as the cost of revenues when the related revenues are recognised.

For both non-exclusive and exclusive licensed games, the Group estimates the life of virtual items to be the shorter of the estimated lives of the games and the estimated lives of the user relationship. The estimated user relationship period is based on data collected from those users who have purchased virtual items. To estimate the life of the user relationship, the Group maintains a software system that captures the following information for each user: the date of first log-in, the date of first purchase for a virtual item, the date of last purchase for a virtual item and the date the user ceases to play the game. The Group estimates the life of the user relationship to be the average period from the first purchase of a virtual item to the date the user ceases to play the game. The estimate of the life of the user relationship is based only on the data of those users who have purchased virtual items and is made on a game-by-game basis.

To estimate the life of the games, the Group considers both games that they operate as well as games in the market that are of a similar nature. The Group categorizes these games by their nature, such as simulation games, role playing games and others, which appeal to players belonging to different demographics. The Group estimates that the life of each group of the games to be the average period from the date of launch for such games to the date the games are expected to be removed from the website or terminated altogether. When the Group launches a new game, they estimate the life of the game and user relationship based on lives of other similar games in the market until the new game establishes its own history. The Group also considers the game's profile, attributes, target audience, and its appeal to players of different demographic groups in estimating the user relationship period.

The consideration of user relationship with each online game is based on the Group's best estimate that takes into account all known and relevant information at the time of assessment. Adjustments arising from the changes of estimated lives of virtual items are applied prospectively as such changes are resulted from new information indicating a change in the game player behavioral patterns. Any changes in the estimates of lives of virtual items may result in the Group's revenues being recognized on a basis different from prior periods and may cause the Group's operating result to fluctuate. The Group periodically assesses the estimated lives of the virtual items and any changes from prior estimates are accounted for prospectively. Any adjustments arising from changes in user relationship as a result of new

information will be accounted as a change in accounting estimate in accordance with ASC 250 Accounting Changes and Error Corrections.

ii) Content sub-licensing revenue

With the exclusive Content Copyrights, the Group has the right to sub-license the broadcasting rights to third parties. The Group generates revenue from sub-licensing these broadcasting rights on a recurring basis to third party customers for cash, mainly video streaming internet platforms, for cash payments at a fixed rate for a fixed period of time that falls within the original exclusive license period. Revenue is recognized in full at the later of the delivery of the master copy of the content with acceptance acknowledged by the customers and the commencement of the license period, as the Group is not obliged to provide any other services. The Group performs credit assessment of its customers prior to entering into contracts to ensure that collection of the arrangement fee is reasonably assured. There is no ongoing obligation of the Group after delivery of the master copy of the content. The Group recognized content sub-licensing revenue of USD 14,820 thousand, USD 15,234 thousand and USD 7,369 thousand for the years ended December 31, 2011, 2012 and 2013, respectively.

iii) Pay per view subscription revenue

The Group operates a pay per view subscription program in which subscribers pay a monthly fee to watch and have access to a collection of movie contents. The subscription fee is time-based and is collected up-front from subscribers except in the cases where they elect to pay via their mobile operators. The subscription fee is collected when the subscribers pay for their monthly phone fees. The terms of time-based subscriptions range from one month to twelve months, with the subscribers having the option to renew the contract. The receipt of revenue is initially recorded as deferred revenue and revenue is recognized ratably over the period of subscription as services are rendered.

Viewers can also pay to watch individual movies for an unlimited number of times. Revenue is recognized when the movie is broadcasted to the viewer.

iv) Revenues from traffic referral programs

We entered into contracts with certain third party portals/websites to earn revenue by referencing online traffic to these third party portals/websites. On a monthly basis, the Group receives data on the user traffic and the related monthly revenue from these third party portals/ websites. Under these programs, the Group recognizes its share of revenues based on contractual rates applied to user traffic referred to the advertisements of the third parties.

(o) Barter transactions

The Group also enters into agreements with third parties (mainly video streaming internet platform) to exchange content. The exchanged content provides rights for each respective party only to broadcast the content received on its own website; though, each party retains the right to continue broadcasting and or sub-license the rights to the content it surrendered in the exchange. These transactions are non-monetary transactions similar to barter transactions, and the Group follows ASC 845, *Non-Monetary Transactions* and ASC 360-10, *Property, Plant, and Equipment*.

Such barter transactions should be recorded at fair value of the surrendered assets in the transaction unless such fair value are not determinable within reasonable limits. The Group estimated the fair value of the content by gathering "price reference" of cash sub-licensing transactions of each exclusive content right and categorizing it into two buckets (1) cash transaction prices with established counterparties and (2) cash transaction prices with less established counterparties. With this information, the Group calculates an "average cash transaction price" for each category to be used as a reference for the non-monetary transaction. The attributable cost of the related exclusive Content Copyright surrendered is released and recorded as the cost of the barter transaction using the individual-film-forecast computation method. This method calculates such cost based on the ratio of the estimated fair value of the exchanged content over the aggregated estimated fair value to be generated by the exclusive Content Copyrights for their whole license period or estimate useful lives. The Group revisits the forecast at each quarter or year end and make adjustment, when appropriate.

The Group generated net gains amounted to USD1,020 thousand (2011: USD4,742 thousand, 2012: USD4,666 thousand) from barter transactions, which is the net amount of proceeds of USD2,059 thousand (2011: USD6,618 thousand, 2012: USD7,472 thousand), after deducting related allocation of cost of USD915 thousand (2011: USD1,505 thousand, 2012: USD2,380 thousand) and business tax and surcharge of USD124 thousand (2011: USD371 thousand, 2012: USD426 thousand).

(p) Sales and marketing expenses

Sales and marketing expenses comprise primarily of salary, commission and benefits of sales and marketing personnel and external advertising and market promotion expenses. The external advertising and market promotion expenses amounted to approximately USD 3,210 thousand, USD 7,951 thousand and USD 12,247 thousand for the years ended December 31, 2011, 2012 and 2013, respectively.

(q) General and administrative expenses

General and administrative expenses consist primarily of salary and benefits, professional service fees, legal expenses and other administrative expenses.

(r) Research and development costs

The Group incurred research and development costs to develop its downloading software. Costs incurred during the research phase are expensed as incurred. Costs incurred for the development of the downloading software prior to the establishment of technological feasibility, which is when a working model is available, are expensed when incurred. The development costs qualified for capitalization have been immaterial for the periods presented.

The Group also incurred development costs in connection with an internal-use ERP software to further enhance management to monitor the business. While internal and external costs incurred during the preliminary project stage are expensed as incurred, costs relating to activities during the application development stages have been capitalized. During the years ended December 31, 2011, 2012 and 2013, USD 140 thousand, nil and nil software development costs were capitalized as intangible assets, respectively.

In addition, the Group incurred other research and development costs in relation to software used to support its operations. Any development costs qualified for capitalization have been immaterial for the periods presented.

(s) 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. On January 1, 2007, the Group adopted the guidance 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 implementing the new guidance. The Group recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense, if any. Nevertheless, no interest and penalties were recorded in the years ended December 31, 2011, 2012 and 2013.

Transition from PRC Business Tax to PRC Value Added Tax

Effective September 1, 2012, the Chinese government begun the transition from imposing business tax to imposing of value added tax ("VAT") for revenues generated in certain industries. This program has been expanded from Shanghai to eight other cities and provinces in China, including Beijing and Shenzhen. The Group's advertising and content sub-licensing revenues are subject to this program since November 1, 2012. Business Tax had been imposed primarily on revenues from the provision of taxable services, assignments of intangible assets and transfers of real estate. Prior to the implementation of the pilot program, the Group's Business Tax rate, which varies depending upon the nature of the revenues being taxed, generally ranged from 3% to 5%.

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. Before the implementation of the Pilot Program, the Group was mainly subject to a small amount of VAT mainly for revenues of the sale of software. VAT has been imposed on those revenues at a rate of 17%. With the implementation of the Pilot Program, in addition to the revenues currently subject to VAT, the Group's advertising and content sub-licensing revenues are in the scope of the Pilot Program and are now subject to VAT at a rate of 6%.

(t) Retirement benefits

Full-time employees of the Company's subsidiaries, consolidated VIE and its subsidiaries in the PRC participate in a government mandated multi-employer 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 and VIEs 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 for such employee benefits, which are expensed as incurred, were USD1,362 thousand, USD1,930 thousand and USD3,243 thousand for the years ended December 31, 2011, 2012 and 2013, respectively.

(u) Share-based compensation

The Group measures share-based compensation at the grant date based on the fair value of the award determined using the Black-Scholes option pricing model. As the Group has granted share options and restricted shares 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.

(v) 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 operations. 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.

(w) 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 as a whole. The Group has internal reporting of revenue, cost and expenses that does not distinguish between segments, and reports costs and expense by nature as a whole. The Group does not distinguish between markets or segments for the purpose of internal reporting. Management has determined that the Group operates and manages its business as a single segment which is the operation of its online media platform. All revenues of the Group are derived from mainland China.

An analysis of the different types of revenues for the years ended December 31, 2011, 2012 and 2013 are summarized as follows:

	Years ended December 31,		
(In thousand)	**2011**	**2012**	**2013**
Subscription revenue	25,574	51,055	86,733
Advertising revenue	38,331	61,795	48,028
Other internet value-added services (note a)	23,566	35,350	45,483
Total	87,471	148,200	180,244

note a: Other internet value-added services comprise of online game revenue, content sub-licensing revenue, pay per view subscription revenue, revenue from traffic referral programs and sales of software licenses.

(x) Net income / (loss) per share

Basic income / (loss) per share is computed by dividing net income / (loss) attributable to holders of common shares by the weighted-average number of common shares outstanding during the year using the two class method. Using the two class method, net income / (loss) is allocated between common shares and other participating securities based on their participating rights.

Diluted income / (loss) per share is calculated by dividing net income / (loss) 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 / (loss) per share if their effects would be anti-dilutive. Common share equivalents consist of the common shares issuable in connection with the Group's convertible non-redeemable and redeemable preferred shares using the if-converted method, and common shares issuable upon the conversion of the stock options, using the treasury stock method.

(y) Comprehensive income

Comprehensive income is defined as the change in equity of a 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 income, as presented on the accompanying consolidated balance sheets, consists of cumulative translation adjustment.

(z) Profit appropriation and statutory reserves

The Group's subsidiaries, consolidated VIE and its 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 ("PRC GAAP"). 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.

The following table presents the balances of registered capital, additional paid-in-capital and statutory reserves of entities within the Group incorporated in China as of December 31, 2012

and 2013 for the Group's reporting purpose in China as determined under generally accepted accounting principles in China:

(In thousand)	December 31, 2012	December 31, 2013
Registered capital	41,740	44,532
Additional paid-in capital	161	161
Statutory reserves	3,142	4,478
Total	45,043	49,171

Relevant laws and regulations permit payments of dividends by the PRC subsidiaries and affiliated companies only out of their retained earnings, if any, as determined in accordance with respective accounting standards and regulations. Accordingly, the above balances are not allowed to be transferred to the Company in terms of cash dividends, loans or advances. (See also Note 26).

(aa) Dividends

Dividends are recognized when declared. No dividends were declared for the years ended December 31, 2011, 2012 and 2013, respectively. 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.

(bb) Recent accounting pronouncements

In July 2012, the Financial Accounting Standards Board ("FASB") issued revised guidance on "Testing Indefinite-Lived Intangible Assets for Impairment." The revised guidance applies to all entities, both public and nonpublic, that have indefinite-lived intangible assets, other than goodwill, reported in their financial statements. Under the revised guidance, an entity has the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform a quantitative impairment test by comparing the fair value with the carrying amount in accordance with Subtopic 350-30. An entity also has the option to bypass a qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to performing the quantitative impairment test. An entity will be able to resume performing the qualitative assessment in any subsequent period. In conducting a qualitative assessment, an entity should consider the extent to which relevant events and circumstances, both individually and in the aggregate, could have affected the significant inputs used to determine the fair value of the indefinite-lived intangible asset since the last assessment. An entity also should consider whether there have been changes to the carrying amount of the indefinite-lived intangible asset when evaluating whether it is more likely than not that the indefinite-lived intangible asset is impaired. An entity should consider positive and mitigating events and circumstances that could affect its determination of whether it is more likely than not that the indefinite-lived intangible asset is impaired. The amendments are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early

adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance. The Company is currently evaluating the impact on its consolidated financial statements of adopting this guidance.

In February 2013, the FASB issued revised guidance on "Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income." The revised guidance does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, the revised guidance requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The revised guidance is effective prospectively for reporting periods beginning after December 15, 2012 for public entities. The revised guidance will not have a material effect on the Company.

In March 2013, the FASB issued accounting guidance related to a parent's accounting for the cumulative translation adjustment upon de-recognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity (ASC 830 Foreign Currency Matters). This guidance requires that the cumulative translation adjustment associated with a qualifying derecognized subsidiary or group of assets be immediately recognized within the income statement by the parent company. This guidance will become effective for the Company on January 1, 2014. The adoption of this guidance is not expected to have a material impact on the Company.

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists", which is an update to provide guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward exists. The guidance requires an entity to present an unrecognized tax benefit in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, except for when a net operating loss carryforward is not available as of the reporting date to settle taxes that would result from the disallowance of the tax position or when the entity does not intend to use the deferred tax asset for purposes of reducing the net operating loss carry forward. The guidance is effective for fiscal years beginning after December 15, 2013 and for interim periods within that fiscal year. The Company does not expect the adoption of this pronouncement to have a significant impact on its consolidated financial statements.

3. 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 on hand and cash held at bank balance as of December 31, 2012 and 2013 primarily consist of the following currencies:

	December 31, 2012		December 31, 2013	
(In thousand)	Amount	USD equivalent	Amount	USD equivalent
RMB	287,440	45,731	499,034	81,851
USD	36,175	36,175	11,959	11,959
HKD	2	—	749	96
Total		81,906		93,906

Time deposits balance as of December 31, 2012 and 2013 primarily consist of the following currencies:

	December 31, 2012		December 31, 2013	
(In thousand)	Amount	USD equivalent	Amount	USD equivalent
RMB	37,574	5,978	157,860	25,892
USD	—	—	5,000	5,000
Total		5,978		30,892

4. Short-term investments

(In thousand)	December 31, 2012	December 31, 2013
Time deposits	—	9,695
Investments in financial instruments (note)	6,523	31,298
Total	6,523	40,993

Note: the investments were issued by commercial banks in China with a variable interest rate indexed to performance of underlying assets. Since these investments' maturity dates are within one year, they are classified as short-term investments.

For the years ended December 31, 2011, 2012 and 2013, the Group recorded in the consolidated statements of comprehensive income in the fair value change of short-term investments in the amount of nil, USD 2 thousand and USD 356 thousand, respectively. Interest income generated from short term investments are recorded when interest payments are received. It was recorded in "other income" on the statement of comprehensive income and measured based on the actual amount of interest the Group received. For the years ended December 31, 2011, 2012 and 2013, the Group recorded in the consolidated statements of comprehensive income interest income in the amount of nil, nil and USD 1,492 thousand, respectively.

5. Accounts receivable

(In thousand)	December 31, 2012	December 31, 2013
Accounts receivable	59,477	47,386
Less: allowance for doubtful accounts	(7,875)	(12,111)
Accounts receivable, net	51,602	35,275

The following table presents movement of the allowance for doubtful accounts:

(In thousand)	December 31, 2011	December 31, 2012	December 31, 2013
Balance at beginning of the year	1,497	4,150	7,875
Additions charged to general and administrative expenses	2,527	3,700	3,935
Exchange difference	126	25	301
Balance at end of the year	4,150	7,875	12,111

The top 10 customers accounted for about 35% and 40% of accounts receivable as of December 31, 2012 and 2013, respectively.

6. Prepayments and other assets

(In thousand)	December 31, 2012	December 31, 2013
Current portion:		
Advance to suppliers	553	717
Loans to employees (Note a)	2,911	3,578
Advance to employees for business purposes	250	316
Content copyrights prepaid assets (Note b)	1,327	830
Interest receivable	726	118
Rental and other deposits	571	596
Others	97	164
Total of prepayments and other current assets	6,435	6,319
Non-current portion:		
Prepayments for content copyrights	3,393	3,149
Prepayments for online game licenses	299	2,358
Deferred initial public offering costs	—	374
Other receivables	—	196
Total of long-term prepayments	3,692	6,077

Note a: The Group had entered into loan contracts with certain employees as at December 31, 2012 and 2013, under which the Group provided interest free loans to these employees. The loan amounts vary amongst different employees and are repayable on demand.

Note b: Content copyrights prepaid assets are recognized when the Group has yet to receive the content copyrights from the counterparty under a barter transaction but the counterparty has already received the content copyrights from the Group.

7. Property and equipment

Property and equipment consist of the following:

(In thousand)	December 31, 2012	December 31, 2013
Servers and network equipment	21,990	32,108
Computer equipment	1,544	2,097
Furniture, fixture and office equipment	832	889
Motor vehicles	330	340
Leasehold improvements	1,826	2,177
Total original costs	26,522	37,611
Less: Accumulated depreciation	(11,907)	(17,403)
	14,615	20,208

Depreciation expense recognized for the years ended December 31, 2011, 2012 and 2013 are summarized as follows:

	Years ended December 31		
(In thousand)	**2011**	**2012**	**2013**
Cost of revenues	2,572	3,271	4,317
General and administrative expenses	561	594	690
Sales and marketing expenses	42	129	105
Total	3,175	3,994	5,112

No impairment loss had been recognized for the years ended December 31, 2011, 2012 and 2013.

8. Intangible assets, net

The following table presents the movement in intangible assets:

	December 31, 2012			December 31, 2013			
(In thousand)	Cost	Amortization	Net book value	Cost	Amortization	Impairment	Net book value
Content Copyrights	92,658	(68,621)	24,037	110,346	(89,396)	—	20,950
—Exclusive	62,983	(43,556)	19,427	84,313	(67,487)	—	16,826
—Non-exclusive (note a)	29,675	(25,065)	4,610	26,033	(21,909)	—	4,124
Land use right				5,298	(78)	—	5,220
Acquired computer software	1,071	(825)	246	1,284	(1,061)	—	223
Internal use software development costs	697	(244)	453	718	(395)	—	323
Online game licenses (note b)	4,186	(1,895)	2,291	5,321	(3,343)	(808)	1,170
Domain name	200	(70)	130	200	(110)	—	90
	98,812	(71,655)	27,157	123,167	(94,383)	(808)	27,976
Less: Copyrights related to content, current portion			(16,490)				(16,018)
			10,667				11,958

note a: Included in non-exclusive Content Copyrights was net book value of USD2,063 thousand and USD1,987 thousand of rights that were acquired from barter transactions as of December 31, 2012 and 2013, respectively. These assets were initially recorded at their respective fair values determined at the time of exchange.

note b: In 2013, indicator of possible impairment triggered the Group to perform an impairment test for one online game license. The impairment test was triggered in quarter 4 by the significant decline in the revenue generated by the one online game. In quarter 4, this online game only generated revenue amounted to USD27 thousand as compared to USD303 thousand in quarter 3 of 2013, which was significantly lower than the Group's expectation. The impairment test was performed using a discounted cash flow analysis that requires certain assumptions and estimates regarding economic and future profitability.

Amortization expense recognized for the years ended December 31, 2011, 2012 and 2013 are summarized as follows:

	Years ended December 31		
(In thousand)	2011	2012	2013
Cost of revenues	27,044	47,810	36,980
Cost of barter transactions (note 2(o))	1,505	2,380	916
General and administrative expenses	332	388	418
Total	28,881	50,578	38,314

The estimated aggregate amortization expense for each of the next five years as of December 31, 2013 is:

(In thousand)	Content Copyrights	Others
2014	16,018	1,880
2015	4,417	756
2016	515	449
2017	—	224
2018	—	178

The weighted average amortization periods of intangible assets as at December 31, 2012 and 2013 are as below:

(In year)	December 31, 2012	December 31, 2013
Copyrights related to content	2.75	2.83
Land use right	—	30
Acquired computer software	5	5
Internal use software development costs	5	5
Online game licenses	3	3
Domain name	5	5
Total	2.81	4.04

9. Long-term investments

(In thousand)	December 31, 2012	December 31, 2013
Equity method investments:		
Balance at beginning of the year	581	1,488
Additions	951	410
Share of (loss) / income from an equity investee	(45)	25
Exchange differences	1	46
Balance at end of the year	1,488	1,969
Cost method investments:		
Balance at beginning of the year	—	—
Additions	—	980
Balance at end of the year	—	980
Total long-term investments	1,488	2,949

The Group's equity in loss and gain of Zhuhai Qianyou Technology, Co., Ltd. ("Zhuhai Qianyou") in 2012 and 2013 was USD 45 thousand and USD 25 thousand, respectively, and was recognized as loss and gain in equity method investment in the consolidated statements of operations.

As of December 31, 2013, the company holds equity investments in the following investees through Shenzhen Xunlei and Xunlei Software, Zhuhai Qianyou and Guangzhou Yuechuan Network Technology, Co., Ltd. ("Guangzhou Yuechuan"), Chengdu Diting Technology, Co., Ltd. ("Chengdu Diting") and Shenzhen Kushiduo Network Technology, Co., Ltd. ("Shenzhen Kushiduo"). Both Zhuhai Qianyou and Guangzhou Yuechuan were accounted for under the equity method because the Group has one out of three seats on the board of directors of both investees. Chengdu Diting and Shenzhen Kushiduo were accounted for under the cost method due to the fact that the Group does not have significant influence in these companies.

Investee	Percentage of ownership of common share as of December 31, 2012	2013
Zhuhai Qianyou	19%	19%
Guangzhou Yuechuan Network Technology, Co., Ltd. ("Guangzhou Yuechuan")	10%	23.4%
Chengdu Diting Technology, Co., Ltd. ("Chengdu Diting")	—	19.9%
Shenzhen Kushiduo Network Science and Technology Co., Ltd. ("Shenzhen Kushiduo")	—	10%

10. Deferred revenue

(In thousand)	December 31, 2012	December 31, 2013
Online game revenues	1,734	30,051
Membership subscription revenues	16,329	1,650
Pay per view subscription revenues	125	261
Total	18,188	31,962
Less: non-current portion	(2,071)	(2,610)
Deferred revenue, current portion	16,117	29,352

Deferred revenue represents prepaid membership subscriptions under the VIP membership program, prepaid subscriptions under the pay per view program and unamortized portion of online game revenue arising from sales of in-game virtual items.

11. Accrued liabilities and other payables

(In thousand)	December 31, 2012	December 31, 2013
Payroll and welfare	7,641	8,784
Receipts in advance from customers	2,606	2,211
Agency commissions and rebates—online advertising	9,237	9,745
Tax levies	2,262	1,198
Payables for purchase of equipment	1,344	4,157
Payables for advertisement on exclusive online games	2,719	2,797
Legal and litigation related expenses (Note 23)	713	288
Professional fees	919	574
Staff reimbursements	616	1,228
Content copyrights deposits (note a)	63	1,555
Rental expense	167	70
Others	621	800
Total	28,908	33,407

note a: Content copyrights deposits are recognized under a barter transaction when the Group has yet to provide the content copyrights to the counterparty while the Group has received the content copyrights from the counterparty.

12. Cost of revenues

(In thousand)	Years ended December 31, 2011	2012	2013
Bandwidth costs	11,543	22,211	35,454
Content costs, including amortization	27,681	46,671	35,964
Payment handling fees	5,569	8,505	12,401
Depreciation of servers and other equipment	2,572	3,271	4,317
Games revenue sharing costs and others	703	3,354	5,124
Total	48,068	84,012	93,260

13. Redeemable convertible preferred shares

On January 31, 2012, the Company entered into an agreement to issue Series D preferred shares and warrants to a third-party investor for a total consideration of USD37,500 thousand. Pursuant to the agreement, the company issued 10,580,397 series D preferred shares at USD 3.544 per share; and warrants to purchase 2,218,935 Series D preferred shares at USD 3.38 per share at the option of the holders. In addition, the third-party investor also purchased a total of 5,036,367 existing shares directly from other then existing shareholders and they are entitled to the same rights as attached to the respective classes of existing shares.

The key terms of the Series D preferred shares are as follows:

Dividend rights

The holders of the Series D preferred shares are entitled to participate in any dividend pari passu with common shareholders of the Company on an as-converted basis.

Liquidation preferences

Amount shall be paid to Series D holders before any distribution or payment shall be made to the holders of Series A, Series A-1, Series B and C Preferred Shares. If asset for distribution is insufficient to pay off Series D holders, the assets shall be distributed among the holders of Series D in proportion to the full amounts to which they would otherwise be respectively entitled thereon on an as-converted basis.

Voting rights

The holders of the Series D preferred shares shall be entitled to such number of votes equal to the whole number of common shares into which such Series D preferred shares are convertible.

Conversion rights

Each share of the Series D preferred shares is convertible at the option of the holder, at any time after the issuance of such shares, and each share can be converted into one common share of the Company. The conversion is subject to adjustments for certain events, including but not limited to additional equity securities issuance, reorganization, mergers, share dividends, distribution, subdivisions, redemptions, combinations, or consolidation of common shares. The conversion price is also subject to adjustment in the event the Company issues additional common shares at a price per share that is less than such conversion price. In such case, the conversion price shall be reduced to adjust for dilution on a weighted average basis.

In addition, each share of the Series D preferred shares would automatically be converted into common shares of the Company (i) upon the closing of an initial public offering of the Company's shares or (ii) upon written notice to convert given to the Company by the holders of a majority of Series D preferred shareholders.

Redemption Right

The Series D preferred shares are redeemable at any time after the 4th anniversary of the initial closing of February 6, 2012 to request the Company to purchase all Series D preferred shares and shares issuable upon the conversion or exercise of the Series D warrants if an initial public offering is not consummated. This redemption right expires after the 5th anniversary of the initial closing of the transaction. The redemption price shall be equal to the aggregate amount of price paid at USD3.544, plus all declared but unpaid dividends up to the date of redemption plus interest of 8% per annum compounded annually from the closing of the Series D preferred shares investment ("Initial Closing") up to and including the date of redemption.

The Company has determined that the Series D preferred shares should be classified as mezzanine equity. The Series D warrant is initially measured at its fair value and the initial carrying value for Series D preference shares is allocated on a residual basis as it is liability classified. The initial carrying value for Series D preference shares is USD 32,481 thousand, and the related capitalized expense is USD2,012 thousand. There were no beneficial conversion features for the Series D preferred shares.

Due to the redemption feature described above, the Company classified the Series D preferred shares as a mezzanine equity in the consolidated balance sheets. The Company recognized the changes in the redemption value immediately as they occurred and adjusted the carrying amount of the Series D preferred shares to equal the redemption value at the end of each reporting period using the effective interest method. The accretion was recorded against retained earnings, or in the absence of retained earnings, by charging against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges are recorded by increasing the accumulated deficit.

	Years ended December 31,	
(In thousand)	**2012**	**2013**
Beginning balance	—	35,990
Addition	32,481	—
Accretion to redemption value	3,509	4,300
Ending balance	35,990	40,290

Warrants

The exercisable period of Series D warrants is up to the earlier of (i) 24 months from date of Initial Closing or (ii) automatically exercised immediately prior to the closing of the following transactions: (a) mergers or consolidation of the Company, b) initial public offering, c) transaction in which in excess of 50% of the Company's equity is transferred to any person, d) sale, transfer, lease, assignment conveyance, exchange, mortgage, or other disposition of all or substantially all of the assets of the Company. The warrants are not entitled to dividend rights nor to vote until the warrants are exercised and shares become issuable. Series D warrants is classified as a liability and initially measured at their fair value at USD 3,007 thousand. As of December 31, 2012 and 2013, the fair value of Series D warrants were USD 3,717 thousand and USD 2,695 thousand, respectively. For the year ended on December 31, 2012 and 2013, the fair value (loss) / gain recorded were USD 710 thousand and USD 1,531 thousand, respectively.

In determining the fair value of the Series D warrant, the Group relied on, in part a valuation report retrospectively prepared by an independent valuer based on data provided by the Group. The valuation report provided the Group with guidelines in determining the fair value, but the determination was made by the Group. The Group applied the Black-Scholes Option Pricing Model to calculate the fair value of the Series D warrant on the valuation date.

The fair values of warrants as of December 31, 2012 and 2013 were estimated using the following assumptions:

	December 31, 2012	December 31, 2013
Spot price(1)	4.48	4.36
Risk-free interest rate(2)	0.15%	0.05%
Volatility rate(3)	41.2%	30.33%
Dividend yield(4)	—	—

(1) Spot price—based on the fair value of 100 percent equity interest of the Company which is allocated to preferred share and common share of the Company as at the Valuation Date under different scenarios.

(2) Risk-free interest rate—based on the US Treasury Bond & Notes BFV curve from Bloomberg as at the valuation date.

(3) Volatility—based on the average historical volatility of the comparable companies from Bloomberg as at the valuation date.

(4) The Company has no history or expectation of paying dividends on its common shares.

14. Common shares

The Company's Memorandum and Articles of Association authorizes the Company to issue 195,504,449 shares of USD0.00025 par value per common share. 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 number of common shares representing a majority of the aggregate voting power of all outstanding shares. On April 8, 2011, the board of directors approved the cancellation of 56,067,952 treasury shares that has been held by the Company since 2005. As of December 31, 2012 and 2013, there were 61,447,372 common shares outstanding. In November 2013, 9,073,732 shares of USD0.00025 par value per common shares were issued to Leading Advice Holdings Limited, a BVI company owned by the Group's

chairman and chief executive officer for no consideration. While the common shares have been legally issued, the common shares issued to Leading Advice do not have the attributes of unrestricted, issued and outstanding shares. Therefore, these shares issued to Leading Advice are accounted as treasury shares. Please see note 17 for more information.

15. Convertible preferred shares

As at December 31, 2013, the Company had 26,416,560 Series A preferred shares, 36,400,000 Series A-1 preferred shares, 30,308,284 Series B preferred shares and 5,728,264 Series C preferred shares outstanding.

The key terms of the Series A, Series A-1, Series B and Series C preferred shares are as follows:

Dividend rights

The holders of the Series A, Series A-1, Series B and Series C preferred shares are entitled to participate in any dividend pari passu with common shareholders of the Company on an as-converted basis.

Liquidation preferences

In the event of a liquidation, dissolution or winding up of the Company, available assets and funds of the Company are distributed to the holders of the preferred shares in order of 1) Series C and Series B which are grouped as one class for the purpose of liquidation preference, 2) Series A-1 and then 3) Series A, at their respective original issuance price per share plus any declared but unpaid dividends adjusted for share splits, share dividends, recapitalizations, and other adjustments. In the event that available assets and funds are insufficient to permit payment to the holders of the less senior class of preferred shares, the assets and funds will be distributed ratably to that class of preferred shareholders based on their proportional share ownership. After the distribution to the holders of Series C and Series B, Series A-1, Series A preferred shares and common shares are made, any remaining legally available assets and funds shall be distributed to the holders of common shares and Series C and Series B, Series A-1 and Series A preferred shares pro rata on an as-converted basis.

In addition, the following events are deemed liquidation events in which case any proceeds derived from such deemed liquidation events will be distributed in the order discussed above. If no proceeds are derived from such deemed liquidation events, the Series B preferred shareholders shall have the right to require the Company to repurchase all or any of the outstanding Series B preferred shares at the original issue price.

1) Any consolidation or merger of the Company or other corporate reorganization, in which the shareholders of Company own less than a majority of the voting power of the Company or surviving company, after such consolidation, merger or reorganization

2) A sale of other disposition of all or substantially all of the assets of the Company or the Group

3) A transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company

However, all liquidation events or deemed liquidation event have to be approved by a special resolution passed by a duly convened general meeting of the Company, which require presence of a representative from the common shareholders, a representative from Series A-1 preferred shareholders and a representative from Series B preferred shareholders. Accordingly, the Company determined that the deemed liquidation events are within the control of the Company and the Series B preferred shareholders do not have control of the Company. Therefore, the deemed liquidation events do not preclude the Series B preferred shares from being classified within permanent equity.

Voting rights

The holders of the Series A, Series A-1, Series B and Series C preferred shares shall be entitled to such number of votes equal to the whole number of common shares into which such Series A, Series A-1, Series B and Series C preferred shares are convertible.

Conversion rights

Each share of the Series A, Series A-1, Series B and Series C preferred shares is convertible at the option of the holder, at any time after the issuance of such shares, and each share can be converted into one common share of the Company. In addition, each share of the Series A, Series A-1, Series B and Series C preferred shares would automatically be converted into common shares of the Company upon (i) an underwritten public offering of the company's shares on major stock exchanges, including Nasdaq Global Market that results in proceeds to the Company of at least USD 50 million ("QIPO") or (ii) upon written notice to convert given to the Company by the holders of a majority of such class or series of preferred shares in issue, in each case voting as a separate class on an as converted basis, as applicable.

At the time of issuance, the Series A preferred shares issued to one of the shareholders in 2005 contained a beneficial conversion feature of USD 54 thousand and the amount was charged to retained earnings in 2005 as a deemed dividend.

At the time of anti-dilution, the Series C preferred shares anti-diluted in 2012 contained a beneficial conversion feature of USD 286 thousand and the amount was charged to retained earnings in 2012 as a deemed dividend. There were no beneficial conversion features for the other issuance.

In April, 2011, the Company removed the USD 50 million threshold from the definition of QIPO. The removal of the threshold is not expected to have a significant impact to the financial statements of the Company.

None of the preferred shares are redeemable at the holders' option.

Modification

Upon issuance of Series D preferred shares in January 2012 as discussed in note 13, the Company adjusted the Series C conversion price from USD5.24 to USD4.14 per share; and obtained an exclusive option to purchase at any time within 12 months after the date of the conversion for all, but not less than all, of Series C preferred shares at the purchase price of USD4.607 per common share. The Series C conversion price could be adjusted for any share dividends, sub-division and consolidation, and unpaid dividend. As a result of this modification, the Company will issue a total of 7,248,293 common shares on a fully-converted basis of the

original 5,728,264 Series C preferred shares when the conversion right is exercised by the holder. Other terms of the Series C preferred shares including the original liquidation rights remained unchanged.

The Company concluded that the downward conversion price adjustment from USD 5.24 to USD 5.13 is in accordance with the anti-dilution clause in the original Series C financing agreement. The incremental downward price adjustment from USD 5.13 to USD 4.14 and the right to an exclusive purchase option are accounted for as modifications of the terms of Series C preferred shares. The incremental value contributed by the Series C preferred shareholder amounted to USD 2,905 thousand and was deemed to be a wealth transfer between the preferred shareholder and common shareholders and the amount was charged to additional paid-in capital.

In determining the accounting for the modification of the Series C preferred shares, the Group also relied on, in part, a valuation report retrospectively prepared by an independent valuer based on data provided by the Group. The valuation report provided the Group with guidelines in determining the fair value, but the determination was made by the Group. Option-pricing method was used to allocate enterprise value to preferred and ordinary shares, taking into account the guidance prescribed by the AICPA Audit and Accounting Practice Aid, "Valuation of Privately-Held Company Equity Securities Issued as Compensation". The method treats common stock and preferred stock as call options on the enterprise's value, with exercise prices determined based on the liquidation preference of the preferred stock.

The option-pricing method involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of the Company or an initial public offering, and estimates of the volatility of the Group's equity securities. The anticipated timing is based on the plans of management. Estimating the volatility of the share price of a privately held company is complex because there is no readily available market for the shares. The Group estimated the volatility of its shares to range from 55.36% to 59.91% based on the historical volatility of comparable publicly traded shares of companies engaged in similar lines of business.

16. Non-controlling interest

Non-controlling interest includes the interest owned by a shareholder of the Company in a subsidiary of the consolidated VIE.

In February 2010, Shenzhen Xunlei set up a new subsidiary named Xunlei Games Development (Shenzhen) Co., Ltd ("Xunlei Games") and holds 70% of its equity interests. A shareholder of the Company contributed RMB 3,000 thousand (equivalent to USD439 thousand) and holds 30% equity interests in Xunlei Games, which was accounted for as a non-controlling interest of the Group.

17. Share-based compensation

2010 share incentive plan

During the years presented, the Company granted share options to employees, officers and directors of the Group. There were no options granted to non-employees as of December 31, 2011, 2012 and 2013.

These options were granted with exercise prices denominated in the USD, which is the functional currency of the Company. The maximum term of any issued stock option is seven or ten years from the grant date. Stock options granted to employees and officers vest over a four-year schedule as stated below:

(1) One-fourth of the options shall be vested upon the first anniversary of the grant date;

(2) The remaining three quarters of the options shall be vested on monthly basis over the next thirty-six months. ($^{1}/_{48}$ of options shall be vested per month subsequently)

Stock options granted to directors were subject to a vesting schedule of approximately 32 months.

All share-based payments to employees are measured based on their grant-date fair values. Compensation expense is recognized on a straight-line basis over the requisite service period.

In December 2010, the Group adopted a share incentive plan, which is referred to as the 2010 Share Option Plan ("the 2010 Plan"). The purpose of the plan is to attract and retain the best available personnel by linking the personal interests of the members of the board, employees, and consultants to the success of the Group's business and by providing such individuals with an incentive for outstanding performance to generate superior returns for our shareholders. Under the 2010 Plan, the maximum number of shares in respect of which options, restricted shares, or restricted share units may be granted is 26,822,828 shares (excluding the share options previously granted to the directors who are the founders of the Company).

The following table summarizes the stock option activity for the years ended December 31, 2011, 2012 and 2013:

	Number of shares	Weighted average exercise price (USD)	Weighted-average grant-date fair value (USD)	Weighted average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Outstanding, December 31, 2010	28,127,770	0.77		5.02	78,654
Granted	2,204,916	3.77	2.50		
Forfeited	(1,030,704)	2.75			
Exercised (note a)	(8,410,200)	—			
Outstanding, December 31, 2011	20,891,782	1.30		3.87	43,068
Granted	320,000	2.73	1.59		
Forfeited	(989,120)	1.72			
Outstanding, December 31, 2012	20,222,662	1.30		2.82	40,788
Granted	1,076,761	3.33	1.27		
Forfeited	(326,647)	3.32			
Outstanding, December 31, 2013	20,972,776	1.37	—	2.03	39,420
Vested and expected to vest at December 31, 2013	20,701,286	1.32	0.40	1.89	41,014
Exercisable at December 31, 2013	19,382,156	1.17	0.31	1.67	40,771

note a—Given that these options were granted with a zero exercise price, the Company did not receive any cash proceed.

Forfeitures are estimated at the time of grant. If necessary, forfeitures are revised in subsequent periods if actual forfeitures differ from those estimates. Based upon the Company's historical and expected forfeitures for stock options granted, the directors of the Company

estimated that its future forfeiture rate would be 20% for employees and nil for directors and advisors.

The aggregate intrinsic value in the table above represents the difference between the estimated fair value of the Company's common shares as of December 31, 2012 and 2013 and the exercise price.

Total fair values of options vested as of December 31, 2012 and 2013 were USD4,721 thousand and USD6,271 thousand, respectively.

As of December 31, 2012 and 2013, there were USD3,398 thousand and USD2,803 thousand of unrecognized share-based compensation costs related to stock options, which were expected to be recognized over a weighted-average vesting period of 2.82 and 2.66 years, respectively. To the extent the actual forfeiture rate is different from the Company's estimate, the actual share-based compensation related to these awards may be different from the expectation.

The Black-Scholes option pricing model is used to determine the fair value of the stock options granted to employees. The fair values of stock options granted during the years ended December 31, 2011, 2012 and 2013 were estimated using the following assumptions:

Options granted to employees

Years ended December 31,	2011	2012	2013
Risk-free interest rate(1)	1.32% to 2.26%	0.67% to 0.92%	0.77% to 1.76%
Dividend yield(2)	—	—	—
Volatility rate(3)	50.3% to 51.4%	53.9% to 54.5%	43.8% to 51.3%
Expected term (in years)(4)	4.58	4.58	4.58

(1) The risk-free interest rate of periods within the contractual life of the share option is based on the USD denominated China Government Bond yield as at the valuation dates.

(2) The Company has no history or expectation of paying dividends on its common shares.

(3) Expected volatility is estimated based on the average of historical volatilities of the comparable companies in the same industry as at the valuation dates.

(4) The expected term is developed by assuming the share options will be exercised in the middle point between the vesting dates and maturity dates.

2013 share incentive plan

In November 2013, the Group adopted a share incentive plan, which is referred to as the 2013 Share Incentive Plan ("the 2013 Plan"). The purpose of the plan is to motivate, attract and retain the best available personnel by linking the personal interests of senior management to the success of the Group's business. The Group appointed Leading Advice Holdings Limited ("Leading Advice"), a BVI company owned by the Group's chairman and chief executive officer for no consideration, to administer the plan and is the Administrator. Leading Advice has no activities other than administering the plan and does not have employees.

On behalf of the Group, the Administrator has the authority to select the eligible participants to whom awards will be granted: determine the types of awards and the number of shares covered: establish the terms, conditions and provisions of such awards; cancel or suspend awards; and, under certain conditions to accelerate the exercisability of awards. The Administrator is authorized to interpret the 2013 Plan; to establish, amend, and rescind any rules and regulations relating to the 2013 Plan; to determine the terms of agreements entered

into with recipients under the 2013 Plan; and, to make all other determinations that may be necessary or advisable for the administration of the 2013 Plan. In the event of any disagreement between the Group and Leading Advice, the Group's decision shall be final and binding.

In November 2013, the Company issued 9,073,732 common shares to Leading Advice. Although the shares were legally issued to Leading Advice, Leading Advice does not have any of the rights of a typical common share holder. Leading Advice 1) is not entitled to dividends 2) does not have the right to vote prior to vesting and 3) does not have the right to sell the unvested portion of the awards or awards that have not been granted. In addition, upon 1) the liquidation of Leading Advice 2) the dissolution of Leading Advice and 3) the expiration of the 2013 Plan, common shares not granted as awards shall be transferred back to the Group at no consideration. Given the structure of this arrangement, while the common shares have been legally issued, the common shares issued to Leading Advice do not have the attributes of unrestricted, issued and outstanding shares. Therefore, the 9,073,732 common shares issued to Leading Advice are accounted as treasury shares until these common shares are earned by the senior management for service provided to the Group.

The Group will record compensation expense for shares over the vesting period.

For the awards that have been granted and become vested, Leading Advice will hold shares for the grantees' benefit and exercise the voting rights on their behalf. The grantees will be entitled to dividends and have the right to request Leading Advice to transfer vested award to a transferee designated by the grantees.

Before the closing of a QIPO, the Company will have a "right of first refusal" with respect to any proposed transfer of vested restricted shares. After the closing of a QIPO, vested restricted shares may not be sold or transferred for a period of six months or a period of time determined by the underwriter (the "lock up period"). If the grantee terminates its employment prior to the closing date of a QIPO and a trade sale, the Group will have the right to acquire the vested restricted shares from the senior officer at a market price as determined by third-party valuation experts.

The Group has considered whether Leading Advice is a variable interest entity and, if so, whether the Group is the primary beneficiary. The Group concluded that it is not the primary beneficiary of Leading Advice.

Upon the closing of a QIPO, the 2013 Plan will be administered by the Company's board of directors or the compensation committee of the board of directors formed in accordance with applicable exchange rules.

Under the 2013 Plan, the maximum number of restricted shares that may be granted is 9,073,732 shares.

As of December 31, 2013, 8,095,238 restricted shares were granted to a few senior officers. 7,240,833 of these restricted shares will vest over a four-year schedule in which one-fourth of the restricted shares shall be vested upon the first, second, third, and fourth anniversary of the grant date, respectively. Upon a QIPO, the Administrator, on behalf of the Group, may immediately accelerate the vesting of the restricted shares. If the restricted shares are

accelerated, it will be considered vested as of the date specified by the Administrator. The remaining 854,405 restricted shares granted will vest over a four-year schedule as stated below:

1) One-fourth of the restricted shares shall vest on the earlier of: (i) the first anniversary of the grant date, or (ii) upon a QIPO;

2) The remainder three quarters of the restricted shares shall vest in equal instalments on a monthly basis over a thirty-six month vesting period afterwards.

A summary of the restricted shares activities for the years ended December 31, 2011, 2012 and 2013 is presented below:

(In thousand)	Number of RSUs	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2013:	—	—
Granted	8,095,238	3.15
Vested	—	—
Forfeited	—	—
Unvested at December 31, 2013	8,095,238	—
Vested and expected to vest at December 31, 2013	6,880,952	

Forfeitures are estimated at the time of grant. If necessary, forfeitures are revised in subsequent periods if actual forfeitures differ from those estimates.

All restricted shares granted to senior officers are measured based on their grant-date fair values. Compensation expense is recognized on a straight-line basis over the requisite service period. As of December 31, 2013, total unrecognized compensation expense relating to the restricted shares was USD 24,706 thousand. No restricted shares were issued to non-employees. Total compensation costs recognized for the years ended December 31, 2011, 2012 and 2013 are as follows:

	Years ended December 31,		
(In thousand)	2011	2012	2013
Sales and marketing expenses	73	46	43
General and administrative expenses	1,128	1,102	1,080
Research and development expenses	898	1,085	973
Total	2,099	2,233	2,096

18. Basic and diluted net (loss) / income per share

Basic and diluted net (loss) / income per share for the years ended December 31, 2011, 2012 and 2013 are calculated as follows:

(Amounts expressed in thousands of United States dollars ("USD"), except for number of shares and per share data)	Years ended December 31, 2011	2012	2013
Numerator:			
Net (loss) / income attributable to Xunlei Limited	(10)	503	10,662
Beneficial conversion feature of Series C convertible preferred shares from their modifications	—	(286)	—
Deemed contribution from Series C preferred shareholders	—	2,979	—
Accretion to convertible redeemable preferred shares redemption value	—	(3,509)	(4,300)
Allocation of net income to participating preferred shareholders		—	(4,094)
Numerator of basic net (loss) / income per share	(10)	(313)	2,268
Dilutive effect of warrant	—	—	(1,531)
Dilutive effect of preferred shares	—	—	—
Numerator for diluted (loss) / income per share	(10)	(313)	737
Denominator:			
Denominator for basic net (loss) / income per share-weighted average shares outstanding	59,143,208	61,447,372	61,447,372
Dilutive effect of warrants	—	—	2,218,935
Dilutive effect of share options and restricted shares	—	—	12,399,591
Denominator for diluted net (loss) / income per share	59,143,208	61,447,372	76,065,898
Basic net (loss) / income per share	(0.00)	(0.01)	0.04
Diluted net (loss) / income per share	(0.00)	(0.01)	0.01

The following common shares equivalent were excluded from the computation of diluted net income per common share for the periods presented because including them would have had an anti-dilutive effect:

	Years ended December 31, 2011	2012	2013
Preferred shares—weighted average	97,220,945	102,835,619	103,705,241
Share options—weighted average	2,399,154	2,240,681	2,513,017

19. Related party transactions

The table below sets forth the related parties and their relationships with the Group:

Related Party	Relationship with the Group
Zhuhai Qianyou	Equity investment of the Group
Guangzhou Shulian Information Technology, Co., Ltd. ("IDG Guangzhou")	Shareholder of the Group
Hao Cheng	Co-founder and shareholder of the Group
Leading Advice Holdings Limited	Company owned by a Co-founder and shareholder of the Group

During the years ended December 31, 2011, 2012 and 2013, significant related party transactions were as follows:

	Years ended December 31,		
(In thousand)	2011	2012	2013
Game sharing costs paid and payable to Zhuhai Qianyou (note a)	—	1,041	1,760
Repayment to IDG Guangzhou	(50)	—	—
Advance to Hao Cheng	—	—	85

note a—The Company obtained an exclusive game operation right from Zhuhai Qianyou, which is specialized in developing online games. According to the agreement, the Company will share revenues derived by the licensed games with Zhuhai Qianyou.

In November 2013, the Company issued 9,073,732 common shares to Leading Advice, a company owned by the Group's chairman and chief executive officer. The issurance of common shares was to facilitate the administration of the 2013 Plan. Please refer to note 17 for more information.

As of December 31, 2011, 2012 and 2013, the amount due to a related party was as follows:

(In thousand)	December 31, 2011	December 31, 2012	December 31, 2013
Amounts due to related parties			
Accounts payable to Zhuhai Qianyou	—	313	225

(In thousand)	December 31, 2011	December 31, 2012	December 31, 2013
Amounts due to related parties			
Other receivable from Hao Cheng	—	—	85

20. 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) PRC Enterprise Income Tax ("EIT")

Giganology Shenzhen, the VIE and its subsidiaries which were established in the Shenzhen Special Economic Zone, the PRC were all subject to EIT at a rate of 15% before 2008. On March 16, 2007, the PRC National People's Congress promulgated the New Enterprise Income Tax Law (the "New EIT Law"), which became effective on January 1, 2008, adopting a unified EIT rate of 25%. In addition, the New EIT Law also provides a five-year transitional period starting from its effective date for those enterprises that were established before the date of promulgation of the New EIT Law and that were entitled to preferential income tax rates under the then effective tax laws or regulations. On December 26, 2007, the State Council issued the "Circular to Implementation of the Transitional Preferential Policies for the Enterprise Income Tax". Pursuant to this Circular, the transitional income tax rates for enterprises established in the Shenzhen Special Economic Zone before March 16, 2007 were 18%, 20%, 22%, 24% and 25% for 2008, 2009, 2010, 2011 and 2012, respectively. Thus, the applicable EIT rate for Giganology Shenzhen, the VIE and its subsidiaries, which established in the Shenzhen Special Economic Zone before March 16, 2007, was 24%, 25% and 25% for the years 2011, 2012 and 2013, respectively.

As approved by the relevant local tax authority, Giganology Shenzhen was further exempt from EIT for two years commencing from its first year of profitable operation after offsetting prior years' tax losses, followed by a 50% reduction for the next three years ("2-year Exemption and 3-year 50% Reduction") as a software enterprise. The first year of profit operation of Giganology Shenzhen was 2006. According to new EIT Law, Giganology Shenzhen could still enjoy the tax holidays which were grandfathered by the New EIT Law.

Accordingly, the applicable EIT rates for Giganology Shenzhen were 24%, 25% and 25% for the years ended December 31, 2011, 2012 and 2013, respectively.

On April 14, 2008, relevant governmental regulatory authorities released further qualification criteria, application procedures and assessment processes for meeting the High and New Technology Enterprise ("HNTE") status under the New EIT Law which would entitle qualified and approved entities to a favorable statutory tax rate of 15%.

In April 2009, the State Administration for Taxation ("SAT") issued Circular Guoshuihan [2009] No. 203 ("Circular 203") stipulating that entities which qualified for the HNTE status should apply with in-charge tax authorities to enjoy the reduced EIT rate of 15% provided under the New EIT Law starting from the year when the new HNTE certificate becomes effective. In addition, an entity which qualified for the HNTE status can continue to enjoy its remaining tax holiday from January 1, 2008 provided that it has obtained the HNTE certificate according to the new recognition criteria set by the New EIT Law and the relevant regulations.

In February 2011, Shenzhen Xunlei obtained the HNTE certificate with effect from January 1, 2011.

According to a policy promulgated by the State tax bureau of the PRC and effective from 2008 onwards, enterprises engage in research and development activities are entitled to claim 150% of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that year ("Super Deduction"). Shenzhen Xunlei has been claiming such Super Deduction in ascertaining its tax assessable profits from 2009 onwards. In addition, approved by the relevant local tax authority in July 2010, Shenzhen Xunlei was recognized as an enterprise engaged in software development activities, accordingly, it is entitled to a tax holiday of 2-year Exemption and 3-year 50% Reduction from 2010 onwards.

In December 2013, Shenzhen Xunlei obtained the certificate of Key Software Enterprise for the years ended December 31, 2013 and 2014, which enabled Shenzhen Xunlei to enjoy the preferential tax rate of 10% for the year 2013. As a result, the applicable tax rate of Shenzhen Xunlei for the years ended December 31, 2011, 2012 and 2013 were 0%,12.5% and 10% respectively.

The subsidiaries and VIE's subsidiaries, which were established after January 1, 2008, were subject to EIT at a rate of 25%.

Xunlei Computer was established in 2011 in the Shenzhen Special Economic Zone, the PRC. As approved by the relevant tax authority in June 2013, Xunlei Computer was further exempt from EIT for two years commencing from its first year of profitable operation after offsetting prior years' tax losses, followed by a 50% reduction for the next three years ("2-year Exemption and 3-year 50% Reduction"). The first year of profit operation of Xunlei Computer is 2013.

Dividends paid by the PRC subsidiaries of the Group out of the profits earned after December 31, 2007 to non-PRC tax resident investors are subject to PRC withholding tax. The withholding tax ("WHT") on dividends is 10%, unless a foreign investor's tax jurisdiction has a tax treaty with the PRC that provides for a lower withholding tax rate and the foreign investor is recognized as the beneficial owner of the income under the relevant tax rules.). The 10% WHT is applicable to any dividends to be distributed from Giganology Shenzhen and Xunlei Computer to the Company out of any profits of these two companies derived after January 1, 2008. Up to December 31, 2013, both Giganology Shenzhen and Xunlei Computer did not declare any dividend to the parent company and have determined that it has 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 and required to be accrued as of December 31, 2012 and 2013. The undistributed earnings from the Group's PRC entities as of December 31, 2012 and 2013 amounted to USD19,273 thousand and USD31,385 thousand, respectively. An estimated foreign withholding taxes of USD1,977 thousand and USD3,138 thousand would be due if these earnings were remitted as dividends as of December 31, 2012 and 2013, respectively.

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 Enterprise Income Tax at the rate of 25% on its worldwide income for the period after January 1, 2008. As of December 31, 2013, 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 expense included in the consolidated statements of operations are as follows:

	Years ended December 31,		
(In thousand)	**2011**	**2012**	**2013**
Current income tax expenses	—	2,362	175
Deferred income tax benefits	(1,783)	(123)	(822)
Taxation for the year	(1,783)	2,239	(647)

The aggregate amount and per share effect of the tax holiday are as follows:

	Years ended December 31,		
	2011	**2012**	**2013**
Aggregate dollar effect **(in thousand)**	1,118	2,073	4,638
Per share effect—basic	0.02	0.03	0.08
Per share effect—diluted	0.02	0.03	0.06

The reconciliation of total tax (benefit)/expense computed by applying the respective statutory income tax rate to pre-tax (loss)/income is as follows:

	Years ended December 31,		
	2011	**2012**	**2013**
Income tax (benefit)/expense at PRC statutory rate (based on *statutory* tax rate applicable to enterprises in Shenzhen, China)	(431)	655	2,433
Expiration and utilisation of tax loss	—	—	31
Effects of differences in tax rates in different jurisdictions applicable to certain PRC entities of the Group	(5)	—	—
Effects of differences in tax rates in different jurisdictions applicable to entities of the Group outside of the PRC	1,038	2,074	667
Non-deductible expenses	127	53	102
Effect of Super Deduction available to Shenzhen Xunlei	—	(2,274)	(1,763)
Effect of tax holiday available to Shenzhen Xunlei	(1,118)	(2,073)	(4,638)
Change in valuation allowance of deferred tax assets	37	6	—
Effect on deferred tax assets due to change in tax rates	(2,830)	(437)	1,764
Outside basis difference arising from the VIE and its subsidiaries in the PRC	1,402	4,217	713
Others	(3)	18	44
Income tax (benefit)/expense	(1,783)	2,239	(647)

The tax effects of temporary differences that give rise to the deferred tax asset and liability balances at December 31, 2012 and 2013 are as follows:

(In thousand)	December 31, 2012	December 31, 2013
Deferred tax assets, current portion:		
Net operating loss carried forward (Note a)	46	50
Amortization of intangible assets arising from intragroup transactions (Note b)	84	69
Amortization of Content Copyrights (Note c)	787	1,033
Impairment of online game licenses	—	33
Valuation allowance	(43)	—
Deferred tax assets, current portion, net	874	1,185
Deferred tax assets, non-current portion:		
Net operating loss carried forward (Note a)	1,269	3,676
Allowance for doubtful accounts	1,181	1,311
Amortization of intangible assets arising from intragroup transactions (Note b)	338	175
Impairment of online game licenses	—	49
Amortization of Content Copyrights (Note c)	5,124	4,219
Deferred tax assets, non-current portion, net	7,912	9,430
Deferred tax liability, non-current portion:		
Outside basis difference (Note d)	(7,361)	(8,074)

Note a: As of December 31, 2013, the Group had tax loss carryforwards of USD14,908 thousand, which can be carried forward to offset future taxable income. The net operating tax loss carryforwards will begin to expire as follows:

(In thousand)	
2014	202
2015	1,264
2016	1,791
2017	1,978
2018	9,673
	14,908

Note b: Before 2008, Giganology Shenzhen sold several self developed software at a market valuation of approximately RMB42 million to Shenzhen Xunlei. Shenzhen Xunlei was entitled to capitalize the amounts as intangible assets for tax purposes and the respective amortization charges could be entitled to claim tax deduction. As a result, this transaction had created a temporary difference between the accounting base (on a group basis) and the tax base (on Shenzhen Xunlei standalone basis) and led to origination of a deferred tax asset.

Note c; As mentioned in Note 2(k), the Group adopts certain accelerated amortization methods for amortization of certain Content Copyrights for accounting purposes, while straight- line method is adopted for PRC tax reporting. Accordingly, the differences have led to origination of temporary differences.

Note d: The deferred tax liabilities arising from the aggregate retained earnings and reserves of the VIE and its subsidiaries that are expected to be recovered by Giganology Shenzhen and other affiliates of the Group in the future periods, amounted to USD 29,447 thousand and USD 32,296 thousand as of December 31, 2012 and 2013, respectively. The Group did not provide for such deferred tax liability in its historical financial statements for the year ended 31 December 2010 that was prepared in 2011. Accordingly, the retained earnings have been revised and the brought forward balance as of 1 January, 2011 has been reduced by USD 1,743 thousand to reflect such a liability as of 31 December 2010.

Movement of valuation allowance is as follows:

	Years ended December 31,		
(In thousand)	**2011**	**2012**	**2013**
Beginning balance	—	(37)	(43)
Additions	(37)	(6)	—
Write-off	—	—	43
Ending balance	(37)	(43)	—

Valuation allowances had been provided against the net deferred tax assets because it is more likely than not that all of the deferred tax asset will not be realized. As of December 31, 2011 and 2012, the valuation allowance was provided because Xunlei Nanjing was in a loss position. As of December 31, 2013, valuation allowance was written off due to the termination of the business of Xunlei Nanjing.

As of December 31, 2013, the tax returns of the Group's subsidiaries, VIE and its subsidiaries since their respective dates of incorporation are still open to examination.

21. Fair value measurements

Effective January 1, 2008, the Group adopted ASC 820-10, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value and expands financial statement disclosures about fair value measurements. Although adoption did not impact the Group's consolidated financial statements, ASC 820-10 requires additional disclosures to be provided on 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.

The following table sets forth the financial instruments, measured at fair value, by level within the fair value hierarchy as of December 31, 2012 and 2013.

	Fair value measurements as at December 31, 2012			
(In thousand)	Total	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant observable inputs (Level 3)
Cash equivalent: time deposits	5,978	—	5,978	—
Short term investments				
Investments in financial instruments	6,523	—	6,523	—
Warrant liabilities	(3,717)	—	(3,717)	—
	8,784	—	8,784	—

	Fair value measurements as at December 31, 2013			
(In thousand)	Total	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant observable inputs (Level 3)
Cash equivalent: time deposits	30,892	—	30,892	—
Short term investments:				
Time deposits	9,695	—	9,695	—
Investments in financial instruments	31,298	—	31,298	—
Warrant liabilities	(2,186)	—	(2,186)	—
	69,699	—	69,699	—

22. Other income (loss), net

	Years ended December 31,		
(In thousand)	2011	2012	2013
Subsidy income	650	1,621	1,393
Fair value changes of warrants liabilities (note 13)	—	(710)	1,531
Investment income from short-term investments	—	2	1,847
Exchange gain/(losses)	754	(351)	(252)
Others	11	2	160
	1,415	564	4,679

23. Commitments and contingencies

Rental commitments

The Group leases facilities in the PRC under non-cancellable operating leases expiring on different dates. Payments under operating leases are expensed on a straight-line basis over the periods of the respective leases, including any free rental periods.

Total office rental expenses under all operating leases were USD 2,017 thousand, USD 2,390 thousand and USD 2,786 thousand for the years ended December 31, 2011, 2012 and 2013, respectively.

Future minimum payments under non-cancellable operating leases of office rental consist of the following as of December 31, 2013:

(In thousand)	
2014	2,115
2015	1,400
2016	935
2017 and thereafter	7
	4,457

Bandwidth lease commitments

The Group leases bandwidth in the PRC under non-cancellable operating leases expiring on different dates. Payments under bandwidth leases are expensed on a straight-line basis over the duration of the respective lease periods, including any lease free periods.

Total bandwidth leasing costs under all operating leases were USD 11,543 thousand, USD 22,211 thousand and USD 35,454 thousand for the years ended December 31, 2011, 2012 and 2013.

Future minimum payments under non-cancellable bandwidth leases consist of the following as of December 31, 2013:

(In thousand)	
2014	10,859
2015	2,954
2016 and thereafter	—
	13,813

Capital commitments

As at December 31, 2013, the Group had irrevocable purchase obligations for certain copyrights and online game licenses that had not been recognized in the amount of USD 5,882 thousand and USD 5,150 thousand, respectively.

Litigation

The Group is involved in a number of cases pending in various courts. These cases are substantially related to alleged copyright infringement as well as routine and incidental matters to its business, among others. Adverse results in these lawsuits 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 had incurred USD 641 thousand, USD 760 thousand and USD 263 thousand legal and litigation related expenses for the years ended December 31, 2011, 2012 and 2013, respectively.

Up to March 21, 2014, which is the date when the consolidated financial statements were issued, the Group had 17 lawsuits pending against the Group with an aggregate amount of claimed damages of approximately RMB20.3 million (USD3.3 million) which occurred before December 31, 2013. Of the 17 pending lawsuits, 13 lawsuits were relating to the alleged copyright infringement in the PRC and the remaining 4 were relating to the Xunlei Kankan and online game business which is not related with copyright infringement. The Group had

accrued for USD 288 thousand litigation related expenses in "Accrued expenses and other liabilities" in the consolidated balance sheet as of December 31, 2013.

Out of the 13 lawsuits for the alleged copyright infringement, 8 lawsuits involved Gougou, a digital media content search engine previously owned by the Group. Although the Group is named defendant in these cases, the Group sold the Gougou website and related intellectual property rights in 2010 to an unaffiliated third party, who has agreed to assume all present and future Gougou-related intellectual property liabilities, including liabilities incurred in connection with these lawsuits. The indemnity provided by this unaffiliated third party has not been factored into the Group's accrual of the litigation related expenses. The remaining 5 lawsuits were relating to online video services the Group provided on Xunlei Kankan and the Xunlei Accelerator.

The Group estimated the litigation compensation based on judgments handed down by the court, out-of-court settlements of similar cases as well as advices from the Group's legal counsel. The Group is in the process of appealing certain judgments for which the losses had been accrued. Although the results of unsettled litigation and claims cannot be predicted with certainty, the Group does not expect that the outcome of the 17 lawsuits will result in the amounts accrued materially different from the range of reasonably possible losses.

Subsequent to December 31, 2013, there were additional claims mainly related to alleged copyright infringement and employment contract dispute made in the ordinary course of business against the Group. The Group has assessed that none of these claims that occurred between January 1, 2014 to March 21, 2014 will result in the amount accrued materially different from the range of reasonably possible losses in the consolidated financial statements of the Group.

24. Certain risks and concentration

PRC regulations

Current PRC laws and regulations place certain restrictions on foreign ownership of companies that engage in internet businesses, including the provision of online video and online advertising services. Specifically, foreign ownership in an internet content provider or other value-added telecommunication service providers may not exceed 50%. The Group conducts its operations in China principally through contractual arrangements among Giganology Shenzhen, its wholly-owned PRC subsidiary, and Shenzhen Xunlei and its shareholders. Shenzhen Xunlei holds the licenses and permits necessary to conduct its resource discovery network, online video, online advertising, online games and related businesses in China and hold various operating subsidiaries that conduct a majority of its operations in China. The Company conducts all of its operations in China through, Shenzhen Xunlei, a variable interest entity, which it consolidates as a result of a series contractual arrangements enacted. If the Company had direct ownership of Shenzhen Xunlei, it would be able to exercise its rights as a shareholder to effect changes in the board of directors of Shenzhen Xunlei, which in turn could effect changes at the management level, subject to any applicable fiduciary obligations. However, under the current contractual arrangements, it relies on Shenzhen Xunlei and its shareholders' performance of their contractual obligations to exercise effective control. In addition, its operating contract with Shenzhen Xunlei has a term of ten years, which is subject to Giganology Shenzhen's unilateral termination right. None of Shenzhen Xunlei or its shareholders may terminate the contracts prior to the expiration date.

Further, the Group believes that the contractual arrangements among Giganology Shenzhen, Shenzhen Xunlei and its shareholders are in compliance with PRC law and are legally enforceable. However, the Chinese government may issue from time to time new laws or new interpretations on existing laws to regulate this industry. Regulatory risk also encompasses the interpretation by the tax authorities of current tax laws, and the Group's legal structure and scope of operations in the PRC, which could be subject to further restrictions resulting in limitations on the Company's ability to conduct business in the PRC. The PRC government may also require the Company to restructure the Group's operations entirely if it finds that its contractual arrangements do not comply with applicable laws and regulations. Furthermore, it could revoke the Group's business and operating licenses, require it to discontinue or restrict its operations, restrict its right to collect revenues, block its website, require it to restructure its operations, impose additional conditions or requirements with which the Group may not be able to comply, or take other regulatory or enforcement actions against the Group that could be harmful to its business. The imposition of any of these penalties may result in a material and adverse effect on the Group's ability to conduct the Group's business. In addition, if the imposition of any of these penalties causes the Group to lose the rights to direct the activities of the VIE and its subsidiaries or the right to receive their economic benefits, the Group would no longer be able to consolidate the VIE. The Group does not believe that any penalties imposed or actions taken by the PRC Government would result in the liquidation of the Company, Giganology Shenzhen or Shenzhen Xunlei.

As of December 31, 2013, the aggregate retained earnings and distributable reserves of VIE and VIE's subsidiaries was approximately USD 32,296 thousand (2012:USD 29,447 thousand), which has been included in the consolidated financial statements.

As stated above, Shenzhen Xunlei holds assets that are important to the operation of the Group's business, including patents for proprietary technology, related domain names and trademarks. If Shenzhen Xunlei or its subsidiaries falls into bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, the Group may be unable to conduct its business activities in China, which could have a material adverse effect on the Group's future financial position, results of operations or cash flows. However, the Group believes this is a normal business risk many companies face. The Group will continue to closely monitor the financial conditions of Shenzhen Xunlei and its subsidiaries.

Shenzhen Xunlei and its subsidiaries' assets comprise both recognized and unrecognized revenue-producing assets. The recognized revenue-producing assets include intangible assets, purchased property and equipment. The balances of these assets held by the VIE and its subsidiaries are included in "copyrights related to content, current portion", "property and equipment, net" and "intangible assets, net" in the consolidated balance sheet and specifically in the VIE table on the following page. The unrecognized revenue-producing assets mainly consist of licenses, patents, trademarks, and domain names which are not recorded in the financial statement as it didn't meet the recognition criteria set in ASC 350-30-25. The licenses stated above primarily consist of licenses that grant the VIE and its subsidiaries the right to produce and broadcast internet, radio, and television programs. One of them is the ICP license as described in note 1.

As of December 31, 2013, Shenzhen Xunlei and its subsidiaries held patents granted in the PRC and in the United States. Presently, patent applications are being examined by the State

Intellectual Property Office of the PRC and also patent application is being reviewed by the United States Patent and Trademark Office.

As of December 31, 2013, Shenzhen Xunlei and its subsidiaries have applied to register trademarks, of which the Company has received registered trademarks in different applicable trademark categories including trademark registered with the United States Patent and Trademark Office and trademark registered with World Intellectual Property Organization.

As of December 31, 2013, Shenzhen Xunlei held one domain name that was recognized as an intangible asset and other domain names that are not recorded in the financial statements.

The following consolidated financial information of the Group's VIE and its subsidiaries was included in the accompanying consolidated financial statements as of and for the years ended:

	As of December 31,	
(In thousand)	**2012**	**2013**
Current assets:		
Cash and cash equivalents	20,259	50,663
Short-term investments	6,523	31,298
Accounts receivable, net	51,915	35,592
Due from related parties	—	85
Deferred tax assets	745	750
Prepayments and other current assets	7,459	11,403
Copyrights related to content, current portion	12,704	14,230
Total current assets	**99,605**	**144,021**
Non-current assets:		
Equity method investments	1,488	2,949
Deferred tax assets	5,746	6,756
Property and equipment, net	14,525	20,116
Intangible assets, net	10,455	13,083
Prepayments for content copyrights	2,472	2,483
Other long-term prepayments	299	2,554
Total non-current assets	**34,985**	**47,941**
Total assets	**134,590**	**191,962**
Current liabilities:		
Accounts payables	36,896	62,603
Due to a related party	313	225
Deferred revenue, current portion	16,117	29,352
Income tax payable	2,372	2,581
Accrued liabilities and other payables	36,576	49,265
Total current liabilities	**92,274**	**144,026**
Non-current liabilities:		
Deferred revenue, non-current portion	2,071	2,610
Deferred government grant	5,194	6,580
Total non-current liabilities	**7,265**	**9,190**
Total liabilities	**99,539**	**153,216**

(In thousand)	Years ended December 31, 2011	2012	2013
Net revenue	81,902	140,532	174,594
Net income	3,507	14,637	1,368

(In thousand)	Years ended December 31, 2011	2012	2013
Net cash provided by operating activities	11,013	59,379	92,580
Net cash used in investing activities	(29,538)	(33,675)	(66,243)
Net cash provided by / (used in) financing activities	23,740	(20,632)	2,487
	5,215	**5,072**	**28,824**

Foreign exchange risk

The Group's financing activities are denominated mainly in the USD. 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 the RMB into other currencies. The revenues and expenses of the Company's subsidiaries, consolidated VIE and its subsidiaries are generally denominated in the RMB and their assets and liabilities are denominated in the RMB.

Concentration of customer risk

The top 10 customers accounted for 26%, 20% and 14% of the net revenues for the years ended December 31, 2011, 2012 and 2013, respectively. Prior to entering into sales agreements, the Group performs credit assessments of its customers to assess the credit history of its customers. Further, the Group has not experienced any significant bad debts with respect to its accounts receivable.

Credit risk

As of December 31, 2012 and 2013, substantially all of the Group's cash and cash equivalents were held at reputable financial institutions in the jurisdictions where the Group and its 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.

Prior to entering into sales agreements, the Group performs credit assessments of its customers to assess the credit history of its customers. Further, the Group has not experienced any significant bad debts with respect to its accounts receivable.

25. Subsequent events

The Group evaluated subsequent events through March 21, 2014, which is the date when the consolidated financial statements were issued.

Share options grant

From January 1, 2014, to March 21, 2014, the Group granted a total of 492,000 share options to certain its employees with exercise price ranging from USD2.93 to USD3.97. The share options have a vesting schedule of 4 years. The Group expects to record the related share based compensation expense over the vesting period.

Restricted shares grant

From January 1, 2014, to March 21, 2014, 1,830,000 restricted shares had been granted to certain executive officers or employees of the Group.

Series E preferred shares financing

In February 2014, the Company issued and allotted 70,975,491 Series E preferred shares at a purchase price of approximately USD2.8 per share to a third party investor (the "Series E Investor"). The Company received proceeds of approximately USD200 million from the Series E investor.

Within three months after the closing, the Series E Investor will have the right to purchase, or designate any other person(s) to purchase, an additional number of 35,487,746 Series E preferred shares at approximately USD2.8 per share. Concurrent with the closing of this issuance, the Company issued warrants to the Series E Investor with an exercise price of approximately USD2.8 per share. If the Company is unable to complete an initial public offering by December 31, 2014, then such warrants are exercisable at the Series E Investor's option starting from January 1, 2015 and ending on March 1, 2015.

In relation to the closing of this issuance, the Company also issued warrants to an existing preferred shares investor ("Existing Investor") with an exercise price of approximately USD2.8 per share upon the closing of the Series E Investor's subscription. Such warrants are exercisable at the Existing Investor's option no later than the pricing date of an initial public offering or March 1, 2015, whichever is earlier.

The issuance of Series E preferred shares triggered the anti-dilution rights of a Series C preferred shareholder and a Series D preferred shareholder. As a result, the Company adjusted the conversion price of the Series C preferred shares of this holder from USD4.14 to approximately USD3.64, and the conversion price of Series D preferred shares of this holder from USD3.544 to approximately USD2.86.

Guozhi investment

In February 2014, the Group paid USD 738 thousand as the consideration to acquire 21% equity interests in Shanghai Guozhi Electronic Technology Co., Ltd., a company which hosts an internet platform for online users to share information relating to the TV set up boxes industry in the PRC. As of March 21, 2014, this acquisition has yet to close.

Expiration of the Series D warrants

In the first quarter of 2014, the warrants to purchase 2,218,935 Series D preferred shares at USD 3.38 per share held by certain investor expired.

Repurchase commitment

In the first quarter of 2014, the Company agreed to repurchase from an Existing Investor 469,225 common shares, 27,180 Series A preferred shares, 591,451 Series A-1 preferred shares,

725,237 Series B preferred shares and 3,808,943 Series D preferred shares at a consideration of approximately USD 24.2 million prior to or on April 1, 2014.

26. Restricted net assets

Relevant PRC laws and regulations permit payments of dividends by the Company's subsidiaries, VIE and VIE's 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, VIE and VIE's 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(z)) prior to payment of any dividends. As a result of these and other restrictions under PRC laws and regulations, the Company's subsidiaries, VIE and VIE's 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 USD 45,043 thousand and USD 49,171 thousand as of December 31, 2012 and 2013, respectively. Even though the Company currently does not require any such dividends, loans or advances from the PRC subsidiaries, VIE and VIE's subsidiaries for working capital and other funding purposes, the Company may in the future require additional cash resources from the Company's subsidiaries, VIE and a VIE's 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.

27. Unaudited pro forma earnings per share for conversion of preferred shares

The Series A, A-1, B, C and D preferred shares shall automatically be converted into common shares based on the then effective conversion ratio immediately prior to the closing of a firm commitment underwritten Qualified IPO, as defined in the relevant investment agreement. The conversion ratio of Series A, A-1, B and D Preferred Shares was 1 for 1, but the conversion ratio of Series C Preferred Shares was 1 for 1.265, due to the trigger of an anti-dilution clause in the original Series C investment agreement when the Series D Preferred Shares was issued, as described in note 15.

The pro forma financial information presented in the consolidated financial statements does not reflect the financial impact of the Series E preferred shares issuance.

The unaudited pro-forma income per share for the year ended December 31, 2013 after giving effect to the conversion of the Series A, A-1, B, C and D preferred shares into common shares as if the conversion occurred at January 1, 2013, respectively was as follows:

	Years ended December 31, 2013
Numerator:	
Net income attributable to common shareholders	2,268
Pro-forma effect of preferred shares	4,094
Accretion of series D	4,300
Pro-forma net income attributable to common shareholders—Basic	10,662
Fair value change of warrants	(1,531)
Pro-forma net income attributable to common shareholders—diluted	9,131
Denominator:	
Denominator for basic and diluted calculation—weighted average number of common shares outstanding	61,447,372
Pro-forma effect of preferred shares	110,953,534
Denominator for pro-forma basic calculation	172,400,906
Dilutive common share options and restricted shares	12,399,591
Pro-forma effect of warrants	2,218,935
Denominator for pro-forma diluted calculation	187,019,432
Pro-forma basic net income per share attributable to common shareholders	0.06
Pro-forma diluted net income per share attributable to common shareholders	0.05

28. Additional information: condensed financial statements of the Company

Regulation S-X require condensed financial information as to financial position, changes in financial position 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, VIE and VIE's subsidiaries under the equity method of accounting.

Such investments are presented on the separate condensed balance sheets of the Company as "Long-term investments".

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, 2013.

Condensed balance sheets

(In thousand)	December 31, 2012	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	30,240	28,863
Due from subsidiaries and consolidated VIEs	25,078	25,859
Prepayments and other current assets	1,361	653
Total current assets	56,679	55,375
Non-current assets:		
Intangible assets, net	2,434	1,017
Investments in subsidiaries and consolidated VIEs	50,978	67,009
Total assets	110,091	123,401
Liabilities		
Current liabilities:		
Accounts payable	1,460	807
Other payables	956	924
Warrants liabilities	3,717	2,186
Total liabilities	6,133	3,917
Commitments and contingencies		
Mezzanine equity	35,990	40,290
Shareholders' equity		
Series C convertible non-redeemable preferred shares	1	1
Series B convertible non-redeemable preferred shares	8	8
Series A-1 convertible non-redeemable preferred shares	9	9
Series A convertible non-redeemable preferred shares	7	7
Common shares	15	17
Other shareholders' equity	67,928	79,152
Total Xunlei Limited's shareholders' equity	67,968	79,194
Total liabilities, mezzanine equity and shareholders' equity	110,091	123,401

Condensed statements of operations

(In thousand)	Years ended December 31, 2011	2012	2013
Revenues	—	—	—
Cost of revenues	(769)	(3,075)	(2,264)
Gross profit	(769)	(3,075)	(2,264)
Operating expenses			
Research and development expenses	—	(1,369)	—
Sales and marketing expenses	—	(489)	(241)
General and administrative expenses	(2,400)	(1,315)	(972)
Total operating expenses	(2,400)	(3,173)	(1,213)
Operating loss	(3,169)	(6,248)	(3,477)
Interest income	191	1,089	706
Other income / (loss), net	752	(885)	1,651
Income from subsidiaries and consolidated VIEs	2,216	6,547	11,782
(Loss) / income before income tax	**(10)**	**503**	**10,662**
Income tax	—	—	—
Net (loss) / income	**(10)**	**503**	**10,662**
Net income attributable to the non-controlling interest	—	—	—
Net (loss) / income attributable to Xunlei Limited's common shareholders	**(10)**	**503**	**10,662**

Condensed statement of cash flows

(In thousand)	Years ended December 31, 2011	2012	2013
Cash flows from operating activities			
Net cash generated from operating activities	1,474	695	4,708
Cash flows from investing activities			
Net cash used in investing activities	(9,734)	(37,302)	(3,843)
Cash flows from financing activities			
Net cash generated from financing activities	29,400	35,488	(2,242)
Net increase / (decrease) in cash and cash equivalents	21,140	(1,119)	(1,377)
Cash and cash equivalents at beginning of year	10,219	31,359	30,240
Effect of exchange rates on cash and cash equivalents	—	—	—
Cash and cash equivalents at end of year	31,359	30,240	28,863

Table of Contents

American Depositary Shares

Representing ***Class A common shares***

Prospectus

J.P. Morgan **Citigroup**

, 2014.

Part II

Information not required in prospectus

Item 6. Indemnification of directors and officers.

Cayman Islands law does not limit the extent to which a company's 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 or committing a crime. Our articles of association provide for indemnification of each of our officers and directors 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 our company.

Pursuant to the form of indemnification agreements filed as Exhibit 10.3 to this Registration Statement, we will agree to indemnify our directors and officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers or persons controlling us pursuant to 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.

Item 7. Recent sales of unregistered securities.

During the past three years, we have issued and sold the following securities described below without registering the securities under the Securities Act. None of the transactions involved a public offering or an underwriter.

Purchaser	Date of sale or issuance	Type and number of securities[1]	Consideration (US$)	Exemption from registration claimed
Vantage Point Global Limited	April 7, 2011	4,205,100 common shares[2]	Services of Mr. Sean Shenglong Zou, our co-founder, chairman and chief executive officer, to our company	Rule 701 or Regulation S under the Securities Act
Aiden & Jasmine Limited	April 7, 2011	4,205,100 common shares[2]	Services of Mr. Hao Cheng, our co-founder and director, to our company	Rule 701 or Regulation S under the Securities Act
RW Investments LLC	April 14, 2011	5,613,699 series C preferred shares	29.4 million	Section 4(2) of the Securities Act or Regulation S under the Securities Act[3]
CRP Holdings Limited	April 14, 2011	114,565 series C preferred shares	600,000	Section 4(2) of the Securities Act or Regulation S under the Securities Act[3]
Skyline Global Company Holdings Limited	February 6, 2012 and March 1, 2012	10,580,397 series D preferred shares and warrants to purchase 2,218,935 common shares	37.5 million	Section 4(2) of the Securities Act or Regulation S under the Securities Act[3]
Leading Advice Holdings Limited	November 12, 2013	9,073,732 common shares[4]	Par value of 0.00025 per share	Rule 701 or Regulation S under the Securities Act
Xiaomi Ventures Limited	March 5, 2014	70,975,491 series E preferred shares, option to purchase an additional 35,487,746 series E preferred shares, and a warrant to purchase an additional 17,743,873 series E preferred shares	200 million	Regulation S under the Securities Act
Skyline Global Company Holdings Limited	March 5, 2014	Warrants to purchase 3,406,824 series E preferred shares	in connection with the issuance of series E preferred shares	Section 4(2) of the Securities Act or Regulation S under the Securities Act[3]

Purchaser	Date of sale or issuance	Type and number of securities[1]	Consideration (US$)	Exemption from registration claimed
Directors, executive officers and employees and consultants of our company	Various dates	Options to purchase 21,461,141 common shares and 6,497,618 restricted shares (excluding those forfeited)[5]	Services to our company	Rule 701 or Regulation S under the Securities Act

(1) After giving effect to the 4-for-1 share split effected on January 21, 2011.

(2) The Registrant granted an option to purchase 4,205,100 common shares to each of its co-founders, Mr. Sean Shenglong Zou and Mr. Hao Cheng, in 2006 and issued the equivalent number of common shares to Vantage Point Global Limited, a British Virgin Islands company beneficially owned by Mr. Zou, and Aiden & Jasmine Limited, a British Virgin Islands company beneficially owned by Mr. Cheng, in April 2011 upon the founders' exercise of their fully vested options.

(3) The purchaser in this transaction was either (a) an accredited investor within the definition set forth in Rule 501 under the Securities Act, or (b) a non-U.S. person that was not subscribing for the securities for the account or benefit of any U.S. person. "U.S. person" was as defined in Regulation S under the Securities Act.

(4) The shares were issued and sold at a par value to the purchaser who would hold such shares in the capacity of the plan administrator under the 2013 Plan adopted by the Registrant in November 2013. See "Management—Share Incentive Plans—2013 Plan" in the prospectus which forms part of this registration statement for details of the Plan.

(5) All the options were granted pursuant to the 2010 Plan adopted by the Registrant in December 2010 and all restricted shares were granted pursuant to the 2013 Plan adopted by the Registrant in November 2013. See Management—Share Incentive Plans—2010 Plan" in the prospectus which forms part of this registration statement for details of the Plan.

Item 8. Exhibits and financial statement schedules.

(a) Exhibits

See Exhibit index beginning on page II-9 of this registration statement.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

Item 9. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by

controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Shenzhen, China, on .

Xunlei Limited

By:

Name:
Title:

Powers of attorney

Each person whose signature appears below constitutes and appoints and as attorneys-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Sean Shenglong Zou	Chairman and Chief Executive Officer (principal executive officer)	
Tao Thomas Wu	Chief Financial Officer (principal financial and principal accounting officer)	
Hao Cheng	Director	
Qin Liu	Director	
Quan Zhou	Director	
Yang Wang	Director	
Ye Yuan	Director	
Bin Lin	Director	
Chuan Wang	Director	

Signature of authorized representative in the United States

Pursuant to the Securities Act of 1933, the undersigned, the duty authorized representative in the United States of Xunlei Limited has signed this registration statement or amendment thereto in on .

Authorized U.S. Representative

By:

Name:
Title:

Xunlei Limited

Exhibit index

Exhibit number	Description of document
1.1*	Form of Underwriting Agreement.
3.1	Sixth Amended and Restated Memorandum and Fifth Amended and Restated Articles of Association of the Registrant, as currently in effect.
3.2*	Seventh Amended and Restated Memorandum and Sixth Amended and Restated Articles of Association of the Registrant, as effective upon the completion of this offering.
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3).
4.2*	Registrant's Specimen Certificate for Common Shares.
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and holder of the American Depositary Receipts.
4.4	Sixth Amended and Restated Shareholders Agreement dated as of March 5, 2014, as amended, among the Registrant and its subsidiaries, Shenzhen Xunlei Networking Technologies Co., Ltd. and its subsidiaries, the common shareholders and the preferred shareholders of the Registrant listed thereunder.
4.5†	Series D Preferred Share Purchase Agreement, among the Registrant, Skyline Global Company Holding Limited and other parties therein dated as of January 31, 2012.
4.6†	Series E Preferred Share Purchase Agreement, among the Registrant, Xiaomi Ventures Limited and other parties therein dated as of February 13, 2014.
5.1*	Opinion of Maples and Calder regarding the validity of the common shares being registered.
8.1*	Opinion of Maples and Calder regarding certain Cayman Islands tax matters (included in Exhibit 5.1).
8.2*	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding certain U.S. tax matters.
8.3*	Opinion of Zhong Lun Law Firm regarding certain PRC tax matters.
10.1†	2010 Share Incentive Plan.
10.2†	2013 Share Incentive Plan.
10.3*	Form of Indemnification Agreement with the Registrant's Directors and Officers.
10.4*	Form of Employment Agreement between the Registrant and an Executive Officer of the Registrant.
10.5	English Translation of Business Operation Agreement, dated as of November 15, 2006, as amended on March 1, 2012, among Giganology Shenzhen, Shenzhen Xunlei and the shareholders of Shenzhen Xunlei.
10.6	English Translation of Equity Pledge Agreement, dated as of November 15, 2006, as amended on May 10, 2011, March 1, 2012 and March 10, 2014, among Giganology Shenzhen and the shareholders of Shenzhen Xunlei.

Exhibit number	Description of document
10.7	English Translation of Power of Attorney, dated as of May 10, 2011, between Giganology Shenzhen and Shenglong Zou.
10.8	English Translation of Power of Attorney, dated as of May 10, 2011, between Giganology Shenzhen and Hao Cheng.
10.9	English Translation of Power of Attorney, dated as of May 10, 2011, between Giganology Shenzhen and Fang Wang.
10.10	English Translation of Power of Attorney, dated as of May 10, 2011, between Giganology Shenzhen and Jianming Shi.
10.11	English Translation of Power of Attorney, dated as of May 10, 2011, between Giganology Shenzhen and Guangzhou Shulian Information Investment Co., Ltd.
10.12	English Translation of Exclusive Technical Support and Services Agreement, dated as of September 16, 2005, as amended on November 15, 2006 and March 10, 2014, between Giganology Shenzhen and Shenzhen Xunlei.
10.13	English Translation of Exclusive Technology Consulting and Training Agreement, dated as of September 16, 2005, as amended on November 15, 2006 and March 10, 2014, between Giganology Shenzhen and Shenzhen Xunlei.
10.14	English Translation of Proprietary Technology License Contract, dated as of March 1, 2012, between Giganology Shenzhen and Shenzhen Xunlei.
10.15	English Translation of Intellectual Properties Purchase Option Agreement dated as of March 1, 2012, as amended on March 10, 2014, between Giganology Shenzhen and Shenzhen Xunlei.
10.16	English Translation of Loan Agreement, dated as of December 22, 2010, as amended on March 1, 2012 and March 10, 2014, among Giganology Shenzhen, Guangzhou Shulian Information Investment Co., Ltd., Sean Shenglong Zou, Hao Cheng, Fang Wang and Jianming Shi.
10.17	English Translation of Loan Agreement, dated as of May 10, 2011, as amended on March 1, 2012, between Giganology Shenzhen and Sean Shenglong Zou.
10.18	English Translation of Equity Interests Disposal Agreement, dated as of November 15, 2006, as amended on May 10, 2011, between Giganology Shenzhen, Guangzhou Shulian Information Investment Co., Ltd., Sean Shenglong Zou, Hao Cheng, Fang Wang and Jianming Shi.
10.19	English Translation of Technology Development and Software License Framework Agreement dated as of December 24, 2013, between Shenzhen Xunlei and Xunlei Computer.
10.20†	Form of Warrant issued by the Registrant to Xiaomi Ventures Limited.
10.21†	Form of Warrant issued by the Registrant to Skyline Global Company Holdings Limited.
21.1†	Subsidiaries of the Registrant.
23.1*	Consent of PricewaterhouseCoopers, an Independent Registered Public Accounting Firm.
23.2*	Consent of Maples and Calder (included in Exhibit 5.1).

Exhibit number	Description of document
23.3*	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.2).
23.4*	Consent of Zhong Lun Law Firm (included in Exhibit 8.3).
23.5†	Consent of iResearch Consulting Group.
23.6†	Consent of Analysys International.
24.1*	Powers of Attorney (included on signature page).
99.1*	Code of Business Conduct and Ethics of the Registrant.
99.2*	Opinion of Zhong Lun Law Firm regarding certain PRC legal matters.
99.3†	Registrant's Waiver Request and Representation under Item 8.A.4.

* to be filed by amendment.

† previously filed.

Company No.: CR-144719

SIXTH AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

AND

FIFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

XUNLEI LIMITED
Adopted by Special Resolution passed on March 5, 2014

INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES LAW (2013 Revision)
Company Limited by Shares

SIXTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

OF

XUNLEI LIMITED
(Adopted by special resolution passed on March 5, 2014)

1. The name of the Company is Xunlei Limited.

2. The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:

   (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;

   (b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.

4. Except as prohibited or limited by the Companies Law (2013 Revision), the Company shall have full power and authority to carry out any object and shall have and be capable

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of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

6. The share capital of the Company is US$150,000 divided into two classes of shares as follows:

   (a) 355,532,959 common shares of US$0.00025 par value;

   (b) 244,467,041 preferred shares of US$0.00025 par value, of which (i) 26,416,560 are designated as Series A Preferred Shares; (ii) 36,400,000 are designated as Series A-1 Preferred Shares; (iii) 30,308,284 are designated as Series B Preferred Shares; (iv) 5,728,264 are designated as Series C Preferred Shares; (v) 18,000,000 are designated as Series D Preferred Shares; and (vi) 127,613,933 are designated as Series E Preferred Shares.

each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares held by the Company and to increase or reduce the said capital subject to the provisions of the Companies Law (2013 Revision) and the Articles of Association.

The Preferred Shares may be issued from time to time in one or more series. Subject to the rights and preferences of any outstanding class or series of Preferred Shares, the shareholders may at any time and from time to time, by ordinary resolution, fix or alter the number of Preferred Shares constituting a series, the designation thereof, and any rights, preferences, privileges and restrictions granted to or imposed upon such series.

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2013 Revision) and, subject to the provisions of the Companies Law (2013 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

THE COMPANIES LAW (2013 Revision)
Company Limited by Shares

FIFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

XUNLEI LIMITED
□□□□□□

(Adopted by special resolution passed on March 5, 2014)

1. Table A

The Regulations contained or incorporated in Table "A" in the First Schedule of the Companies Law (2013 Revision) shall not apply to this Company and the following Articles shall comprise the Articles of Association of the Company.

2. Definition and Interpretation

(1) In these Articles, where the context permits:

"**$**" or "**US$**" means the United States dollar;

"**Additional Common Shares**" means all Common Shares or Common Share Equivalents issued by the Company, provided that the term "Additional Common Shares" does not include (i) Common Shares issued upon conversion of any Preferred Shares; (ii) Employee Compensation Shares; or (iii) Common Shares issued as consideration for any acquisition of securities or assets, bank financing or equipment leasing arrangements, or strategic alliances, in any such case approved by the Board and made with the prior written consent of the holders of a majority of the Series A-1 Preferred Shares, the holders of a majority of the Series B Preferred Shares, the holders of a majority of the Series C Preferred Shares, the holders of a majority of the Series D Preferred Shares and the holders of at least 75% of the Series E Preferred Shares;

"**Affiliates**" means (a) in relation to any individual, the immediate family of such individual or any entity controlled by the individual (and in the case of any Founder, whether by himself or together with other Founders), where "**control**" shall mean the power to direct the management and policies or appoint or remove members of the board of directors or other governing body of the entity, directly or indirectly, whether through the ownership of voting securities, contract or otherwise, and "**controlled**" shall be construed accordingly; (b) in relation to any legal person, a company which is for the time being a holding company of such legal person, or a subsidiary of such legal person or of such holding company;

"**Articles**" means these Fifth Amended and Restated Articles of Association as from time to time altered or added to in accordance with the Companies Law and these Articles;

"**As Converted Basis**" means in relation to the Preferred Shares, as if the holders had exercised their rights of conversion into Common Shares in respect thereof in accordance with these Articles in full on the relevant date;

"**Associates**" means, as to any body corporate, any other body corporate, unincorporated entity or person directly or indirectly controlling, directly or indirectly controlled by or under direct or indirect common control with, such body corporate or, as to an individual, any of his parents, brothers, sisters, issues and spouse ("**relatives**") and any company or trust which may be, directly or indirectly, controlled by such individual (including any company or trust controlled by any of his relatives);

"**Auditors**" means the Persons for the time being performing the duties of auditors of the Company;

"**Big 4**" means Pricewaterhouse Coopers, KPMG, Ernst & Young and Deloitte;

"**Board**" means the Board of Directors appointed or elected pursuant to these Articles and acting by resolution in accordance with the Companies Law (2013 Revision) and these Articles or the Directors present at a meeting of Directors at which there is a quorum;

"**Business Day**" means, in relation to notices issued pursuant to these Articles, a day, excluding Saturdays, on which banks in Hong Kong and the PRC are generally open for business;

"**Chairman**" means the chairman of the Board appointed pursuant to Article 27(1);

"**Class Meeting**" means a separate meeting of the members of a class or series of Shares;

"**Common Shares**" means the common shares, each of a par value of US$0.00025, in the authorized share capital of the Company;

"**Common Share Equivalent**" means warrants, options and other securities exercisable, convertible or exchangeable for Common Shares, including the Preferred Shares convertible into Common Shares, and other securities of the Company exercisable, convertible or exchangeable for Common Shares;

"**Company**" means the above named Company;

"**Companies Law**" means the Companies Law of the Cayman Islands as amended and every statutory modification and re-enactment thereof for the time being in force;

"**Conversion Price**" has the meaning set forth in Article 66(3)(a);

"**debenture**" means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not;

"**Deemed Liquidation Event**" means any of the events or circumstances referred to in Article 65(2);

"**Directors**" means the directors for the time being of the Company and shall include an Alternate Director;

"**Dispose**" means to make or to effect any sale, assignment, exchange, transfer, or to grant any option, right of first refusal or other right or interest whatsoever or to enter into agreement for any of the same and the expression "**Disposal**" shall be construed accordingly;

"**dividend**" includes bonus issue, scrip issue or other form of distribution from the distributable profits of the Company;

"**Effective Conversion Price**" means, with respect to any Common Share Equivalent at a given time, an amount equal to the quotient obtained by dividing (i) the sum of any consideration, if any, received by the Company with respect to the issuance of such Common Share Equivalent and the lowest aggregate consideration receivable by the Company, if any, upon the exercise, exchange or conversion of the Common Share Equivalent by (ii) the maximum number of Common Shares issuable upon the exercise, conversion or exchange of the Common Share Equivalent;

"**Employee Compensation Shares**" means any Common Shares issued to employees, consultants, directors, officers or advisers of the Group on exercise of Employee Share Options or Employee Incentive Shares;

"Employee Incentive Shares" means the incentive shares or options granted to employees, consultants, directors, officers, consultants or advisers of the Company under the Company's 2010 share incentive plan and the Company's 2013 share incentive plan duly adopted by the Board and as currently in effect;

"**Employee Share Options**" means options granted to employees, consultants, directors, officers or advisers of the Group under share option plans duly adopted by the Board of Directors;

"**Equity Securities**" means, as the context may require, any Common Shares and/or Common Share Equivalents;

"**ESOP**" means the Company's 2010 share incentive plan and the Company's 2013 share incentive plan duly adopted by the Board and as currently in effect;

"**Fidelity**" means Fidelity Asia Ventures Fund L.P. and Fidelity Asia Principals Fund L.P.;

"**Founder Directors**" means the directors of the Company appointed by the Founders to that office from time to time, and a "**Founder Director**" shall be construed accordingly;

"**Founders**" has the meaning ascribed thereto in the Shareholders Agreement and/or any person to whom the foregoing persons assigns all or any part of its rights as a Founder hereunder in accordance with these Articles;

"**GAAP**" means the generally accepted accounting practice in force in the United States from time to time;

"**Group**" means together the Company and each other Group Company;

"**Group Company**" means the Company or a Person (other than a natural person) that is directly or indirectly controlled by the Company;

"**Junior Securities**" means, any Equity Securities of the Company other than the Series B Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares;

"**Morningside**" shall mean Morningside Technology Investments Limited and/or any person to whom Morningside assigns all or any part of its rights hereunder in accordance with these Articles;

"**Liquidation Event**" means any of the events or circumstances referred to in Article 65(1);

"**Member**" means the Person registered in the Register of Members as the holder of shares in the Company and, when two or more Persons are so registered as joint holders of shares, means the Person whose name stands first in the Register of Members as one of such joint holders or all of such Persons as the context so requires;

"**Memorandum**" means the Sixth Amended and Restated Memorandum of Association of the Company, as altered from time to time;

"**month**" means calendar month;

"**Officer**" means any person appointed by the Board to hold an office in the Company;

"**Ordinary Resolution**" means a resolution passed at a general meeting (or, if so specified, a Class Meeting) of the Company by a simple majority of the votes cast, or an unanimous written resolution expressly passed as an ordinary resolution;

"**Original Issue Price**" means,

(i) with respect to each Series E Preferred Share, US$2.81787412 (the "**Series E Original Issue Price**");

(ii) with respect to each Series D Preferred Share, an amount derived by dividing US$37,500,000 by the aggregate number of 10,580,397 Series D Preferred Shares;

(iii) with respect to each Share purchased by Skyline Global Company Holdings Limited from other Shareholders, an amount equal to the Original Issue Price of such Share held by such Shareholder;

(iv) with respect to each Series C Preferred Share, an amount derived by dividing US$30,000,000 by the aggregate number of 5,728,264 Series C

Preferred Shares;

(v) with respect to each Series B Preferred Share, an amount derived by dividing US$20,000,000 by the aggregate number of 7,577,071 series B prefer shares with a par value of US$0.001 each (the aggregate number of which is 30,308,284 Series B Preferred Shares after the subdivision in 2011) issued pursuant to the Series B Subscription Agreement and the Application for Shares signed by Google, Inc. and Fidelity, respectively;

(vi) with respect to each Series A-1 Preferred Share, an amount derived by dividing US$5,000,000 by the aggregate number of 7,000,000 series A-1 prefer shares with a par value of US$0.001 each (the aggregate number of which is 28,000,000 Series A-1 Preferred Shares after the subdivision in 2011) issued pursuant to the Series A Subscription Agreement;

(vii) with respect to each Series A Preferred Shares held by IDG Technology Venture Investment III, L.P., an amount derived by dividing US$250,000 by the aggregate number of 4,530,000 series A prefer shares with a par value of US$0.001 each (the aggregate number of which is 18,120,000 Series A Preferred Shares after the subdivision in 2011) issued pursuant to the Series A Subscription Agreement;

(viii) with respect to each Series A Preferred Shares held by Joinway Investments Limited, an amount derived by dividing US$61,750 by the aggregate number of 2,000,000 Series A prefer shares with a par value of US$0.001 each (the aggregate number of which is 8,000,000 Series A Preferred Shares after the subdivision in 2011) issued pursuant to the Series A Subscription Agreement;

(ix) with respect to each Series A Preferred Shares held by WANG Fang, an amount derived by dividing US$24,700 by the aggregate number of 453,000 Series A prefer shares with a par value of US$0.001 each (the aggregate number of which is 1,812,000 Series A Preferred Shares after the subdivision in 2011); and

(x) with respect to each Common Share held by Founders, an amount derived by dividing US$617,500 by an aggregate number of 14,017,000 common shares with a par value of US$0.001 each (the aggregate number of which is 56,068,000 Common Shares after the subdivision in 2011);

"**Paid-up**" means paid-up and/or credited as paid-up;

"**Person**" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate, enterprise or entity;

"**Preferred Shares**" means collectively the Series E Preferred Shares, Series D Preferred Shares, Series C Preferred Shares, Series B Preferred Shares, Series A-1 Preferred Shares and the Series A Preferred Shares;

"**Preferred Share Holders**" means the Series E Holders, Series D Holders, Series C Holders, Series B Holders, Morningside, and the Series A Holders, and a "Preferred Share Holder" shall be construed accordingly;

"**Qualified IPO**" means a firm commitment underwritten initial public offering by the Company of its Common Shares on the NASDAQ Global Market, the New York Stock Exchange, Hong Kong Stock Exchange (main board), Shenzhen Stock Exchange or Shanghai Stock Exchange.

"**Qualified Trade Sale**" means (a) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company, (b) a transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company, (c) a sale, transfer or other disposition of a majority of the issued and outstanding share capital of the Company or a majority of the voting power of the Company; (in each case including such action by a holding company incorporated for such purpose) the gross proceeds from which are not less than US$200 million;

"**Register of Members**" has the meaning ascribed to it in the Companies Law;

"**registered office**" means the registered office for the time being of the Company;

"**Seal**" means the common seal of the Company and includes every duplicate seal;

"**Secretary**" means the person appointed to perform any or all duties of secretary and include any deputy or assistant secretary;

"**Senior Management Personnel**" means, in respect of each Group Company, its Managing Director or Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Technical Officer, Vice Presidents or their equivalent and any other officers whose post is higher than the post of Vice President;

"**Series A Director**" means the director of the Company appointed by the holders of the Series A Preferred Shares to that office from time to time;

"**Series A Holders**" means the holders of the Series A Preferred Shares, provide that a holder of Series A Preferred Shares shall only be deemed as a Series A Holder with respect to the Series A Preferred Shares held by it;

"**Series A Preference Amount**" has the meaning ascribed thereto in Article 65(1)(e);

"**Series A Preferred Shares**" means Series A Preferred Shares each of a par value of US$0.00025 in the authorised share capital of the Company;

"**Series A Subscription Agreement**" means a Subscription Agreement entered into among the Company, the Founders, Morningside and certain other Members on September 16, 2005 pursuant to which Series A Preferred Shares and Series A-1 Preferred Shares were subscribed for the first time.

"**Series A-1 Director**" means the director of the Company appointed by the holders of the Series A-1 Preferred Shares to that office from time to time;

"**Series A-1 Preference Amount**" has the meaning ascribed thereto in Article 65(1)(d);

"**Series A-1 Preferred Shares**" means Series A-1 Preferred Shares each of a par value of US$0.00025 in the authorised share capital of the Company;

"**Series B Holders**" means the holders of the Series B Preferred Shares, provide that a holder of Series B Preferred Shares shall only be deemed as a Series B Holder with respect to the Series B Preferred Shares held by it;

"**Series B Preference Amount**" has the meaning ascribed thereto in Article 65(1)(c);

"**Series B Preferred Shares**" means Series B Preferred Shares each of a par value of US$0.00025 in the authorised share capital of the Company;

"**Series B Subscription Agreement**" means a Subscription Agreement entered into among the Company, the Founders, the Series B Holders (other than Google, Inc. and Fidelity) and certain other Group Companies on November 15, 2006, pursuant to which Series B Preferred Shares were subscribed for the first time;

"Series C Holders" means the holders of the Series C Preferred Shares, provide that a holder of Series C Preferred Shares shall only be deemed as a Series C Holder with respect to the Series C Preferred Shares held by it;

"**Series C Preference Amount**" has the meaning ascribed thereto in Article 65(1)(c);

"**Series C Preferred Shares**" means Series C Preferred Shares each of a par value of US$0.00025 in the authorised share capital of the Company;

"**Series C Subscription Agreement**" means a Subscription Agreement entered into among the Company and the Series C Holders on April 14, 2011 pursuant to which Series C Preferred Shares were subscribed;

"**Series D Director**" means the director of the Company appointed by the holders of the Series D Preferred Shares to that office from time to time;

"Series D Holders" means the holders of the Series D Preferred Shares, provide that a holder of Series D Preferred Shares shall only be deemed as a Series D Holder with respect to the Series D Preferred Shares held by it, provided, further, that notwithstanding the foregoing proviso, for the purposes of these Articles, references to all or a portion of the Shares held or purchased by any Series D Holder (and similar references to the shareholding of any Series D Holder in the Company without specific reference to any class or series of Shares) shall be deemed to refer to all or a portion of the share capital of the Company, regardless of class or series, held or purchased, as applicable, by such Series D Holder (other than, solely in connection with Article 65 and Article 68, any Series E Preferred Shares held or purchased by such Series D Holder as a result of an exercise of the Primavera New Warrant (as defined in the Share Purchase Agreement));

"**Series D Preference Amount**" has the meaning ascribed thereto in Article 65(1)(b);

"**Series D Preferred Shares**" means Series D Preferred Shares each of a par value of US$0.00025 in the authorised share capital of the Company;

"**Series D Subscription Agreement**" means a Subscription Agreement entered into among the Company and the Series D Holders on January 31, 2012 pursuant to which Series D Preferred Shares were subscribed;

"**Series D Threshold**" has the meaning ascribed thereto in Article 16(3).

"**Series E Director**" means any director of the Company appointed by the holders of the Series E Preferred Shares to that office from time to time;

"Series E Holders" means the holders of the Series E Preferred Shares, provide that a holder of Series E Preferred Shares shall only be deemed as a Series E Holder with respect to the Series E Preferred Shares held by it;

"**Series E Preference Amount**" has the meaning ascribed thereto in Article 65(1)(a);

"**Series E Preferred Shares**" means Series E Preferred Shares each of a par value of US$0.00025 in the authorised share capital of the Company;

"**Share**" means any shares in the authorized share capital of the Company (of whatever class), including a fraction of a share;

"**Share Purchase Agreement**" means the Share Purchase Agreement entered into among the Company, the Series E Holder and certain other parties thereto on February 13, 2014 pursuant to which Series E Preferred Shares were subscribed;

"**Shareholders Agreement**" means the Sixth Amended and Restated Shareholders Agreement between the Company, certain Group Companies and certain Members on March 5, 2014;

"**Special Resolution**" means a resolution expressed to be a special resolution and passed at a general meeting of the Company by a majority of 66 $^{2}/_{3}$% of the votes cast by such Members as, being entitled to do so, vote in person, or where proxies are allowed, by proxy at a general meeting, or a unanimous written resolution expressly passed as a special resolution;

"**Subsidiary Boards**" means the boards of directors for the time being of the subsidiaries of the Company and a "**Subsidiary Board**" means any of them.

"**Xiaomi**" means Xiaomi Ventures Limited.

(2) In these Articles where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine gender and the neutral gender, and vice versa;

(c) words importing persons include companies or associations or bodies of people, incorporated or not;

(d) the word "may" shall be construed as permissive; the word "shall" shall be construed as imperative;

(e) a reference to a statutory provision shall be deemed to include any amendment or re-enactment thereof.

(3) Subject as aforesaid, words defined or used in the Companies Law have the same meaning in these Articles.

(4) Expressions referring to writing or written shall, unless the contrary intention appears, include facsimile, printing lithography, photography and other modes of representing words in a visible form.

(5) The headings in these Articles are for ease of reference only and shall not affect the construction or interpretation of these Articles.

PRELIMINARY

3. Business of the Company

The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that part only of the shares may have been allotted.

4. Registered Office of the Company

The registered office of the Company shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

BOARD OF DIRECTORS

5. Board of Directors

The business of the Company shall be managed and conducted by the Board.

6. Management of the Group Company

(1) Except as specifically provided herein or by applicable laws, the management and control of each Group Company shall be exercised by the Board and the Subsidiary Boards who shall be responsible for the determination of the Group Company's overall policies and objects.

(2) In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by statute or by these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to these Articles, the provisions of any statute, such regulations as may be prescribed by

the Company in general meeting and any contractual obligations to which the Company is subject.

(3) No regulation or alteration to these Articles shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

(4) The Board may procure that the Company pays all expenses incurred in promoting and incorporating the Company.

7. Power to appoint chief executive officer

(1) The Board shall appoint a chief executive officer ("**CEO**") of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company.

(2) Except as provided for elsewhere in these Articles, the removal and dismissal of the CEO requires approval of at least five (5) Directors, including at least one of the Founder Directors, acting at a duly convened Board meeting.

8. Power to appoint officers and managers

(1) The Board may appoint a person to act as the Chief Financial Officer (CFO) of the Company, who shall, subject to the control of the Board, supervise and administer the financial affairs of the Company. Such CFO shall report to the Board and the CEO of the Company.

(2) The Board shall delegate to the CEO of the Company the power to appoint, remove or dismiss any other Senior Management Personnel (other than the CFO) of the Company.

9. Power to authorise specific actions

The Board may, from time to time and at any time, authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and, in connection therewith, to execute any agreement, document or instrument on behalf of the Company.

10. Power to appoint attorney

The Board may, from time to time and at any time, by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so

vested in the attorney. Such attorney may, if so authorised under the seal of the Company, execute any deed or instrument under such attorney's personal seal with the same effect as the affixation of the seal of the Company.

11. Power to delegate to a committee

The Board may delegate any of its powers to a committee appointed by the Board, and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the directors for this purpose, the meetings and proceedings of such committees shall be governed by the provisions of these Articles covering the meetings and proceedings of the Directors, including provisions for written resolutions.

12. Power to appoint and dismiss employees

Notwithstanding anything to the contrary in these Articles, the Board shall delegate the power to (i) appoint, suspend or remove any manager, officer, secretary, clerk, agent or employee of the Company and (ii) fix their remuneration and (iii) determine their duties, to the CEO, except that the power to determine the remuneration of all Senior Management Personnel shall be retained and exercised by the Board.

13. Power to borrow and charge property

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and, subject to these Articles and any contractual obligations to which the Company is subject, may issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or any third party.

14. Exercise of power to redeem and purchase shares of the Company

(1) Subject to the Companies Law and these Articles, including Articles 65 and 68, and any contractual obligations to which the Company is subject, including the terms and conditions of the Shareholders Agreement, the Company is hereby authorised to issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member. The redemption of Shares shall be effected in such manner as may be authorised by these Articles or in such other manner as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution. Shares which are redeemed shall be cancelled and shall cease to confer any right or privilege on the Member from whom the Shares are redeemed.

(2) Subject to the Companies Law and these Articles, including Articles 65 and 68, and any contractual obligations to which the Company is subject, including the terms and conditions of the Shareholders Agreement, the Company may purchase all or any part of its own Shares (including any redeemable Shares). The purchase of Shares shall be effected in such manner as may be authorised by these Articles or in such other manner as may be approved by the Shareholders by Ordinary

Resolution. Shares purchased by the Company shall be (i) cancelled and shall cease to confer any right or privilege on the Member from whom the Shares are purchased; or (ii) be held as treasury shares under the name of the Company until such time as the Directors may determine to cancel such treasury shares or transfer such treasury shares on such terms as they think proper.

(3) The Company is authorised (this authorisation being in accordance with section 37(2) of the Companies Law) to purchase any Shares in accordance with the following manner of purchase:

(a) the Company shall serve a repurchase notice in a form approved by the Board on the Shareholder from whom the Shares are to be repurchased at least two business days prior to the date specified in the notice as being the repurchase date;

(b) the price for the Shares being repurchased shall be such price agreed between the Board and the applicable Shareholder;

(c) the date of repurchase shall be the date specified in the repurchase notice; and

(d) the repurchase shall be on such other terms as specified in the repurchase notice as determined and agreed by the Board and the applicable Shareholder in their sole discretion.

The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

(4) The holder of the Shares being purchased or redeemed shall be bound to deliver up to the Company at its registered office or such other place as the Board shall specify, the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

(5) The Company is hereby authorised to make payments in respect of the redemption or purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Companies Law.

(6) Every share certificate representing a redeemable share shall indicate that the share is redeemable.

(7) In the case of shares redeemable at the option of a Member, a redemption notice from a Member may not be revoked without the agreement of the Directors or, in the case of Preferred Shares, as otherwise provided in these Articles and according to any contractual obligations to which the Company is subject.

(8) At the time or in the circumstances specified for redemption, the redeemed shares shall be cancelled and shall cease to confer on the relevant Member any right or privilege, without prejudice to the right to receive the redemption price, which price shall become payable so soon as it can with due dispatch be calculated, but subject to surrender of the relevant share certificate for cancellation (and reissue in respect of the balance of any shares not redeemed, if any).

(9) Subject to any contractual obligations to which the Company is subject, the redemption price may be paid in any manner authorised by these Articles for the payment of dividends.

(10) A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by class A banks in the Cayman Islands for thirty day deposits in the same currency.

(11) The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Companies Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).

(12) Subject as aforesaid and to any contractual obligations to which the Company is subject, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.

(13) No share may be redeemed or purchased unless it is fully Paid-Up.

15. Discontinuation

Subject to the provisions of the Memorandum, these Articles and any contractual obligations to which the Company is subject, the Board may exercise all the powers of the Company to discontinue the Company to a named country or jurisdiction outside the Cayman Islands pursuant to Section 226 of the Companies Law.

16. Election of Directors

(1) The maximum number of members comprising the Board and each of the Subsidiary Boards shall be eight (8), who shall be nominated and appointed in accordance with the provisions below.

(2) For so long as it holds any Series E Preferred Shares in issue, Xiaomi shall have the right by notice in writing to the Company to appoint and remove two (2) Series E Directors, and so long as it holds any Series E Preferred Shares in issue, the number of Director to be appointed by Xiaomi shall not fall below two (2), and Xiaomi shall have the exclusive right to remove and replace any such Series E Director by notice in writing to the Company.

(3) Prior to the completion of the Company's initial public offering and for as long as the Series D Threshold is met, Primavera shall be entitled to appoint and remove one (1) voting Directors of the Board (the "**Series D Director**"). The number of Directors to be appointed by Primavera shall not fall below one (1), and Primavera shall have the exclusive right to remove and replace the Series D Director by notice in writing to the Company, for as long as the Series D Threshold is met, and shall be obligated to replace the Series D Director if the individual serving as the Series D Director beneficially owns, in the personal investments of such Series D Director, at least 3% equity interests in, or simultaneously serves on the board of, a Competing Company (as defined in the Shareholders Agreement). For purposes of these Articles, the "**Series D Threshold**" is met if the fraction, the numerator of which is the aggregate number of Shares Primavera has Transferred (excluding any Transfers to its Permitted Transferees (as defined in the Shareholders Agreement)) after the date hereof less the aggregate number of Shares Primavera acquires (whether by subscribing for new Shares through exercise of warrants or otherwise, excluding any Transfers from its Permitted Transferees) after the date hereof, and the denominator of which is 15,616,764, is less than or equal to 36.3%. For purposes of these Articles, "**Primavera**" means Skyline Global Company Holdings Limited.

(4) For so long as it (and together with its Associates) continues to hold twelve (12) percent or more of the Shares in issue, Morningside shall have the right by notice in writing to the Company to appoint a maximum of one (1) Series A-1 Director, and so long as there are any outstanding Series A-1 Preferred Shares in issue, the number of Director to be appointed by Morningside shall not fall below one (1), and Morningside shall have the exclusive right to remove and replace any Series A-1 Director by notice in writing to the Company. For as long as Morningside continues to hold twelve percent (12%) or more of the Shares in issue, Morningside shall have the right to appoint and remove one (1) observer of the Board, who may participate in discussions of matters brought before the Board, but shall in all other respects be a nonvoting observer.

(5) For so long as the Founders (and their respective Associates) together continue to directly or indirectly hold five (5) percent or more of the Shares in issue, Mr. Zou Shenglong has the right by notice in writing to the Company to appoint a maximum of two (2) Founder Directors to the Board and Mr. Cheng Hao has the right by notice in writing to the Company to appoint one (1) Founder Director to the Board, and each of Messrs. Zou Shenglong and Cheng Hao shall have the exclusive right to remove and replace any Founder Directors they appointed by notice in writing to the Company.

(6) For so long as they (and together with their Associates) continue to hold ten (10) percent or more of the Shares in issue, a majority of the holders of Series A Preferred Shares shall have the right by notice in writing to the Company to appoint one (1) Series A Director, and the holders of Series A Preferred Shares shall have the exclusive right to remove and replace any Series A Director by notice in writing to the Company.

(7) Provided that, if any Director ("**Defaulting Director**") appointed pursuant to Article 16 (3), Article 16(4) or Article 16(6) carries on, engages in or is concerned or interested, directly or indirectly howsoever, either as principal or agent or as a shareholder, partner, consultant, advisor, director, officer or employee or in any other capacity, any activities of any Competitors (as defined in the Shareholders Agreement), or seeks, attempts or threatens to do any of the foregoing, a majority of the holders of Preferred Shares other than the holders appointing the Defaulting Director shall be entitled to request in writing the Board to, and upon receipt of such request, the Board shall, remove such Defaulting Director by a majority of the rest of the Directors appointed pursuant to the provisions of this Article 16. The holders of Preferred Shares appointing the Defaulting Director and the Defaulting Director shall abstain from voting on any proposal to remove the Defaulting Director pursuant to the foregoing provision.

provided further that, if any Series E Director appointed pursuant to Article 16 (2) carries on, engages in or is concerned or interested in, directly or indirectly, either as principal or agent or as a shareholder, partner, consultant, advisor, director, officer or employee, or in any other capacity, any activities of any Competitors (as defined with respect to the Series E Investor in the Shareholders Agreement), or seeks, attempts or threatens to do any of the foregoing, such Series E Director may be excluded from, shall be deemed to abstain from voting on any proposal at, any meeting of the Board for the purpose of discussing any business of any Group Company that may compete with such Competitor.

(8) A holder or holders of the Equity Securities who intends to remove a Director nominated by it shall give notice in writing to the Board to remove its own Director(s) and appoint another person(s) to act in place of such Director(s). Such holder or holders shall also indemnify and hold the Company and the other holders of the Equity Securities harmless from any and all damages and expenses that may arise from such appointment, removal and/or replacement of Director(s). The appointment, removal and/or replacement of Director(s) shall become effective upon dispatch of the written notice to the registered office of the Company or in a duly convened meeting of the Board (whichever is earlier).

(9) There shall be no shareholding qualification for Directors unless prescribed by Special Resolution.

(10) Upon the request of the holders of at least 75% of Series E Preferred Shares, each Subsidiary (as defined in the Share Purchase Agreement) shall, and the Company and the Founders shall cause each Subsidiary to, (i) have a Subsidiary Board, (ii) maintain the authorized size of each Subsidiary Board at all times same as the authorized size of the Board, and (iii) ensure each Subsidiary Board at all times is composed of the same persons as directors as those then on the Board.

17. Defects in appointment of Directors

All acts done bona fide by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

18. Alternate Directors and Proxies

(1) A Director may at any time appoint any person (including another Director) to be his Alternate Director and may at any time terminate such appointment. An appointment and a termination of appointment shall be by notice in writing signed by the Director and deposited at the Registered Office or delivered at a meeting of the Directors.

(2) The appointment of an Alternate Director shall terminate on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointer ceases for any reason to be a Director.

(3) An Alternate Director shall be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which his appointer is not personally present and generally at such meeting to perform all the functions of his appointer as a Director; and for the purposes of the proceedings at such meeting these Articles shall apply as if he (instead of his appointer) were a Director, save that he may not himself appoint an Alternate Director or a proxy.

(4) If an Alternate Director is himself a Director or attends a meeting of the Directors as the Alternate Director of more than one Director, his voting rights shall be cumulative.

(5) Unless the Directors determine otherwise, an Alternate Director may also represent his appointer at meetings of any committee of the Directors on which his appointer serves; and the provisions of this Article shall apply equally to such committee meetings as to meetings of the Directors.

(6) Save as provided in these Articles, an Alternate Director shall not, as such, have any power to act as a Director or to represent his appointer and shall not be deemed to be a Director for the purposes of these Articles.

(7) A Director who is not present at a meeting of the Directors, and whose Alternate Director (if any) is not present at the meeting, may be represented at the meeting by a proxy duly appointed, in which event the presence and vote of the proxy shall be deemed to be that of the Director. All the provisions of these Articles regulating the appointment of proxies by members shall apply equally to the appointment of proxies by Directors.

19. Vacancies on the Board

(1) The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Articles as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act solely for the purpose of (i) increasing the number of Directors to the requisite number (ii) summoning a general meeting of the Company or (iii) preserving the assets of the Company.

(2) The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Articles or is prohibited from being a Director by law;

(b) is or becomes bankrupt or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind, or an order for his detention is made under the Mental Health Law or any analogous law of a jurisdiction outside the Cayman Islands or dies; or

(d) resigns his or her office by notice in writing to the Company.

20. Notice of meetings of the Board

(1) The CEO or any three (3) Directors may summon a meeting of the Board.

(2) In relation to meetings of the Board and a Subsidiary Board, a director shall be given not less than ten (10) Business Days' written notice of meetings, but any meeting held without ten (10) Business Days' written notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting waive notice of the meeting in writing; and for this purpose, the presence of a director at a meeting shall be deemed to constitute a waiver on his part in respect of such meeting.

(3) Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is communicated or sent to such Director by post, cable, telex, telecopier, facsimile or other mode of representing words in a legible and non-transitory form at such Director's last known address or any other address given by such Director to the Company for this purpose.

21. Quorum at meetings of the Board

The quorum necessary for the transaction of business at a meeting of the Board shall be five (5) Directors which shall include at least one (1) Series E Director, the Series D Director and at least one (1) Founder Director, provided that if a meeting of the Board is adjourned for lack of a quorum solely as a result of all Series E Directors or the Series D Director failing to attend, upon next reconvening such meeting, the attendance of any five (5) Directors shall be sufficient to constitute a quorum and the Board, subject to these

Articles including without limitation Article 51, can make decisions without approval from any Series E Director or the Series D Director.

22. Meetings of the Board

(1) The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit provided that at least one meeting of the Directors shall be held every six (6) months, unless otherwise agreed by a vote of a majority of the Board, including the vote of one (1) Series E Director, the Series D Director, and one (1) Series A-1 Director.

(2) Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

(3) Subject to the provisions of these Articles, a resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes, the Chairman, for as long as he is appointed by the Founders, shall have a second or cast vote.

23. Unanimous written resolutions

A resolution in writing signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Article 23, "Director" shall not include an alternate director.

24. Contracts and disclosure of Directors' interests

(1) Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in a professional capacity for the Company, and such Director or such Director's firm, partner or such company, shall be entitled to remuneration for professional services as if such Director were not a Director, provided that (i) nothing herein contained shall authorise a Director or Director's firm, partner or such company to act as Auditor of the Company, and (ii) all transactions between the Company and such Director or such Director's firm, partner or such company must be previously approved and authorized pursuant to the Shareholders Agreement, be at arm's length and occur in the ordinary business of the Company.

(2) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Law.

(3) Following a declaration being made pursuant to this Article 24, and unless disqualified by the chairman of the relevant Board meeting or restricted by the

Shareholders' Agreement, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum at such meeting.

25. Remuneration of Directors

The remuneration, (if any) of the Directors shall, subject to any direction that may be given by the Company in general meeting, be determined by the Directors as they may from time to time determine and shall be deemed to accrue from day to day. The Directors may also be paid all reasonable travel, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

OFFICERS

26. Officers of the Company

Subject to these Articles and any contractual obligations to which the Company is subject, the Officers of the Company shall consist of a Chairman, a Secretary, and such additional Officers as may be appointed pursuant to Article 7 and Article 8 or as the Board may from time to time determine all of whom shall be deemed to be Officers for the purposes of these Articles.

27. Appointment of Officers

Subject to the provisions of these Articles,

(1) the Board shall appoint a Chairman who shall be a Founder Director and shall chair all the meetings of the Board;

(2) a company Secretary shall be appointed by the Board from time to time to perform such role and functions as provided by the Statute; and

(3) additional Officers, if any, shall be appointed in accordance with the provisions of these Articles from time to time.

28. Remuneration of Officers

The Officers shall receive such remuneration as the Board may from time to time determine.

29. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

30. Chairman of meetings

(1) Unless otherwise agreed by a majority of those attending and entitled to attend and vote thereat, the Chairman, if there be one, shall act as chairman at all meetings of the Members and of the Board at which such person is present. In his absence a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

(2) The Chairman, for so long as he is appointed by the Founders, shall have a second or cast vote.

31. Register of Directors and Officers

(1) The Board shall cause to be kept in one or more books at its registered office a Register of Directors and Officers in accordance with the Companies Law and shall enter therein the following particulars with respect to each Director and Officer:

(a) first name and surname; and

(b) address.

(2) The Board shall, within the period of thirty (30) days from the occurrence of:

(a) any change among its Directors and Officers; or

(b) any change in the particulars contained in the Register of Directors and Officers,

cause to be entered on the Register of Directors and Officers of the Company the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in the Cayman Islands of any such change that takes place.

32. Register of mortgages and charges

(1) The Directors shall cause to be kept the register of mortgages and charges required by the Companies Law.

(2) The Register of Mortgages and Charges shall be open to inspection at the Registered Office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection.

MINUTES

33. Obligations of Board to keep minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

INDEMNITY

34. Indemnification of Directors and Officers of the Company

The Directors, Officers and Auditors of the Company and any trustee for the time being acting in relation to any of the affairs of the Company, and every former director, officer, auditor or trustee and their respective heirs, executors, administrators and personal representatives (each of such persons being referred to in this Article as an "indemnified party"), shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duties in their respective offices or trusts, except any which an indemnified party shall incur or sustain by or through his own wilful neglect or default; no indemnified party shall be answerable for the acts, omissions, neglects or defaults of any other Director, Officer, Auditor or trustee, or for joining in any receipt for the sake of conformity, or for the solvency or honesty of any banker or other persons with whom any moneys or effects belonging to the Company may be lodged or deposited for safe custody, or for any insufficiency of any security upon which any monies of the Company may be invested, or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the fraud, gross negligence or wilful default or misconduct of such indemnified party.

35. Waiver of claim by Member

Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud, dishonesty, wilful misconduct, gross negligence, or violation of applicable laws which may attach to such Director or Officer.

GENERAL MEETINGS OF THE COMPANY

36. Notice of annual general meeting

(1) The Company shall in each year hold a general meeting as its annual general meeting, provided that, if the Company is an exempted company, it may by

Ordinary Resolution determine that no annual general meeting need be held in a particular year or years or indefinitely.

(2) Subject to paragraph (1), the annual general meeting of the Company shall be held in each year other than the year of incorporation at such time and place as the Chairman, or any two Directors, or any Director and the Secretary, or the Board shall appoint.

(3) The Board shall give not less than seven (7) Business Days' notice of annual general meeting of the Company to (i) those persons whose names on the date the notice is given appear as Members in the Register of Members of the Company and are entitled to vote at the meeting. Such notice shall state the date, place and time at which the meeting is to be held and, if different, the record date for determining members entitled to attend and vote at the general meeting, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

37. Notice of extraordinary general meeting

(1) General meetings other than annual general meetings shall be called extraordinary general meetings.

(2) The CEO or the Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary, provided that the Board shall give not less than seven (7) Business Days' notice of extraordinary general meeting of the Company to those persons whose names on the date the notice is given appear as Members in the Register of Members of the Company and are entitled to vote at the meeting. Such notice shall state the date, place and time at which the meeting is to be held and, if different, the record date for determining members entitled to attend and vote at the general meeting, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

38. Accidental omission of Notice of general meeting

The omission (whether accidental or otherwise) to give notice of a general meeting to, or the non-receipt of notice of a general meeting by, any person entitled to receive notice shall invalidate the proceedings at that meeting.

39. Meeting called on requisition of Members

(1) Notwithstanding anything to the contrary herein, the Board shall, on the requisition of Members, at the date of the deposit of the requisition of paid-up share capital of the Company representing, as at the date of the deposit, not less than one-tenth of votes that would be entitled to be cast at a general meeting of the Company, forthwith proceed to convene a extraordinary general meeting of the Company. To be effective, the requisition shall state the objects of the meeting, shall be in writing, signed by the requisitionists, and shall be deposited at the

Registered Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.

(2) If the Directors do not, within twenty-one (21) days from the date of the requisition, duly proceed to call an extraordinary general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an extraordinary general meeting; but any meeting so called shall not be held more than ninety (90) days after the requisition. An extraordinary general meeting called by requisitionists shall be called in the same manner as that in which general meetings are to be called by the Directors.

40. Short notice

A general meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these Articles, be deemed to have been properly called if it is so agreed by all the Members entitled to attend and vote thereat in the case of an annual general meeting, or in the case of an extraordinary general meeting, by the holders of at least seventy-five percent (75%) of the voting power owned by the Members entitled to attend and vote thereat.

41. Postponement of meetings

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

42. Quorum for general meeting

(1) No general meeting of the Company shall be quorate unless there are present, in person or by proxy, at a general meeting:

(i) holders of Shares representing not less than fifty (50) per cent of the voting rights at such meeting;

(ii) representatives of not less than five (5) Members;

(iii) a representative of the holders of a majority of the Series B Preferred Shares;

(iv) a representative of the holders of a majority of the Series A-1 Shares;

(v) a representative of the holders of a majority of the Common Shares held by the Founders;

(vi) a representative of the holders of a majority of the Series D Preferred Shares; and

(vii) representative(s) of the holders of at least 75% of the Series E Preferred Shares.

(2) If, within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Board may determine. In the event that a general meeting of the Company is adjourned solely as a result of any person(s) required in Article 42(1)(ii), (iii), (iv), (v), (vi) or (vii) above failing to attend, upon next reconvening such meeting, the presence, in person or by proxy, of Members representing in excess of 50% of the total issued voting shares in the Company shall be sufficient to constitute a quorum, subject always to Article 51.

43. Adjournment of meetings

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present (and shall if so directed), adjourn the meeting. Unless the meeting is adjourned for lack of a quorum, fresh notice of the date, time and place for the resumption of the adjourned meeting shall be given to each Member in accordance with the provisions of these Articles.

44. Attendance at meetings

Members may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

45. Written resolutions

(1) Anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members of the Company, may, without a meeting and subject to previous notice being given in accordance with paragraph (3) of Article 36 and paragraph (2) of Article 37, be done by resolution in writing signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Companies Law, on behalf of, all the Members who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.

(2) A resolution in writing may be signed by, or in the case of a Member that is a corporation, whether or not a company within the meaning of the Companies Law, on behalf of, all the Members, or any class thereof, in as many counterparts as may be necessary.

(3) For the purposes of this Article 45, the date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation, whether or not a company within the meaning of the Companies Law, on behalf of, the last Member to sign, and any reference in any Article to the date of passing of a

resolution is, in relation to a resolution made in accordance with this Article 45, a reference to such date.

(4) A resolution in writing made in accordance with this Article 45 is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Article to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

(5) To the extent permitted by applicable law, a resolution in writing made in accordance with this Article 45 shall constitute minutes for the purposes of the Companies Law.

46. Attendance of Directors

The Directors of the Company shall be entitled to receive notice of and to attend and be heard at any general meeting of the Company.

47. Voting at meetings

(1) Subject to the provisions of the Companies Law, these Articles and any contractual obligations to which the Company is subject, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of these Articles.

(2) No Member shall be entitled to vote at any general meeting unless such Member has paid all the calls on all Shares held by such Member.

(3) All voting of Members in respect of any matter or matters shall be by poll and each Common Share shall carry one vote. Each Preferred Share shall carry such number of votes as equal to the number of Common Shares then issuable upon its conversion into Common Shares at the record date for determination of the Members entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of Members is solicited. The Preferred Shares shall generally vote together with the Common Shares on an as-converted basis and not as a separate class, except as provided in Article 51 below or as expressly provided in these Articles.

(4) Each person present and entitled to vote shall be furnished with a ballot paper, on which such person shall record his or her vote in such manner as shall be determined at the meeting, having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered Member in the case of a proxy. At the conclusion of the poll, the ballot papers shall be examined and counted by a committee of not less than two (2) Members or proxy Members appointed by the chairman for the purpose, and the result of the poll shall be declared by the chairman.

48. Seniority of joint holders voting

In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

49. Instrument of proxy

The instrument appointing a proxy shall be in writing in the form, or as near thereto as circumstances admit, of Form "A" in the Schedule hereto, under the hand of the appointer or of the appointer's attorney duly authorised in writing, or if the appointer is a corporation, either under its seal, or under the hand of a duly authorised officer or attorney. The decision of the chairman of any general meeting as to the validity of any instrument of proxy shall be final.

50. Representation of corporations at meetings

A corporation which is a Member may, by written instrument, authorise such person as it thinks fit to act as its representative at any general meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he or she thinks reasonably fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

51. Approval Rights

(A) Series E Preferred Shares. In addition to such other limitations as may be provided under applicable laws and in these Articles, for so long as the Series E Holders continue to hold at least ten percent (10%) of the Company's total Shares on an As Converted Basis, none of the following actions shall be carried out by the Company or any Group Company, except with the prior written consent of the holders of at least 75% of the then outstanding Series E Preferred Shares, voting together as a single class, whether by amendment, merger, amalgamation, consolidation, scheme of arrangement or otherwise (for the purposes of this Article 51, the term "Company" means, unless where wholly inapplicable, the Company and the Subsidiaries):

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Series E Preferred Shares;

(b) any action that authorizes, creates or issues any class of the Company securities including without limitation those having rights, preferences or privileges superior to or on a parity with any Series E Preferred Shares;

(c) any action that increases or decreases the authorized number of the Series E Preferred Shares or any increase or decrease in the authorized share capital of the Series E Preferred Shares;

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Series E Preferred Shares;

(e) any increase, decrease or change of the share capital of the Company, except for purpose of the implementation of the ESOP;

(f) cease to conduct or carry on the principal business of any Group Company substantially as currently conducted;

(g) sell, lease or dispose of all or a substantial part of the undertaking, goodwill or assets of any Group Company;

(h) increase, reduce or cancel the authorized or issued share capital of any Group Company or issue, allot, purchase or redeem any shares or securities convertible into or carrying a right of subscription in respect of shares or any share warrants or grant or issue any options rights or warrants or which may require the issue of shares in the future or do any act which has the effect of diluting or reducing the effective shareholding of any holder of Series E Preferred Shares in the Company, except for purpose of the implementation of the ESOP;

(i) settle, adopt or alter the terms of any profit sharing scheme or any employee share option or share participation schemes (including the ESOP);

(j) amend the accounting policies currently adopted by the Company or change the fiscal year of the Company;

(k) appoint or change the auditors of any Group Company;

(l) borrow any money or obtain any financial facilities except pursuant to trade facilities obtained from banks or other financial institutions in the ordinary course of business;

(m) create, allow to arise or issue any debenture constituting a pledge, lien or charge (whether by way of fixed or floating charge, mortgage encumbrance or other security) on all or any of the undertaking, assets or rights of the Company and/or any Subsidiary except for the purpose of securing borrowings from banks or other financial institutions in the ordinary course of business not exceeding RMB500,000 (or its equivalent in other currency or currencies) in a single transaction or not exceeding RMB2,000,000 in the aggregate in any financial year;

(n) sell, transfer, license, charge, encumber or otherwise dispose of any trademarks, patents or other intellectual property owned by any Group Company that are material or critical to the business of the Group Companies;

(o) pass any resolution for the winding up of any Group Company or undertake any merger, reconstruction or liquidation exercise concerning any Group Company except for those that are solely in connection with restructuring for tax purposes

which would not have adverse impact on the condition of the Group Companies (business, financial or otherwise) and the benefits and interests of any holder of the Series E Preferred Shares;

(p) approve or make adjustments or modifications to terms of any transaction or series of transactions between any Group Company on one hand and any of its shareholder, director, senior manager at the VP (or the higher) level or any of their affiliates or any shareholder, director, senior manager at the VP (or the higher) level of such affiliates on the other hand, including but not limited to the making of any loans or advances, whether directly or indirectly, or the provision of any guarantee, indemnity or security for or in connection with any indebtedness of liabilities of any director or shareholder of the Company/and/or its subsidiaries;

(q) dispose of or dilute the Company's equity interests, directly or indirectly, in any other Group Company;

(r) any material change to the five-year business plan and forecast of the Company provided to any holder of the Series E Preferred Shares prior to the date hereof as attached to the Shareholders Agreement as Exhibit K thereto, and any material change to any budget of the Company provided to the Series E Holders pursuant to the Shareholders Agreement; and any transaction outside or in divergence of such business plan, forecast or budget;

(s) initiate or settle any material suit, arbitration or similar proceeding in relation to any Group Company;

(t) any increase of compensation by more than 20% for any of the five most-highly paid employees of the Company; or

(u) any activity out of the ordinary course of business of any Group Company.

(B) Series D Preferred Shares. In addition to such other limitations as may be provided under applicable laws and in these Articles, for as long as the Series D Threshold is met, notwithstanding any provision to the contrary in these Articles, none of the following actions shall be carried out by the Company or any Group Company, except with the prior consent of the holders of at least a majority (51%) of the outstanding Series D Preferred Shares, voting together as a single class:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Series D Preferred Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any Series D Preferred Shares or any other securities of the Company;

(c) any action that increases or decreases the authorized number of the Series D Preferred Shares or any increase or decrease in the authorized share capital of the Series D Preferred Shares;

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series D Preferred Shares; and

(e) the appointment of an accounting firm not one of the "Big 4" accounting firms to be the auditor of any Group Company;

provided that none of the Company or any Group Company shall carry out any of the following without the prior consent of the holders of at least a majority (51%) of the outstanding Series D Preferred Shares, voting together as a single class:

(i) an initial public offering of any Group Company; unless the offering is a Qualified IPO; and

(ii) any (w) sale, lease, transfer or other disposition of all or substantially all of the assets of the Company; (x) transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company; (y) sale, transfer or other disposition of a majority of the issued and outstanding share capital of the Company or a majority of the voting power of the Company; or (z) merger, consolidation or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such merger, consolidation or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity, in each case, with a total consideration value ("**Trade Sale Consideration Value**") of less than US$1,300,000,000, provided that if the counterparty in any transaction under (i) or (ii) above has assumed less than all of the liabilities of the Company, then the value of the remaining liabilities of the Company shall be subtracted from the total consideration value of such transaction for purposes of determining whether the Trade Sale Consideration Value of such transaction is less than US$1,300,000,000 pursuant to this Article 51(B).

(C) Series C Preferred Shares. In addition to such other limitations as may be provided under applicable laws and in these Articles, for so long as the Series C Holders continue to hold at least ten percent (10%) of the Company's total Shares, notwithstanding any provision to the contrary in these Articles, none of the following actions shall be carried out by the Company or any Group Company, except with the prior consent of the holders of at least a majority (51%) of the outstanding Series C Preferred Shares, voting together as a single class:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series C Preferred Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any Series

C Preferred Shares or any other securities of the Company;

(c) any action that increases or decreases the authorized number of the Series C Preferred Shares or any increase or decrease in the authorized share capital of the Series C Preferred Shares; and

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series C Preferred Shares.

(D) Series B Preferred Shares. In addition to such other limitations as may be provided under applicable laws and in these Articles, for so long as the Series B Holders continue to hold at least ten percent (10%) of the Company's total Shares on an As Converted Basis, notwithstanding any provision to the contrary in these Articles, none of the following actions shall be carried out by the Company or any Group Company, except with the prior consent of: the holders of at least a majority (51%) of the outstanding Series B Preferred Shares, voting together as a single class:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series B Preferred Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any class of Series B Preferred Shares or any other securities of the Company;

(c) any action that increases the authorized number of the Series B Preferred Shares, or any increase or decrease in the authorized share capital of the Company;

(d) any consolidation or merger with or into any other business entity or the sale, lease, transfer or other disposition of all or substantially all the assets of the Company or the license out of all or substantially all of the Company's intellectual property rights, in each case in transactions with a total consideration value less than US$100,000,000; and

(e) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series B Preferred Shares.

(E) Series A-1 Preferred Shares Consent Rights. In addition to such other limitations as may be provided under applicable laws and in these Articles, for as long as the Morningside continues to hold at least ten percent (10%) of the Company's total Shares on an As Converted Basis, notwithstanding any provision to the contrary in these Articles, none of the following actions shall be carried out by the Company or any Group Company, except with the prior consent of the holders of at least a majority (51%) of the outstanding Series A-1 Preferred Shares, voting together as a single class:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series A-1 Preferred Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any class of Series A-1 Preferred Shares or any other securities of the Company;

(c) any action that increases the authorized number of the Series A-1 Preferred Shares, or any increase or decrease in the authorized share capital of the Company;

(d) any consolidation or merger with or into any other business entity or the sale, lease, transfer or other disposition of all or substantially all the assets of the Company or the license out of all or substantially all of the Company's intellectual property rights, in each case in transactions with a total consideration value less than US$100,000,000; and

(e) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series A-1 Preferred Shares.

(F) Joint Series E, Series D, Series B and Series A-1 Preferred Shares Consent Rights. In addition to such other limitations as may be provided under applicable laws and in these Articles, for as long as each of the Series B Holders and the Morningside continues to hold at least ten percent (10%) of the Company's total Shares on an As Converted Basis, the following acts of the Company shall require the prior written approval of both at least a majority (51%) of the outstanding Series B Preferred Shares, and of the holder(s) of at least a majority (51%) of the outstanding Series A-1 Preferred Shares, each voting separately as a single class. (If either the Series B Holders or the Morningside does not hold at least ten percent (10%) of the Company's total Shares on an As Converted Basis, such acts will only require the requisite consent of the class of Series B or Morningside, as the case may be, which continue to hold such 10% of the total Shares on an As Converted Basis.) In addition, for as long as the Series D Holders continue to meet the Series D Threshold, the following acts of the Company shall require the prior written approval of the holder(s) of at least a majority (51%) of the outstanding Series D Preferred Shares. In addition, for as long as the Series E Holders continue to hold at least ten percent (10%) of the Company's total Shares on an As Converted Basis, the following acts of the Company shall require the prior written approval of the holder(s) of at least 75% of the outstanding Series E Preferred Shares.

(a) any action that repurchases, redeems or retires any of the Company's voting securities other than pursuant to any redemption rights provided in the Restated Articles, or contractual rights to repurchase Common Shares from employees, directors or consultants of the Company or its subsidiaries at the lower of (i) the original purchase price paid by such employees, directors or consultants for such Common Shares or (ii) the fair market value of such Common Shares, which shall be a price set by the Board upon termination of their employment or services or pursuant to the terms of its Employee Share Option plans or pursuant to the exercise of a contractual right of first refusal held by the Company, or the Company's transfer, repurchase and cancellation of up to 56,067,952 Common

Shares (adjusted for any share dividends, sub-division, consolidation, recapitalization and the like) that the Company held as of March 1, 2011;

(b) any amendment of the Articles or other constitutional documents;

(c) the dissolution, liquidation or winding up, the initiation of bankruptcy proceedings, or application for appointment of a receiver, judicial manager or the like;

(d) the declaration or payment of any dividend on any Shares of any Group Company or the decision not to declare the distributable profits of any Group Company as dividends;

(e) any change in the number of directors of the Company; and

(f) any initial public offering or public offering of any debt or equity securities of any Group Company, unless the offering is a Qualified IPO or is otherwise approved by at least five (5) members of the Board, including one (1) Series E Director and the Series D Director.

(G) Such Preferred Share Holders' approval rights under this Article 51 shall terminate immediately upon the completion of an initial public offering.

Where any Ordinary Resolution or Special Resolution of the Company in a general meeting is required to approve any of the reserved matters set out in this Article 51 and such matter has not received the approval of the relevant Shareholder(s) as required by this Article 51 (the "**Relevant Shareholders**"), the Relevant Shareholders shall have, in such shareholders' vote, the voting rights equal to the aggregate voting power of all the Shareholders of the Company who voted in favor of the resolution plus one, to the intent and effect that such resolution shall not be passed.

SHARE CAPITAL AND SHARES

52. Rights of shares

The share capital of the Company shall be divided into shares, the holders of which shall, subject to the provisions of these Articles and any contractual obligations to which the Company is subject:

(a) with respect to a holder of Common Shares, be entitled to one (1) vote per Common Share held by such holder;

(b) with respect to a Preferred Share Holder, be entitled to such number of votes as equal to that number of Common Shares into which the Preferred Shares held by such holder could be converted at the applicable Conversion Price then in effect;

(c) be entitled to such dividends as the Board may from time to time declare and such dividends shall be paid with respect to the Common Shares and Preferred Shares in accordance with these Articles;

(d) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary, or for the purpose of a reorganisation or otherwise, or upon any distribution of capital, be entitled to the surplus assets of the Company in accordance with these Articles; and

(e) generally be entitled to enjoy all of the rights attaching to Shares.

53. Power to issue shares

(1) Subject to the Memorandum, these Articles and any contractual obligations to which the Company is subject, the Board shall have power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares), provided that no share shall be issued at a discount except in accordance with the Companies Law.

(2) The Board shall, in connection with the issue of any share, have the power to pay such commission and brokerage as may be permitted by Companies Law.

(3) The Company may from time to time do any one or more of the following things:

(a) make arrangements on the issue of shares for a difference between the Members in the amounts and times of payments of calls on their shares;

(b) accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up;

(c) pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others; and

(d) issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding up.

54. Alteration of Capital

(1) Subject to the Companies Law, these Articles and any contractual obligations to which the Company is subject, the Company may from time to time, by Ordinary Resolution, alter the conditions of its Memorandum to increase its share capital by new shares of such amount as it thinks expedient or, if the Company is exempted

and has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient.

(2) Subject to the Companies Law, these Articles and any contractual obligations to which the Company is subject, the Company may from time to time, by Ordinary Resolution, alter the conditions of its Memorandum to:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; or

(c) cancel 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 or, in the case of shares without par value, diminish the number of shares into which its capital is divided.

(3) Subject to the Companies Law, these Articles and any contractual obligations to which the Company is subject, the Company may from time to time by Special Resolution, reduce its share capital in any way or alter any conditions of its Memorandum relating to share capital.

55. Alteration of registered office, name and objects

(1) Subject to the Companies Law, the Company may by resolution of its Directors change the location of its Registered Office.

(2) Subject to the Companies Law, these Articles and any contractual obligations to which the Company is subject, the Company may from time to time, by Special Resolution change its name or alter its objects or make any other alteration to its Memorandum for which provision has not been made elsewhere in these Articles.

56. Variation of rights, alteration of share capital and purchase of shares of the Company

If at any time the share capital is divided into different series or classes of shares, the rights attached to any class or series (unless otherwise provided by the terms of issue of the shares of that class or series) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of a majority of the issued shares of that class or series (provided that such majority shall mean at least 75% with respect to voting or consent within Series E Preferred Shares) or with the sanction of a resolution passed by three fourths of the votes cast at a separate general meeting of the holders of the shares of the class, provided that no such consent or resolution shall be required if the variation leads to the rights attached to such class or series being more favourable than the rights conferred on such class or series prior to such variation. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not,

unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

57. Registered holder of shares

(1) The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and, accordingly, shall not be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person.

(2) No person shall be entitled to recognition by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register of Members or on a share certificate in respect of a share, then, except as aforesaid:

(a) such notice shall be deemed to be solely for the holder's convenience;

(b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the share or shares concerned;

(c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and

(d) the holder, shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

(3) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members or, in the case of joint holders, to such address of the holder first named in the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

58. Death of a joint holder

Where two or more persons are registered as joint holders of a share, or shares then in the event of the death of any joint holder or holders, the remaining joint holder or holders shall be absolutely entitled to the said share or shares, and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

59. Share certificates

(1) Every Member shall be entitled to a certificate under the seal of the Company (or a facsimile thereof) specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, how much has been paid thereon. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

(2) The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom such shares have been allotted.

(3) If any such certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid or destroyed, the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

(4) Share certificates may not be issued in bearer form.

(5) The certificates evidencing the Equity Securities of the Company shall bear, in addition to any other legend required under the applicable laws, the following legends: "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY FOREIGN JURISDICTION. THE SECURITIES MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE AND FOREIGN SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS.

THE SALE, ASSIGNMENT, HYPOTHECATION, PLEDGE, ENCUMBRANCE OR OTHER DISPOSITION (EACH A "TRANSFER") AND VOTING OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THE SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT, DATED MARCH 5, 2014 BY AND AMONG THE COMPANY, ITS SUBSIDIARIES AND THE SHAREHOLDERS NAMED THEREIN, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE. THE COMPANY WILL NOT REGISTER THE TRANSFER OF SUCH SECURITIES ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL

THE TRANSFER HAS BEEN MADE IN COMPLIANCE WITH THE TERMS OF SUCH SHAREHOLDERS AGREEMENT."

60. Calls on shares

(1) The Board may from time to time make such calls as it thinks fit upon the Members in respect of any monies unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may, at the discretion of the Board, be liable to pay the Company interest on the amount of such call, at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(2) The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

61. Forfeiture of shares

(1) If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any Share allotted to or held by such Member, the Board may, at any time thereafter, during such time as the call remains unpaid, direct the Secretary to forward to such Member a notice in the form, or as near thereto as circumstances admit, of Form "B" in the Schedule hereto.

(2) If the requirements of such notice are not complied with, any such share may, at any time thereafter before the payment of such call and the interest due in respect thereof, be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.

(3) A Member whose share or shares have been forfeited as aforesaid shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture and all interest due thereon.

(4) Notwithstanding the provisions of this Article and the preceding Article, the Shares of any Member in respect of which the par value is not fully paid may be forfeited by resolution of the Board without any further action required by the Board, provided that such Member consents in writing to the forfeiture.

(5) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

62. Right of First Offer

The Company shall offer its shareholders certain rights of first offer to purchase and subscribe for amounts of Shares or securities of the Company which the Company proposes to issue as set forth in and subject to the terms and conditions of the Shareholders Agreement.

RIGHTS ATTACHING TO PREFERRED SHARES

63. Dividend Rights

Holders of the Preferred Shares shall be entitled to participate in any dividend or distribution which the Company may determine to distribute from time to time, pari passu with such holders and the holders of the Common Shares ratably on an As Converted Basis, with conversion being deemed to have occurred (regardless of whether such holder actually converted or not) immediately prior to the record date for such distribution. Such dividends or distributions shall be payable when, as and if declared by the Board and shall not be cumulative; provided however that, prior to the initial public offering of any equity securities of the Company, the Company shall not declare or distribute any dividends or distributions unless and until (i) the accumulative profits of the Company in a given year have exceeded the total amount of all the capital contribution (including share premium) made by the shareholders of the Company, and (ii) the holders of not less than seventy-five percent (75%) of the outstanding Shares of the Company (voted on an as-converted basis) have approved such declaration or distribution.

64. Voting Rights

Each holder of Preferred Shares shall be entitled on a poll to such number of votes as equals the number of Common Shares into which such holder's Preferred Shares are convertible immediately after the close of business on the record date of the determination of the Company's shareholders entitled to vote or, if no such record date is established, at the date such vote is taken or any written consent of the Company's shareholders is first solicited, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with these Articles. Except as otherwise provided herein or as required by the Companies Law, the holders of Preferred Shares shall vote together with the holders of Common Shares, and not as separate classes or series, on all matters upon which holders of Common Shares have the right to vote.

65. Liquidation Rights

(1) Liquidation Preferences

(A) Upon any liquidation, dissolution, or winding up of the Company (each such case, a "**Liquidation Event**"), whether voluntary or involuntary, and provided that the funds and assets of the Company legally available for distribution to Members as a result of such Liquidation Event are not more than US$250 million (except that such proviso shall not apply to distribution to the Series E Holders under this Article 65), the holders of Preferred Shares and Common Shares shall, subject to the Companies Law

and these Articles, be entitled to receive amounts according to the following provisions:

(a) Before any distribution or payment shall be made to the Series B Holders, the Series C Holders, the Series D Holders and the holders of any Junior Securities, an amount shall be paid to the Series E Holders with respect to each Series E Preferred Share held by the Series E Holder equal to 100% of the applicable Original Issue Price (adjusted for any share dividends, sub-division, consolidation, recapitalizations and the like) of such Series E Preferred Share, together with a sum equal to the declared but unpaid dividends on the Series E Preferred Shares (the "**Series E Preference Amount**"). If, upon any Liquidation Event, the assets of the Company legally available for distribution shall be insufficient to make payment in full of the Series E Preference Amount, then such assets shall be distributed among the holders of Series E Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(b) Upon the completion of the distribution or payment required by the preceding paragraph (a) and before any distribution or payment shall be made to the Series B Holders, the Series C Holders and the holders of any Junior Securities (for the purpose of this Article 65, such holders do not include any Series D Holder who also holds any Series B Preferred Shares, Series C Preferred Shares or any Junior Securities), an amount shall be paid with respect to each Share held by the Series D Holders (the "**Primavera Shares**") equal to the applicable Original Issue Price (adjusted for any share dividends, sub-division, consolidation, recapitalizations and the like) together with a sum equal to the declared but unpaid dividends on the Shares (the "**Primavera Preference Amount**").

(c) Upon the completion of the distribution or payment required by the preceding paragraphs (a) and (b) and before any distribution or payment shall be made to the holders of any Junior Securities, an amount shall be paid, on a pari passu basis, with respect to each Series B Preferred Share (excluding the Primavera Shares in this series) and each Series C Preferred Share equal to their respective applicable Original Issue Prices (adjusted for any share dividends, sub-division, consolidation, recapitalizations and the like) together with a sum equal to the declared but unpaid dividends on the Series B Preferred Shares (excluding the Primavera Shares in this series) and the Series C Preferred Shares (the "**Series B Preference Amount**,**"** and the **"Series C Preference Amount**"). If, upon any Liquidation Event, the assets of the Company legally available for distribution after the full distribution of the Series D Preference Amount and Series E Preference Amount pursuant to paragraphs (a)

and (b) above shall be insufficient to make payment in full of the Series B Preference Amount and the Series C Preference Amount, then such assets shall be distributed among the holders of Series B Preferred Shares (excluding the Primavera Shares in this series) and the holders of Series C Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon on an As Converted Basis.

(d) Upon the completion of the full distribution and payment required by the preceding paragraphs (a), (b) and (c) and before any distribution or payment shall be made to the holders of Series A Preferred Shares (excluding the Primavera Shares in this series), an amount shall be paid with respect to each Series A-1 Preferred Share (excluding the Primavera Shares in this series) equal to its Original Issue Price (adjusted for any share dividends, sub-division, consolidation, recapitalizations and the like) together with a sum equal to the declared but unpaid dividends on the Series A-1 Preferred Shares (excluding the Primavera Shares in this series) (the "**Series A-1 Preference Amount**"). If the remaining assets of the Company legally available for distribution after the full distribution of the Series B Preference Amount, the Series C Preference Amount, the Series D Preference Amount, and Series E Preference Amount, pursuant to paragraphs (a), (b) and (c) above shall be insufficient to make payment in full of the Series A-1 Preference Amount, then such assets shall be distributed among the holders of Series A-1 Preferred Shares (excluding the Primavera Shares in this series) ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(e) Upon the completion of the full distribution and payment required by the preceding paragraphs (a), (b), (c) and (d) and before any distribution or payment shall be made to the holders of Common Shares, an amount shall be paid with respect to each Series A Preferred Share (excluding the Primavera Shares in this series) equal to its Original Issue Price (adjusted for any share dividends, sub-division, consolidation, recapitalizations and the like) together with a sum equal to the declared but unpaid dividends on the Series A Preferred Shares (excluding the Primavera Shares in this series) (the "**Series A Preference Amount**" and collectively with the Series D Preference Amount, Series C Preference Amount, Series B Preference Amount and Series A-1 Preference Amount, the "**Preference Amount**"). If the remaining assets of the Company legally available therefor after the full distribution of the Series E Preference Amount, Series D Preference Amount, Series C Preference Amount, Series B Preference Amount and Series A-1 Preference Amount pursuant to paragraphs (a), (b), (c) and (d) above shall be insufficient to make payment in full of the Series A

Preference Amount, then such assets shall be distributed among the holders of Series A Preferred Shares (excluding the Primavera Shares in this series) ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(f) In the circumstance where the assets of the Company legally available for distribution to Members as a result of the Liquidation Event are more than US$185 million, upon the completion of the full distribution and payment of the Preference Amount pursuant to paragraphs (a), (b), (c), (d) and (e) above, an amount shall be paid with respect to each Common Share (excluding the Primavera Shares in this series) then outstanding equal to its Original Issue Price (adjusted for any share dividends, sub-division, consolidation, recapitalizations and the like) together with a sum equal to the declared but unpaid dividends on the Common Shares (the "**Common Share Liquidation Amount**"). If, where Common Share Liquidation Amount is payable as aforesaid, the remaining funds and assets of the Company legally available after the full distribution and payment of the Preference Amount pursuant to paragraphs (a), (b), (c), (d) and (e) shall be insufficient to make payment in full of the Common Share Liquidation Amount, then such assets shall be distributed among the holders of Common Shares (excluding the Primavera Shares in this series) then outstanding ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon. For the avoidance of doubt, no Common Share Liquidation Amount shall be paid in the event that the assets of the Company legally available for distribution to Members as a result of the Liquidation Event are less than US$185 million.

(g) The remaining balance of the assets of the Company legally available after the full distribution and payment of the Preference Amount and, if any, Common Share Liquidation Amount pursuant to paragraphs (a) through (f) above shall be distributed among all holders of Shares ratably on an As Converted Basis.

(B) If the funds and assets of the Company legally available for distribution to Members as a result of a Liquidation Event, whether voluntary or involuntary, are more than US$250 million, each of the holders of Preferred Shares shall, subject to the Companies Law and these Articles, be entitled to receive amounts calculated pursuant to Article 65(1)(A) if such Article had been applicable.

(2) Liquidation on Sale or Merger

(a) Subject to the other restrictions set forth in these Articles, unless otherwise agreed in writing by the holders of at least two-thirds (2/3) of the then

outstanding Preferred Shares, voting together as a single class on an As Converted Basis, the following events (the "**Deemed Liquidation Events**") shall also be treated as Liquidation Events under this Article 65:

(i) any consolidation or merger of the Company with or into any other Person, or any other corporate reorganization, after which the holders of the voting Shares of the Company immediately prior to such consolidation, merger or reorganization, own or control less than a majority of the outstanding voting shares of the surviving company or other entity on account of shares held by them prior to such transaction;

(ii) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company or any other Group Company; or

(iii) a transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company.

(b) Upon occurrence of any Deemed Liquidation Event (which does not constitute a Qualified Trade Sale) as set out in Article 65(2)(a), the proceeds derived from, or the entire assets of the Company legally available for distribution immediately following, such Deemed Liquidation Event shall be paid and distributed in the priority order set out in Article 65(1)(A). If the Deemed Liquidation Event constitutes a Qualified Trade Sale, then the proceeds derived from, or the entire assets of the Company legally available for distribution immediately following, such Deemed Liquidation Event shall be paid and distributed pursuant to Article 65(1)(B).

(3) No Liquidation Event or Deemed Liquidation Event shall be effected unless approved by a Special Resolution passed by a duly convened general meeting of the Company.

(4) In any of the events specified in Article 65(2) above, if the consideration received by the Company or its shareholders is other than cash, its value will be deemed its fair market value as reasonably determined in good faith by the Board.

66. Conversion Rights

The holders of the Preferred Shares shall have the following rights with respect to the conversion of the Preferred Shares into Common Shares.

(1) Optional Conversion

(a) Subject to and in compliance with the provisions of this Article 66, any Preferred Share may, at the option of the holder, be converted at any time into fully-paid and nonassessable Common Shares at the quotient of the Original Issue Price (adjusted for any share

dividends, sub-division, consolidation, recapitalizations and the like) for such Preferred Share divided by the applicable Conversion Price for such Preferred Share then in effect; and

(b) The holder of any Preferred Shares who desires to convert such shares into Common Shares shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Preferred Shares, and shall give written notice to the Company at such office that such holder has elected to convert such shares. Such notice shall state the number and class of Preferred Shares being converted. Thereupon, the Company shall promptly issue and deliver to such holder at such office a certificate or certificates for the number of Common Shares to which the holder is entitled and a check payable to the holder in the amount of any cash amount payable in lieu of fractional Common Shares otherwise issuable upon such conversion plus any declared but unpaid dividends or distribution on the converted Preferred Shares, which dividends or distribution, notwithstanding anything to the contrary contained in these Articles, shall be payable in cash or in kind (in the event of a share dividend) at such holder's election, and the Company shall also update the register of members of the Company to reflect such conversion. Such conversion shall be deemed to have been made at the close of business on the date of the surrender of the certificates representing the Preferred Shares to be converted, and the person entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Common Shares on such date that the register of member is updated to reflect the purchase.

(2) Automatic Conversion

(a) All shares of any class or series of Preferred Shares in issue shall automatically be converted into such number of Common Shares at quotient of the Original Issue Price (adjusted for any share dividends, sub-division, consolidation, recapitalizations and the like) for such Preferred Share divided by the then effective Conversion Price applicable to such Preferred Shares upon the earlier of the following (the "**Automatic Conversion Time**"):

(i) immediately upon the closing of an initial public offering; or

(ii) upon written notice to convert given to the Company by the holders of a majority of such class or series of Preferred Shares in issue, in each case voting as a separate class on an As Converted Basis, as applicable; and

(b) The Company shall give written notice to all of the holders of Preferred Shares of the Automatic Conversion Time and the place designated for surrender of the certificates representing Preferred Shares. At the Automatic Conversion Time, all of the then outstanding Preferred Shares being converted shall be converted into Common Shares, which Common Shares shall be deemed to be outstanding of record, automatically and without any further action by the holders of such Common Shares and whether or not the certificate or certificates evidencing such converted Preferred Shares are surrendered to the Company or its transfer agent. The Company shall, as soon as practicable after the Automatic Conversion Time, issue and deliver to each applicable holder of Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Common Shares to which such holder is entitled and a check payable to the holder in the amount of any cash amount payable in lieu of fractional Common Shares plus any declared but unpaid dividends or distribution on the converted Preferred Shares, which dividends or distribution, notwithstanding anything to the contrary in these Articles, shall be payable in cash or in kind (in the event of a share dividend) at such holder's election, and the Company shall also update the register of members of the Company to reflect such conversion. Such conversion shall be deemed to have been made at the Automatic Conversion Time, and the Person entitled to receive Common Shares issuable upon the automatic conversion of the Preferred Shares shall be treated for all purposes as the record holder of such Common Shares at the Automatic Conversion Time when the register of members is updated to reflect the conversion. If the conversion is in connection with an underwritten offering of the Company's securities, the conversion may, at the option of any holder tendering Preferred Shares for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the Person entitled to receive the Common Shares upon conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such sale of securities.

(3) Conversion Mechanism

The conversion hereunder of any Preferred Share shall be effected in the following manner:

(a) Unless otherwise provided below, the conversion price for Series A, Series A-1, Series B, Series C, Series D and Series E Preferred Share shall initially equal its Original Issue Price (adjusted for any share dividends, sub-division, consolidation, recapitalizations and

the like). The conversion price for Series C Preferred Shares held by King Market Investment Limited ("**King Market**") shall be US$4.14 (adjusted for any share dividends, sub-division, consolidation and recapitalization). The conversion price for the Series C Preferred Shares held by CRP Holdings Limited ("**CPR Holdings**", and such conversion price, the "**CPR Conversion Price**") shall be US$3.64141727 (adjusted for any share dividends, sub-division, consolidation and recapitalization), and the conversion price for Series D Preferred Shares (the "**Series D Conversion Price**") shall be US$2.86129657 (adjusted for any share dividends, sub-division, consolidation and recapitalization); PROVIDED HOWEVER, if the Subsequent Sale (as defined in the Share Purchase Agreement) fails to close, (i) the CRP Conversion Price shall be adjusted to and calculated as follows: the CRP Conversion Price shall equal to the product obtained by multiplying US$4.14 (the applicable conversion price for Series C Preferred Shares held by CPR Holdings immediately before the date hereof) by a fraction, the numerator of which shall be the number of Common Shares issued and outstanding (including Common Shares issuable upon conversion of the Preferred Shares, at the prevailing Conversion Price, however, excluding those number of Shares held by Primavera to be repurchased by the Company from Primavera pursuant to Section 10.6 of the Shareholders Agreement) immediately prior to the Closing (as defined in the Share Purchase Agreement), plus the number of Shares that US$200 million would purchase at US$4.14 (the applicable conversion price for Series C Preferred Shares held by CPR Holdings immediately before the date hereof), and the denominator of which shall be the number of Common Shares issued and outstanding (including Common Shares issuable upon conversion of the Preferred Shares, at the prevailing Conversion Price, however, excluding those number of Shares held by Primavera to be repurchased by the Company from Primavera pursuant to Section 10.6 of the Shareholders Agreement) immediately prior to such Closing plus the number of Series E Preferred Shares actually issued by the Company under the Share Purchase Agreement (excluding those number of Series E Shares to be repurchased by the Company pursuant to Section 10.5 of the Shareholders Agreement, if applicable), and (ii) the Series D Conversion Price shall be adjusted and calculated as provided in Section 10.4(b)(ii) of the Shareholders Agreement. For the purpose of these Articles, the conversion prices for Series A, Series A-1, Series B, Series C, Series D and Series E Preferred Shares shall each be referred to as a "**Conversion Price**"). Each Conversion Price and shall be adjusted from time to time as provided below:

(i) Adjustment for Sub-divisions and Consolidations

If the Company shall at any time, or from time to time, effect a sub-division of the outstanding Common Shares, the prevailing Conversion Price in effect immediately prior to such sub-division shall be proportionately decreased. Conversely, if the Company shall at any time, or from time to time, consolidate the outstanding Common Shares into a smaller number of shares, the prevailing Conversion Price in effect immediately prior to the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the sub-division or combination becomes effective.

(ii) Adjustment for Common Share Dividends and Distributions

If any Preferred Shares remain capable of being converted into Common Shares and there is a distribution of profits to the holders of Common Shares by way of issuing Common Shares to such holders, the number of Common Shares to be issued upon conversion of any Preferred Shares shall be appropriately increased in proportion to such increase of Common Shares in issue.

(iii) Reorganizations, Mergers, Consolidations, Reclassifications, Exchanges, Substitutions

If at any time, or from time to time, any capital reorganisation or reclassification of the Common Shares (other than as a result of a share dividend, sub-division or consolidation otherwise treated above) occurs or the Company is consolidated, merged or amalgamated with or into another Person (other than a consolidation, merger or amalgamation treated in Article 65(2) above) then in any such event, provision shall be made so that, upon conversion of any Preferred Shares thereafter, the holder thereof shall receive the kind and amount of shares and other securities and property which the holder of such share would have received had the Preferred Shares been converted into Common Shares on the date of such event, all subject to further adjustment as provided herein or with respect to such other securities or property, in accordance with any terms applicable thereto.

(iv) Sale of Shares Below the Conversion Price

If at any time, or from time to time, any Preferred Shares remain capable of being converted into Common Shares and the Company shall issue or sell Additional Common Shares (other than as a sub-division or consolidation of Common Shares provided for in paragraph (i) above, and other than as a dividend or other distribution provided for in paragraph (ii) above) or Shares of other classes (other than pursuant to the Employee Share Option) without consideration or at an issuing price (A) in the case of the Series C Preferred Shares held by King Market, less than US$2.81 per Share, and (B) in all other cases, less than the prevailing Conversion Price of Preferred Shares of a particular series, then (for the purpose of this Article 66(3)(a)(iv), Additional Common Shares include the Shares of Company to be issued in connection with any initial public offering of the Company, in which case the adjustments contemplated by this Article 66(3)(a)(iv) in respect of such Additional Common Shares shall be conducted prior to the completion of such initial public offering):

(A) the prevailing Conversion Price for such Preferred Shares (other than Series E Preferred Shares) shall be reduced to a price determined on a weighted average basis:

(X) if such Preferred Shares are Series D Preferred Shares, by multiplying the prevailing Conversion Price of such Preferred Shares by a fraction, the numerator of which shall be the number of all Series D Preferred Shares issued and outstanding immediately prior to such allotment plus the number of Common Shares that the aggregate consideration received by the Company for such allotment (including any consideration that will be received by the Company upon the full exercise of any options or warrants issued in such allotment) would purchase at the prevailing Conversion Price of the Series D Preferred Shares; and the denominator of which shall be the number of all Series D Preferred Shares issued and outstanding immediately prior to such allotment plus the number of Shares actually issued pursuant to such allotment (including the number of Shares issuable upon the full exercise of any options or warrants issued in such allotment) (if such allotted Shares are

convertible or exchangeable into Common Shares, then the maximum number of Common Shares issuable upon conversion or exchange of such allotted Shares); and

(Y) in all other cases, by multiplying the prevailing Conversion Price of such Preferred Shares by a fraction, the numerator of which shall be the number of Common Shares outstanding (including Common Shares issuable upon conversion of the Preferred Shares, at the prevailing Conversion Price) immediately prior to such allotment plus the number of Common Shares that the aggregate consideration received by the Company for such allotment would purchase at the prevailing Conversion Price; and the denominator of which shall be the number of Common Shares outstanding (including Common Shares issuable upon conversion of the Preferred Shares, at the prevailing Conversion Price) immediately prior to such allotment plus the number of Shares actually issued pursuant to such allotment (or if such allotted Shares are convertible or exchangeable into Common Shares, then the maximum number of Common Shares issuable upon conversion or exchange of such allotted Shares);

(B) the prevailing Conversion Price for Series E Preferred Shares shall be reduced, concurrently with such issue, to a price equal to the price per share for such Additional Common Shares.

For the purpose of making any adjustment in the Conversion Price or number of Common Shares issuable upon conversion of any Preferred Shares, as provided above, the consideration received by the Company for the issuance of any Additional Common Shares shall be computed as follows:

(aa) To the extent it consists of cash, the consideration received by the Company for any issue or sale of securities shall be computed at the net amount of cash received by the Company after deduction of any expenses payable directly or indirectly by the Company and any underwriting or similar commissions, compensations, discounts or concessions paid or allowed by the Company in connection with such issue or sale;

(bb) To the extent it consists of property other than cash, consideration other than cash received by the Company for any issue or sale of securities shall be computed at the fair market value thereof, as determined in good faith by the Board of Directors as of the date of the adoption of the resolution specifically authorizing such issue or sale, irrespective of any accounting treatment of such property; and

(cc) If Additional Common Shares or Common Share Equivalents exercisable, convertible or exchangeable for Additional Common Shares are issued or sold together with other shares or securities or other assets of the Company for consideration which covers both, the consideration received for the Additional Common Shares or Common Share Equivalents shall be computed as that portion of the consideration received which is reasonably determined in good faith by the Board of Directors to be allocable to such Additional Common Shares or Common Share Equivalents.

(b) For the purpose of making any adjustment in the Conversion Price provided in this Article 66, if at any time, or from time to time, the Company issues any Common Share Equivalents exercisable, convertible or exchangeable for Additional Common Shares then, in each such case, at the time of such issuance the Company shall be deemed to have issued the maximum number of Additional Common Shares issuable upon the exercise, conversion or exchange of such Common Share Equivalents and to have received in consideration for each Additional Common Share deemed issued an amount equal to the Effective Conversion Price; and

(i) In the event of any increase in the number of Common Shares deliverable or any reduction in consideration payable upon exercise, conversion or exchange of any Common Share Equivalents, including, but not limited to, a change resulting from the anti-dilution provisions thereof, the Conversion Prices respectively applicable to the Preferred Shares shall be recomputed to reflect such change as if, at the time of issue for such Common Share Equivalent, such adjusted Effective Conversion Price applied;

(ii) If any right to exercise, convert or exchange any Common Share Equivalents shall expire without having been fully

exercised, the Conversion Prices as adjusted upon the issuance of such Common Share Equivalents shall be readjusted to the Conversion Prices which would have been in effect had such adjustment been made on the basis that (A) the only Additional Common Shares to be issued on such Common Share Equivalents were such Additional Common Shares, if any, as were actually issued or sold in the exercise, conversion or exchange of any part of such Common Share Equivalents prior to the expiration thereof and (B) such Additional Common Shares, if any, were issued or sold for (x) the consideration actually received by the Company upon such exercise, conversion or exchange, plus (y) where the Common Share Equivalents consist of options, warrants or rights to purchase Common Shares, the consideration, if any, actually received by the Company for the grant of such Common Share Equivalents, whether or not exercised, plus (z) where the Common Share Equivalents consist of shares or securities convertible or exchangeable for Common Shares, the consideration received for the issue or sale of Common Share Equivalent actually converted; and

(iii) For any Common Share Equivalent with respect to which a Conversion Price has been adjusted under this paragraph (d), no further adjustment of Conversion Price shall be made solely as a result of the actual issuance of Common Shares upon the exercise or conversion of such Common Share Equivalent.

(4) Certificate of Adjustment

In the case of any adjustment or readjustment of the Conversion Price applying to any class of Preferred Shares, the Company, at its sole expense, shall promptly compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail,

postage prepaid, to each registered holder of Preferred Shares at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any Additional Common Shares issued or sold or deemed to have been issued or sold, (ii) the number of Additional Common Shares issued or sold or deemed to be issued or sold, (iii) the relevant Conversion Price in effect after such adjustment or readjustment, and (iv) the number of Common Shares and the type and amount, if any, of other property which

would be received upon conversion of the holder's Preferred Shares after such adjustment or readjustment.

(5) Notice of Record Date

In the event the Company shall propose to take any action of the type or types requiring an adjustment to the Conversion Price applying to any class of Preferred Shares as set forth herein, the Company shall give notice to the holders of the Preferred Shares, which notice shall specify the record date, if any, with respect to any such action and the date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price applying to the relevant class of Preferred Shares and the number, kind or class of shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the conversion of the holder's Preferred Shares. In the case of any action which would require the fixing of a record date, such notice shall be given at least twenty (20) days prior to the date so fixed, and in the case of all other actions, such notice shall be given at least thirty (30) days prior to the taking of such proposed action.

(6) Fractional Shares

No fractional Common Shares shall be issued upon conversion of any Preferred Share. All Common Shares (including fractions thereof) issuable upon conversion of more than one Preferred Share by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after such aggregation, the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay to the holder of the shares to be converted cash equal to the product of such fraction multiplied by the fair market value of a Common Share (as determined by the Board of Directors in good faith) on the date of conversion.

(7) Reservation of Shares Issuable Upon Conversion

The Company shall at all times reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Common Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares. If at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of all then-outstanding Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be

necessary to increase its authorized but unissued Common Shares to such number of shares as shall be sufficient for such purpose.

(8) Notices

Any notice required by the provisions of this Article 66 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed facsimile if sent during normal business hours of the recipient; if not, then on the next Business Day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(9) Payment of Taxes

The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of Common Shares upon conversion of Preferred Shares, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of Common Shares in a name other than that in which the Preferred Shares so converted were registered.

67. No Reissuance of Preferred Shares

No Preferred Shares acquired by the Company by reason of redemption, purchase, conversion or otherwise shall be reissued.

68. Redemption

(1) Except as provided for in these Articles, the Preferred Shares shall not be redeemable.

(2) If a Qualified IPO has not occurred by February 28, 2017, the Series D Holders shall have the right (the "**Series D Redemption Right**"), at any time after February 28, 2017 but not later than February 28, 2018, to request the Company to purchase all Shares then held by the demanding Series D Holders (the "**Series D Redemption**"), at a per share price which shall be equal to the aggregate amount of (x) price paid per such Shares pursuant to the Series D Share Purchase Agreement (as appropriately adjusted for any share split, share division, share combination, share dividend or similar events), plus (y) all declared but unpaid dividends and distributions on any such Shares calculated up to and including the date of redemption plus interest of eight (8) percent per annum compounded annually from the actual purchase of Shares held by the Series D Holders up to and including the date of redemption (the "**Series D Redemption Price**").

(3) At any time after March 1, 2018 but not later than March 1, 2019, the Series E Holders shall have the right (the "**Series E Redemption Right**") to request the Company to purchase all or any portion of the Series E Preferred Shares then held by the demanding Series E Holders (the "**Series E Redemption**"), at a per share price which shall be equal to the aggregate amount of (x) the Original Issue Price applicable to each Series E Preferred Share (as appropriately adjusted for any share split, share division, share combination, share dividend or similar events), plus (y) interest on the Original Issue Price applicable to each Series E Share (as appropriately adjusted for any share split, share division, share combination, share dividend or similar events) at a rate of fifteen percent (15%) per annum, compounded annually, from the actual issuance date of such Series E Preferred Share up to and including the date of redemption, plus (z) all declared but unpaid dividends and distributions on any such Shares (the "**Series E Redemption Price**"; together with Series D Redemption Price, each, the "**Redemption Price**").

(4) Redemption Procedure.

(i) The Series D Holders or the Series E Holders, as applicable, shall exercise their redemption right by written demand to the Company (the "**Redemption Request**") specifying (i) a redemption date no earlier than thirty (30) Business Days from the date of the Redemption Request (the "**Redemption Date**"), (ii) the number and class of Shares to be redeemed (the "**Redemption Shares**"), and (iii) the applicable Redemption Price.

(ii) Within ten (10) days after the receipt of a Redemption Request in accordance with Article 68(4)(i), the Company shall give a redemption notice (the "**Redemption Notice**") to all Series E Holders or Series D Holders (as applicable) of record as of the close of business two (2) Business Days preceding the date of the Redemption Notice. The Redemption Notice shall specify the number of Shares to be redeemed from the requesting Series D Holders or Series E Holders, the Redemption Date, the applicable Redemption Price and the time and place at which payment may be obtained (which shall not be later than the Redemption Date), and shall call upon Series D Holders or Series E Holders to surrender to the Company, in the manner and at the place designated, the certificate or certificates representing the Shares to be redeemed. Any non-requesting Series D Holder or Series E Holder shall have the right, by written notice to the Company, to participate in such redemption and request the Company to redeem the Shares or Series E Preferred Shares held by it, as the case may be, on the Redemption Date.

(iii) On the Redemption Date, the Company shall be obligated to redeem all of the Shares requested to be redeemed by the Series D Holders or the Series E Holders (as applicable) and shall pay to the Series D Holders or the Series E Holders (as applicable) the applicable Redemption Prices in respect of the Shares requested to be redeemed from the legally available

funds of the Company with cash or cash equivalent or, with the approval of the majority of the redeeming Series D Holders or the holders of 75% Series E Preferred Shares, as the case may be, in exchange for newly issued shares of equal value.

(iv) If the funds of the Company legally available are insufficient to redeem the total number of Series E Preferred Shares requested by the Series E Holders to be redeemed on the applicable Redemption Date, those funds that are legally available for redemption shall be used to redeem the Series E Preferred Shares from each Series E Holder in proportion to their respective number of Series E Preferred Shares requested to be redeemed. The Series E Preferred Shares not redeemed shall remain outstanding and shall be entitled to all the rights and preferences provided herein, including the rights of conversion set forth herein. If at any time thereafter additional funds become legally available for the redemption, such funds shall immediately be used to redeem the balance of the Series E Preferred Shares which the Company has become obliged to redeem on any Redemption Date but which it has not redeemed. Any Series E Preferred Shares redeemed in accordance with the terms and conditions of this Article 68(4)(iv) shall be cancelled and may not be reissued.

(v) If the funds of the Company legally available are insufficient to redeem the total number of Shares requested by the Series D Holders to be redeemed on the applicable Redemption Date, those funds that are legally available for redemption shall be used to redeem the Shares from each Series D Holder in proportion to their respective number of the Shares requested to be redeemed. The Shares not redeemed shall remain outstanding and shall be entitled to all the rights and preferences provided herein, including the rights of conversion set forth herein. If at any time thereafter additional funds become legally available for the redemption, such funds shall immediately be used to redeem the balance of the Shares which the Company has become obliged to redeem on any Redemption Date but which it has not redeemed. Any Series D Preferred Shares redeemed in accordance with the terms and conditions of this Article 68(4)(v) shall be cancelled and may not be re-issued.

(vi) In the event that any Series D Holder has elected to exercise its Series D Redemption Right pursuant to Article 68(2) and, prior to the payment by the Company of the aggregate Series D Redemption Price in full, any Series E Holder has elected to exercise its Series E Redemption Right pursuant to Article 68(3), (i) the Company shall first redeem all of the Shares requested by such Series D Holder to be redeemed and pay to such Series D Holder the full amount of the aggregate Series D Redemption Price, and (ii) the Company may not redeem, and no Series E Holder may cause the Company to redeem, any Series E Preferred

Shares unless and until payment has been made in full in respect of the aggregate Series D Redemption Price.

REGISTER OF MEMBERS

69. Contents of Register of members

The Board shall cause to be kept in one or more books a Register of Members which may be kept outside the Cayman Islands at such place as the Directors shall appoint and shall enter therein the following particulars:-

(a) the name and address of each Member, the number and, where appropriate, the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register of Members; and

(c) the date on which any person ceased to be a Member.

70. Determination of record dates

Notwithstanding any other provision of these Articles, the Board may fix any date as the record date for:

(a) determining the Members entitled to receive any dividend; and

(b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

but, unless so fixed, the record date shall be as follows:

(a) as regards the entitlement to receive notice of a meeting or Notice of any other matter, the date of dispatch of the notice;

(b) as regards the entitlement to vote at a meeting, and any adjournment thereof, the date of the original meeting; and

(c) as regards the entitlement to a dividend or other distribution, the date of the Directors' resolution declaring the same.

TRANSFER OF SHARES

71. Instrument of transfer

(1) An instrument of transfer shall be in the form or as near thereto as circumstances admit of Form "C" in the Schedule hereto or in such other common form as the Board may accept. Such instrument of transfer shall be signed by or on behalf of the transferor and transferee provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone.

The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.

(2) The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, provided that the Board shall not refuse to recognize any instrument of transfer if it is made in compliance with the Shareholders Agreement and these Articles.

72. Transfers by joint holders

The joint holders of any share or shares may transfer such share or shares to one or more of such joint holders, and the surviving holder or holders of any share or shares previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

73. Restriction on transfer

(1) The Directors shall decline to register any transfer of shares to any person made otherwise than in accordance with these Articles. The Directors may suspend the registration of transfers during the twenty-one days immediately preceding the Annual General Meeting of the Company in each year. The Directors may decline to register any instrument of transfer, unless the instrument of transfer is accompanied by the Certificate issued in respect of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, provided that the Directors shall not decline to register any instrument of transfer if it is made in compliance with the Shareholders Agreement and these Articles.

(2) The right to transfer or otherwise dispose of a Share or any interest or right in or arising from a Share (an option, warrant or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the provisions contained in these Articles and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.

74. Right of first refusal

Shareholders shall have certain rights of first refusal on proposed sales or transfers of Equity Securities by shareholders of the Company, as set forth in and subject to the terms and conditions of the Shareholders Agreement.

75. Co-sale rights

Preferred Share Holders shall have certain rights to participate, on a pro rata basis, in proposed sales or transfers of Equity Securities by shareholders of the Company, as set forth in and subject to the terms and conditions of the Shareholders Agreement.

76. Drag-along rights

Certain shareholders shall have certain rights to cause all holders of Equity Securities to participate in a sale of all, but not less than all, the issued and outstanding Equity Securities, as set forth in and subject to the terms and conditions of the Shareholders Agreement.

TRANSMISSION OF SHARES

77. Representative of deceased Member

In the case of the death of a Member, the survivor or survivors, where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member, where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 52 of the Companies Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may in its absolute discretion decide as being properly authorised to deal with the shares of a deceased Member.

78. Registration on death or bankruptcy

Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in the form, or as near thereto as circumstances admit, of Form D in the Schedule hereto. On the presentation thereof to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member, but the Board shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

DIVIDENDS AND OTHER DISTRIBUTIONS

79. Declaration of dividends by the Board

(1) Subject to Article 51 and except otherwise provided in Article 63, the Board may declare a dividend to be paid to the Members, in proportion to the number of shares held by them and paid up by them, and such dividend may be paid in cash and/or in specie in which case the Board may fix the value for distribution in specie of any assets PROVIDED that if the shares have no par value, then the dividends shall be paid equally on a per share basis.

(2) Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. With the sanction of an Ordinary Resolution dividends may also be declared and paid out of the share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

(3) No dividend shall bear interest against the Company.

(4) With the sanction of an Ordinary Resolution of the Company, the Directors may determine that a dividend shall be paid in whole or in part by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the foregoing generality, the Directors may fix the value of such specific assets, may determine that cash payments shall be made to some Members in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

(5) Subject to any contractual obligations to which the Company is subject, with the sanction of an Ordinary Resolution of the Company (or, as regards a dividend payable in respect of a class or series of shares, an Ordinary Resolution passed at a Class Meeting) the Directors may determine that:

(a) the persons entitled to participate in the dividend shall have a right of election to accept shares of the Company credited as fully paid in satisfaction of all or (if the Directors so specify or permit) part of their dividend entitlement; or

(b) a dividend shall be satisfied in whole or specified part by an issue of shares of the Company credited as fully paid up, subject to a right of election on the part of persons entitled to participate in the dividend to receive their dividend entitlement wholly or (if the Directors so permit) partly in cash;

and in either event the Directors may determine all questions that arise concerning the right of election, notification thereof to Members, the basis and terms of issue of shares of the Company and otherwise.

80. Other distributions

Subject to any contractual obligations to which the Company is subject, the Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company.

81. Reserve fund

The Board may, from time to time before declaring a dividend, set aside out of the surplus or profits of the Company such sum as it thinks proper as a reserve fund to be

used to meet contingencies or for equalising dividends or for any other special purpose. Pending application, such sums may be employed in the business of the Company or invested, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which is not distributed.

82. Deduction of Amounts due to the Company

The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.

83. [Reserved]

ACCESS TO INFORMATION

84. Provision of Information

The Company shall provide to each Preferred Share Holder certain financial statements and information, as set forth in and subject to the terms and conditions of the Shareholders Agreement.

85. Inspection Rights

So long as any Preferred Share Holder holding Series A-1 Preferred Shares, Series B Preferred Shares or Series D Preferred Shares or Series E Preferred Shares continues to hold 5% or more of the Shares in issue on an as converted basis, the Company shall permit such Preferred Share Holder certain inspection rights, as set forth in and subject to the terms and conditions of the Shareholders Agreement.

86. Termination of the Right to Access to Information

The obligations of the Company set forth in Article 84 and Article 85 shall terminate as set forth in and subject to the terms and conditions of the Shareholders Agreement.

CAPITALISATION

87. Issue of bonus shares

(1) The Board may resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

(2) The Board may resolve to capitalise any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by applying such amounts in paying up in full partly paid shares of those Members who would have

been entitled to such sums if they were distributed by way of dividend or distribution.

SHARE PREMIUM ACCOUNT

88. Share Premium Account

Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Companies Law in regard to the Company's share premium account, save that unless expressly authorised by other provisions of these Articles the sanction of an Ordinary Resolution shall be required for any application of the share premium account in paying dividends to Members.

ACCOUNTS AND FINANCIAL STATEMENTS

89. Records of account

(1) The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:-

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Such records of account shall be kept to give, a true and fair view of the state of the Company's affairs and to explain its transactions at such place as the Board thinks fit.

(2) Except as otherwise agreed to by the Company, no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company.

(3) Subject to any waiver by the Company in general meeting of the requirements of this Article, the Directors shall lay before the Company in general meeting, or circulate to Members, financial statements in respect of each financial year of the Company, consisting of:

(a) a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year; and

(b) a balance sheet giving a true and fair view of the state of affairs of the Company at the end of the financial year;

together with a report of the Board reviewing the business of the Company during the financial year. The financial statements and the Directors report, together with the auditor's report, if any, shall be laid before the Company in general meeting, or circulated to Members, no later than 180 days after the end of the financial year.

(4) The financial year end of the Company shall be the 31st December in each year.

AUDIT

90. Appointment of Auditor

(1) Subject to Article 51, the Company may in a general meeting appoint Auditors to hold office until the conclusion of the next annual general meeting or, at a subsequent extraordinary general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company. Such Auditor may be a Member, but no Director, Officer or employee of the Company shall, during his or her continuance in office, be eligible to act as an Auditor of the Company.

(2) Subject to Article 51, whenever there are no Auditors appointed as aforesaid, the Directors may appoint Auditors to hold office until the conclusion of the next annual general meeting or earlier removal from office by the Company in general meeting. Unless fixed by the Company in general meeting, the remuneration of the Auditors shall be as determined by the Directors. Nothing in this Article shall be construed as making it obligatory to appoint Auditors.

(3) The Auditors shall make a report to the Members on the accounts examined by them and on every set of financial statements laid before the Company in general meeting, or circulated to Members, pursuant to this Article during the Auditors' tenure of office.

(4) The Auditors shall have right of access at all times to the Company's books, accounts and vouchers and shall be entitled to require from the Company's Directors and Officers such information and explanations as the Auditors think necessary for the performance of the Auditors duties; and, if the Auditors fail to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report to the Members.

(5) The Auditors shall be entitled to attend any general meeting at which any financial statements which have been examined or reported on by them are to be laid before the Company and to make any statement or explanation they may desire with respect to the financial statements.

(6) The financial statements provided for by these Articles shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted

auditing standards, and the report of the Auditor shall be submitted to the Members in general meeting.

NOTICES

91. Notices to Members of the Company

A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of members or to such other address given for the purpose. For the purposes of this Article, a notice may be sent by mail, courier service, cable, telex, telecopier, facsimile or other mode of representing words in a legible and non-transitory form.

92. Notices to Joint Members

Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of members, and notice so given shall be sufficient notice to all the holders of such shares.

93. Service and delivery of notice

Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile or other method as the case may be.

SEAL OF THE COMPANY

94. The seal

(1) The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

(2) Notwithstanding the foregoing, the Seal may, without further authority, be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

(3) The Company may have one or more duplicate Seals, as permitted by the Companies Law; and, if the Directors think fit, a duplicate Seal may bear on its face the name of the country, territory, district or place where it is to be used.

WINDING-UP

95. Winding-up/distribution by liquidator

(1) Subject to these Articles (including Article 51) and any contractual obligation of the Company, the Company may be voluntarily wound-up by a Special Resolution of Members.

(2) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and subject to the rights or powers of any class or series of Preferred Shares, divide amongst the Members 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 not) and may, for such purpose, set such value as he or she deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

ALTERATION OF ARTICLES

96. Alteration of Articles

Subject to the Companies Law and these Articles, the Company may from time to time by Special Resolution alter or amend these Articles in whole or in part.

SCHEDULE - FORM A

P R O X Y

I of , the holder of Share(s) in the above-named Company hereby appoint or failing him/her or failing him/her as my proxy to vote on my behalf at the general meeting of the Company to be held on the day of , 20 , and at any adjournment thereof.

Dated this day of , 20

*GIVEN under the seal of the company

*Signed by the above-named

Witness

*Delete as applicable.

SCHEDULE - FORM B

NOTICE OF LIABILITY TO FORFEITURE FOR NON PAYMENT OF CALL

You have failed to pay the call of [amount of call] made on the day of , 20 last, in respect of the [number] Share(s) [numbers in figures] standing in your name in the Register of Members of the Company, on the day of , 20 last, the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of per annum computed from the said day of , 20 last, on or before the day of , 20 next at the place of business of the said Company the Share(s) will be liable to be forfeited.

Dated this day of , 20

[Signature of Secretary]
By order of the Board

SCHEDULE - FORM C

TRANSFER OF A SHARE OR SHARES

FOR VALUE RECEIVED [amount]

[transferor]

hereby sell assign and transfer unto [transferee]

of [address]

[number of Shares]

Shares of [name of Company]

Dated

(Transferor)

In the presence of:

(Witness)

(Transferee)

In the presence of:

(Witness)

SCHEDULE - FORM D

TRANSFER BY A PERSON BECOMING ENTITLED ON
DEATH/BANKRUPTCY OF A MEMBER

I/We having become entitled in consequence of the [death/bankruptcy] of [name of the deceased/bankrupt Member] to [number] Share(s) numbered [number in figures] standing in the Register of Members of [Company] in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves elect to have [name of transferee] (the "Transferee") registered as a transferee of such Share(s) and I/we do hereby accordingly transfer the said Share(s) to the Transferee to hold the same unto the Transferee his or her executors administrators and assigns subject to the conditions on which the same were held at the time of the execution thereof; and the Transferee does hereby agree to take the said Share(s) subject to the same conditions.

WITNESS our hands this day of , 20

Signed by the above-named)
[person or persons entitled])
in the presence of:)
)
Signed by the above-named)
[transferee])
in the presence of:)

Exhibit 4.4

Execution Version

XUNLEI LIMITED

SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

THIS SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (this "**Agreement"**) is made and entered into as of March 5, 2014 by and among:

(i) Xunlei Limited (formerly known as Giganology Limited), an exempted limited liability company organized under the laws of the Cayman Islands (the "**Company**"),

(ii) Xunlei Network Technologies Limited, a company organized under the laws of the British Virgin Islands (the "**BVI Subsidiary"**),

(iii) Xunlei Network Technologies Limited, a company organized under the laws of Hong Kong (the "**HK Subsidiary**"),

(iv) the entities listed in Schedule A hereto (such entities, together with the BVI Subsidiary, the HK Subsidiary, and all existing and future entities directly or indirectly owned or controlled by the Company, collectively, the "**Subsidiaries**"),

(v) the individuals and their respective solely owned companies set forth in Schedule B (each such individual, a "**Founder**", and collectively, the "**Founders**"; each such entity, a "**Founder Holdco**", and collectively, the "**Founder Holdcos**"),

(vi) Leading Advice Holdings Limited (the "**RS Holdco**"),

(vii) the persons listed in Exhibit A hereto (collectively, the "**Series A Investors**" and each, a "**Series A Investor**"),

(viii) the person(s) listed in Exhibit B hereto (the "**Series A-1 Investor**", and together with the Series A Investors, the "**2005 Investors**"),

(ix) the persons listed in Exhibit C hereto (collectively, the "**Series B Investors**" and each, a "**Series B Investor**"),

(x) the persons listed in Exhibit D hereto (collectively, the "**Series C Investors**" and each, a "**Series C Investor**"),

(xi) the person(s) listed in Exhibit E hereto (the "**Series D Investor**"), and

(xii) the person(s) listed in Exhibit F hereto (the "**Series E Investor**").

The Series A Investors, Series A-1 Investor, the Series B Investors, the Series C Investors, the Series D Investor and the Series E Investor shall collectively be referred to as the "**Investors**" and individually be referred to as an "**Investor**". The Subsidiaries and the Company

shall collectively be referred to as the "**Group Companies**" and individually be referred to as a "**Group Company**".

For the avoidance of doubt, (i) Skyline Global Company Holdings Limited shall be deemed as a Common Holder only with respect to the Common Shares held by it, and shall be deemed as a Series A Investor only with respect to the Series A Shares held by it, and shall be deemed as a Series A-1 Investor only with respect to the Series A-1 Shares held by it, and shall be deemed as a Series B Investor only with respect to the Series B Shares held by it, and shall be deemed as a Series D Investor only with respect to the Series D Shares held by it, provided, however, that notwithstanding the foregoing, for the purposes of this Agreement, references to all or a portion of the Shares held or purchased by any Series D Investor or Series D Holder (and similar references to the shareholding of any Series D Investor or Series D Holder in the Company without specific reference to any class or series of Shares) shall be deemed to refer to all or a portion of the share capital of the Company, regardless of class or series, held or purchased, as applicable, by such Series D Investor or Series D Holder (other than, solely in connection with Section 10.2, any Series E Shares held or purchased by such Series D Investor or Series D Holder as a result of an exercise of the Primavera New Warrant (as defined in the Share Purchase Agreement)), and references to all or a portion of the Conversion Shares or Co-Sale Shares held by any Series D Investor or Series D Holder (and similar references) shall be construed accordingly; (ii) Morningside Technology Investments Limited shall be deemed as a Series A-1 Investor only with respect to the Series A-1 Shares held by it, and shall be deemed as Series B Investor only with respect to the Series B Shares held by it; (iii) IDG Technology Investment III, L.P. shall be deemed as a Series A Investor only with respect to the Series A Shares held by it, and shall be deemed as Series B Investor only with respect to the Series B Shares held by it. For purposes of this Agreement, unless expressly provided otherwise, a holder of a particular class or series of Shares shall only be deemed as a holder of such class or series of Shares with respect to such class or series of Shares held by it.

RECITALS

A. Pursuant to a Fifth Amended and Restated Shareholders Agreement dated February 6, 2012 by and among the Company, the Founders, the Series A Investor, the Series A-1 Investor, the Series B Investors, the Series C Investors, and the Series D Investor, the parties thereto set forth certain rights of the holders of the Series A-1 Preferred Shares, par value US$0.00025 per share (the "**Series A-1 Shares**"), the Series A Preferred Shares, par value US$0.00025 per share (collectively, the "**Series A Shares**"), the Series B Preferred Shares, par value US$0.00025 per share (the "**Series B Shares**"), the Series C Preferred Shares, par value US$0.00025 per share (the "**Series C Shares**"), and the Series D Preferred Shares, par value US$0.00025 per share (the "**Series D Shares**"), with respect to, *inter alia*, certain consent rights, rights of first refusal, co-sale rights and other matters regarding shareholder rights and the Company (the "**Fifth Restated Shareholders Agreement**").

B. The Company entered into a Share Purchase Agreement dated February 13, 2014 with the Series E Investor (the "**Share Purchase Agreement**"), pursuant to which the Series E Investor has subscribed for (i) an aggregate of 70,975,491 Series E Preferred Shares, par value US$0.00025 per share (the "**Series E Shares**", and collectively with the Series D Shares, Series C Shares, Series B Shares, Series A-1 Shares and Series A Shares, the "**Preferred Shares**"; and

the Preferred Shares together with the common shares of the Company, par value US$0.00025 per share "**Common Shares**", collectively the "**Shares**"), and (ii) certain warrants exercisable to subscribe for certain Series E Shares pursuant to the terms and conditions set forth therein.

C. The parties hereto desire to enter into this Agreement to amend, restate, supersede and replace in its entirety the Fifth Restated Shareholders Agreement.

D. Pursuant to the Fifth Restated Shareholders Agreement, any amendment thereto requires written consent of the Company, the holders of a majority of the Preferred Shares and certain other parties thereto affected by such amendment, and the undersigned parties together satisfy such requirements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. INFORMATION RIGHTS; RIGHTS OF FIRST NOTICE; BOARD REPRESENTATION; SHAREHOLDER MEETINGS.

1.1 Information and Inspection Rights.

(a) Information Rights. The Company covenants and agrees that, commencing on the date of this Agreement, for so long as an Investor continues to hold five (5) per cent or more of the Shares (as defined below) in issue on an as converted basis, except as otherwise provided in Sections 1.1(b) and (c) below, the Company will deliver to each such Investor (other than Bright Access International Limited):

(i) audited annual consolidated financial statements, as soon as practicable but in any event within ninety (90) days after the end of each fiscal year, and audited by a "Big 4" accounting firm chosen by the Company (unless another accounting firm is chosen by the Company in compliance with this Agreement, including with the consent of the holders of at least 75% of Series E Shares);

(ii) unaudited quarterly consolidated and unconsolidated financial statements, as soon as practicable but in any event within forty-five (45) days of the end of each fiscal quarter; and

(iii) an annual comprehensive operating budget, including but not limited to, a forecast of the Company's revenues, expenses, and cash position on a month-to-month basis for the following fiscal year, within thirty (30) days prior to the end of each fiscal year;

provided that for as long as any Investor or any of its Affiliates is a Competitor (as defined below), the Company shall only be obliged to provide the information described in subsection (i) and (ii) above directly to a duly authorized officer within such Investor's finance department, subject to such Investor's undertaking (which shall be deemed to have been given hereunder) that any information received

will not be accessed by any person outside such Investor's financial department and will only be accessed by members of such Investor's finance

department on a "need to know" basis for the sole purpose of preparing such Investor's own financial statements and related disclosures and notes.

All financial statements to be provided to the Investors pursuant to this Section 1.1 shall include an income statement, a balance sheet and a cash flow statement for the relevant period as well as for the fiscal year to-date and shall be prepared in conformance with the generally accepted accounting principles of the United States of America ("**US GAAP**") and shall be provided to the Investors contemporaneously with delivery of such financial statements to the Board.

In addition, the Company covenants and agrees that, commencing on the date of this Agreement, the Company will deliver to (i) the Series E Investor, selected key monthly financial and operating data of the Group Companies and such other financial materials requested by the Series E Investor to the extent such financial materials are available; provided that the Company shall no longer deliver such data or materials to the Series E Investor if the Series E Investor or any of its Affiliates becomes a Competitor, and (ii) the Series D Investor, selected key monthly financial and operating data of the Group Companies, *provided* that the Company shall no longer deliver such data to the Series D Investor if the Series D Director holds at least 3% equity interests in, or serves on the board of, a Competing Company. For purposes of this Agreement, a "**Competing Company**" means a Person that is directly or indirectly engaged in the business of providing downloading or online video services, or downloading, online video and storage services provided through cloud technology, and is not an Affiliate of any Group Company, and for the avoidance of doubt, a Person shall not be deemed a Competing Company solely because it is engaged in the business of content resale services or provision of online game services. For purposes of this Agreement, a "**Person**" means an individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, or other entity of any kind. For purposes of this Agreement, the "**Information Rights**" means the rights set forth in this paragraph and the rights set forth in subsections (a), (b) and (c) of this Section 1.1.

(b) Google's Information Rights. Notwithstanding subsection (a) above, for as long as Google Inc. ("**Google**") holds any Shares, (i) if Google or any Affiliate of Google is not a Competitor, the Company will deliver to Google the financial statements of the Company described in subsections (a)(i) and (a)(ii) above (collectively, the "**Financial Statements**") within the respective time periods described therein; and (ii) if Google or any of its Affiliates is a Competitor, the Company will provide the Financial Statements directly to a duly authorized officer within Google's finance department, subject to Google's undertaking (which shall be deemed to have been given hereunder) that any information received by Google will not be accessed by any person outside Google's financial department and will only be accessed by members of Google's finance department on a "need to know" basis for the sole purpose of preparing Google's own financial statements and related disclosures and notes. For the purpose of this Agreement, a "**Competitor**" shall, (A) with respect to any Investor other than Google and Series E Investor, means, in the good faith determination made by the Board of the Directors: (i) any person (either individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, or other entity of any kind) that is directly or indirectly engaged in the business or undertaking of providing VOD/download-centric services in China in competition with the business of the

Group Companies or any other activity in competition with the Company in China and is not an Affiliate of any Group Company, and (ii) any shareholder of such persons except for a shareholder holding less than 3% of the outstanding shares of such person; (B) with respect to Google, mean any Person that offers a product or service consisting of a client software tool which uses P2SP (Peer to Servers and Peers) technology, including P2MS (Peer to Multi-Servers) technology and enables users to download multi-media files from third party websites; and (C) with respect to the Series E Investor, mean any Person that offers the core business of (i) the provision of P2SP (Peer to Servers and Peers) or P2P (Peer to Peer) accelerator services, or (ii) online video services on personal computer; provided that such Person shall not be deemed a Competitor if its fair market pre-money valuation is lower than US$100,000,000 or it is a publicly listed company. For greater certainty, (x) none of the products or services currently being offered by Google (or any of its wholly owned subsidiaries, including YouTube, Inc.) or made available on its, or its wholly owned subsidiaries', websites shall cause Google to be considered a Competitor pursuant to the provisions set forth above; and (y) none of the products or services currently being offered by the Series E Investor or its Affiliates shall cause the Series E Investor or any of its Affiliates to be considered a Competitor pursuant to the provisions set forth above.

(c) Series C Investor's Information Rights. Notwithstanding anything to the contrary, each Series C Investor, for as long as it holds any Shares, shall be entitled to the Information Rights set forth in subsections (a)(i), (a)(ii) and (a)(iii) of this Section 1.1 unless and until such Series C Investor holds more than 3% of capital stock calculated on a fully-diluted basis of any company unaffiliated with the Company which, in the good faith reasonable opinion of the Board (as defined below), competes with the Company in the VOD/downloading business in China or any other activity in competition with the Company in China, in which case such Series C Investor shall lose, except as required by law, rights to non-public information of the Company.

(d) Inspection Rights. The Company further covenants and agrees that, commencing on the date of this Agreement, for so long as a Series A-1 Investor or a Series B Investor or the Series D Investor or the Series E Investor continues to hold five per cent (5%) or more of the Shares in issue on an as converted basis, such Investor shall have the right (at its expense) to reasonably inspect facilities, records and books of the Company and any of its Subsidiaries (including without limitation, each WFOE as defined in Schedule A hereof) at any time during regular working hours on reasonable prior notice to the Company or such Subsidiary, and the right to discuss the business, operation and conditions of the Company and any of its Subsidiaries (including each WFOE) with their respective directors, officers, employees, accountants, legal counsels and investment bankers (the "**Inspection Rights**"); provided, however, that a Group Company shall not be obligated pursuant to this Section 1.1(d) to provide access to any information which it reasonably considers to be a trade secret or similar confidential information (unless covered by an enforceable confidentiality agreement, in form and substance reasonably acceptable to the Company), or would adversely affect the attorney-client privilege between such Group Company and its counsel; provided further, that the Inspection Rights of such Investor under this Section 1.1(d) shall terminate if such Investor or any of its Affiliates becomes a Competitor.

(e) Termination of Rights. The Information Rights pursuant to this Section (including those under subsections (a), (b) and (c)) and Inspection Rights (unless terminated earlier pursuant to subsection (d)) shall terminate upon the earlier of:

(i) the consummation of an initial public offering of the Company, provided that for a period of three (3) years following the consummation of an initial public offering of the Company, the Company shall deliver to each Investor (other than Bright Access International Limited), promptly after filing, copies of the Company's annual reports, interim reports and/or quarterly reports and all other filings required to be made with the United States Securities and Exchange Commission ("**SEC**") or other relevant securities exchange, regulatory authority or governmental agency;

(ii) a Trade Sale (as defined below); or

(iii) a Liquidation Event or Deemed Liquidation Event, as such terms are defined in the Sixth Amended and Restated Memorandum of Association and Fifth Amended and Restated Articles of Association of the Company (the "**Restated Articles**").

1.2 Rights of First Notice.

(a) Definitions.

(i) "**Corporate Event**" shall mean any of the following, whether accomplished through one or a series of related transactions (a) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company, (b) a transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company, (c) a sale, transfer or other disposition of a majority of the issued and outstanding share capital of the Company or a majority of the voting power of the Company, or (d) a merger, consolidation or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately prior to such merger, consolidation or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity immediately thereafter.

(ii) An "**Unsolicited Offer**" means (a) any bona fide offer in writing for a proposed Corporate Event received from a third party in the absence of any act taken by any employee, agent, officer or director of the Company with the intent of soliciting such offer, and (b) any proposal or offer by the Company to such third party or from such third party for a proposed Corporate Event arising from negotiations that followed the receipt of an offer described in clause (a) above. Any bona fide offer for a proposed Corporate Event in writing that is not an Unsolicited Offer shall be deemed a "**Solicited Offer**".

(b) Solicitation of Offers for Corporate Event.

(i) Solicitation Notice. The Company agrees that prior to soliciting any offers for a proposed Corporate Event (a "**Proposed Event**"), the Company will provide Google with five (5) Business Days prior written notice of such intent to solicit offers (a "**Solicitation Notice**"), specifying the terms and conditions of the Proposed Event, including the proposed selling price for the Company or its assets or proposed licensing price or terms in the event of a

license of intellectual property of the Company, the proposed structure of the transaction, a list of the persons from whom the Company in good faith intends to solicit such offers, when the Proposed Event involves an acquisition or license of assets, a description of the assets to be sold or licensed, and the other material terms and conditions of the Proposed Event.

(ii) Additional Parties Notice. The Company agrees that prior to soliciting any offers for the consummation of the Proposed Event described in the Solicitation Notice from any parties that were not listed in the Solicitation Notice ("**Additional Parties**"), the Company will provide Google with written notice of such intent to solicit such offers from such Additional Parties.

(iii) Different Terms and Conditions. In the event that the Company proposes to accept or approve a Solicited Offer for the consummation of a Proposed Event on terms and conditions that are not substantially the same as the terms and conditions specified in the last Solicitation Notice, the Company agrees to provide Google with a new Solicitation Notice at least three (3) Business Days prior to accepting or approving such Solicited Offer, which includes the information set forth in Section 1.2(b)(i). Without limiting the generality of the foregoing, a purchase price that is ninety-five percent (95%) or less of the purchase price in the last Solicitation Notice received by Google shall be deemed not to be substantially the same terms and conditions as specified in the last Solicitation Notice.

(c) Unsolicited Offers for Corporate Event.

(i) If the Company receives an Unsolicited Offer from a third party for a proposed Corporate Event (an "**Offered Event**"), the Company agrees that it will provide Google, within three (3) Business Days of receiving such Unsolicited Offer, with detailed written notice of the Offered Event specifying the terms and conditions of the Offered Event including the name of such third party, the proposed purchase price for the Company or the assets of the Company or proposed licensing price or terms in the event of a license of intellectual property of the Company, the proposed structure of the Offered Event, when the Offered Event involves an acquisition of assets, a description of the assets to be sold or licensed, and the other material terms and conditions of the Offered Event.

(ii) Notwithstanding anything to the contrary herein, if the Company receives an unwritten unsolicited offer from a third party for an Offered Event and a meeting of the Company's Board of Directors is called to consider such unwritten unsolicited offer, the Company agrees that it will provide Google, at least three (3) Business Days prior to such meeting, with detailed written notice of the Offered Event, which includes the information set forth in Section 1.2(c)(i).

(iii) The Company shall not, without providing Google with prior written notice at least five (5) Business Days in advance, accept or approve the Offered Event or recommend that its shareholders approve the Offered Event.

(d) Termination of Rights. The rights set forth in Sections 1.2(b) and 1.2(c) shall terminate upon the earlier of:

(i) closing of an initial public offering; or

(ii) a Liquidation Event or Deemed Liquidation Event, as such terms are defined in the Restated Articles.

1.3 Board Representation of the Company.

(a) Number of Directors. The Restated Articles shall provide that the Company's Board of Directors (the "**Board**") shall consist of up to eight (8) members, which number of members shall not be changed except pursuant to an amendment to the Restated Articles. Except as set forth in this Section 1.3, the Company shall not increase the size of the Board or grant any rights to appoint observers without the prior written consent of the Investors.

(b) Election of Directors. The Company shall take all action necessary to elect the following candidates as directors:

(i) For as long as the Series E Investor continues to hold any Series E Share in issue, the Series E Investor shall be entitled to appoint and remove two (2) voting Directors of the Board (the "**Series E Directors**", and each, a "**Series E Director**"). For as long as the Series E Investor continues to hold any Series E Share in issue, the number of Directors to be appointed by the Series E Investor shall not fall below two (2), and the Series E Investor shall have the exclusive right to remove and replace any Series E Director by notice in writing to the Company.

(ii) Prior to the completion of the Company's initial public offering and for as long as the Series D Threshold is met, Primavera shall be entitled to appoint and remove one (1) voting Directors of the Board (the "**Series D Director**"). The number of Directors to be appointed by Primavera shall not fall below one (1), and Primavera shall have the exclusive right to remove and replace the Series D Director by notice in writing to the Company, for as long as the Series D Threshold is met, and shall be obligated to replace the Series D Director if the individual serving as the Series D Director beneficially owns, in the personal investments of such Series D Director, at least 3% equity interests in, or simultaneously serves on the board of, a Competing Company. The Company, the Founders and Primavera shall in good faith explore and enter into potential arrangements that will enable Primavera to nominate a Director to the Board after an initial public offering of the Company and to remove and replace the Director so appointed. For purposes of this Agreement, the "**Series D Threshold**" is met if the fraction, the numerator of which is the aggregate number of Shares Primavera has Transferred (excluding any Transfers to its Permitted Transferees) after the date hereof less the aggregate number of Shares Primavera acquires (whether by subscribing for new Shares through exercise of warrants or otherwise, excluding any Transfers from its Permitted Transferees) after the date hereof, and the denominator of which is 15,616,764, is less than or equal to 36.3%. For purposes of this Agreement, "**Primavera**" means Skyline Global Company Holdings Limited.

(iii) For as long as the Series A-1 Investor continues to hold twelve percent (12%) or more of the Shares in issue, the Series A-1 Investor shall be entitled to appoint and remove one (1) voting Directors of the Board (the "**Series A-1 Director**"), who shall initially be Mr. Liu Qin. For as long as the Series A-1 Investor continues to hold twelve percent (12%) or more of the Shares in issue the number of Directors to be appointed by the Series A-1 Investor shall not fall below one (1), and the Series A-1 Investor shall have the exclusive right to remove and replace any Series A-1 Director by notice in writing to the Company. For as long as the

Series A-1 Investor continues to hold twelve percent (12%) or more of the Shares in issue, the Series A-1 Investor shall have the right to appoint and remove one (1) observer of the Board, who may participate in discussions of matters brought before the Board, but shall in all other respects be a nonvoting observer.

(iv) For so long as the Founders together continue to directly or indirectly hold five (5) per cent or more of the Shares in issue, Mr. Zou Shenglong shall be entitled to appoint and remove two (2) voting Directors of the Board (the "**Chair Directors**") and Mr. Cheng Hao shall be entitled to appoint and remove one (1) voting Directors of the Board (together with the Chair Directors, the "**Founder Directors**"), and each Founder shall have the exclusive right to remove and replace any Founder Directors he so appointed by notice in writing to the Company.

(v) For as long as the Series A Investors continue to hold ten percent (10%) or more of the Shares in issue, the holders of a majority of the Series A Shares shall be entitled to appoint and remove one (1) voting Directors of the Board (the "**Series A Director**"), who shall initially be Mr. Zhou Quan. For as long as the Series A Investors continues to hold ten percent (10%) or more of the Shares in issue the number of Directors to be appointed by the Series A Investor shall not fall below one (1), and the Series A Investor shall have the exclusive right to remove and replace any Series A Director by notice in writing to the Company.

provided that, if any Director ("**Defaulting Director**") appointed pursuant to Section 1.3(b)(ii), Section 1.3(b)(iii) or Section 1.3(b)(v) carries on, engages in or is concerned or interested in, directly or indirectly, either as principal or agent or as a shareholder, partner, consultant, advisor, director, officer or employee, or in any other capacity, any activities of any Competitors, or seeks, attempts or threatens to do any of the foregoing, a majority of the holders of the Preferred Shares other than the holders appointing such Defaulting Director shall be entitled to request in writing the Board to, and upon receipt of such request, the Board shall, remove such Defaulting Director by action of the majority of the rest of the Directors appointed to the Board in accordance with the terms of this Section 1.3. The holders of Preferred Shares appointing the Defaulting Director and the Defaulting Director shall abstain from voting on any proposal to remove the Defaulting Director pursuant to the foregoing provision of this Section 1.3;

provided further that, if any Series E Director appointed pursuant to Section 1.3(b)(i) carries on, engages in or is concerned or interested in, directly or indirectly, either as principal or agent or as a shareholder, partner, consultant, advisor, director, officer or employee, or in any other capacity, any activities of any Competitors (as defined with respect to the Series E Investor), or seeks, attempts or threatens to do any of the foregoing, such Series E Director may be excluded from, shall be deemed to abstain from voting on any proposal at, any meeting of the Board for the purpose of discussing any business of any Group Company that may compete with such Competitor.

(c) Quorum. Subject to the provisions in the Restated Articles, a quorum of the Board shall consist of five (5) directors, which shall include at least one (1) Series E Director, the Series D Director and at least one (1) Founder Director.

(d) Board Meetings. The Board shall meet at least once every six (6) months, unless otherwise agreed by a vote of a majority of the Board, including the votes of one (1) Series E Director, the Series D Director, the Series A-1 Director and one (1) Founder Director.

(e) Expenses and Insurance. The Company shall reimburse the directors appointed by the holders of Preferred Shares for all reasonable expenses relating to all Board activities, including, without limitation, expenses or fees incurred in relation to attending the Board meetings. The Company shall purchase and at all times maintain director's and officer's indemnity insurance policies for the benefit of the Directors on terms and in amounts approved by the Board.

(f) Indemnity of Directors and Legal Representative. The Company shall indemnify each Director and the Legal Representative of the Group Companies to the greatest extent permissible by applicable law in respect of any liabilities incurred in such capacity as a Director or Legal Representative of the relevant Group Company apart from those arising from gross negligence and willful misconduct. The

Company shall enter into an indemnification agreement with each Director and the Legal Representative of each Subsidiary in the form attached hereto as Exhibit H.

1.4 Board Representation of the Subsidiaries.

(a) The board of directors of each WFOE shall have the same number of directors as the Board, and the Founders and holders of Preferred Shares shall be entitled to appoint the same number of directors to each WFOE as they are entitled to appoint to the Company as provided in Section 1.3 above.

(b) As of the Closing, the Series E Investor shall have the right to appoint and remove the same number of directors to the HK Subsidiary, each WFOE and Shenzhen Xunlei as that to the Board.

(c) Upon the request of the holders of at least 75% of Series E Shares, each other Subsidiary shall, and the Company and the Founders shall cause each other Subsidiary to, (i) have a board of directors or similar governing body (the "**Subsidiary Board**"), (ii) maintain the authorized size of each Subsidiary Board at all times same as the authorized size of the Board, and (iii) ensure each Subsidiary Board at all times is composed of the same persons as directors as those then on the Board.

1.5 Board Representation of Shenzhen Xunlei. Primavera shall be entitled to appoint one (1) director to the board of directors of Shenzhen Xunlei for so long as Primavera is entitled to appoint the Series D Director.

1.6 Board Management. Except as specifically provided herein or by applicable laws, the management and control of the Company and each other Group Company shall be exercised by the Board and the board of directors of the applicable Subsidiary, and the Board shall be responsible for the determination of the Group Companies' overall policies and objects. To the extent that any Subsidiary Board does not consist of the same persons as directors as those then on the Board, the Founders shall procure that each such Subsidiary Board shall be operated solely at the authorization and instruction of the Board.

1.7 Shareholder Meetings.

(a) The Board shall give not less than seven (7) Business Days' (as defined below) notice of meetings of holders of Shares of the Company (the "**Shareholders**") to those persons whose names on the date the notice is given appear as Shareholders in the register of members of the Company and are entitled to vote at the meeting.

(b) The parties hereto agree that no meeting of Shareholders of the Company shall be a quorum unless there are present at a meeting of Shareholders (in person or by proxy) (i) representatives of a minimum of five (5) Shareholders, (ii) a representative of the holders of a majority of the Common Shares held by the Founders, (iii) a representative of the holders of a majority of the Series A-1 Shares, (iv) a representative of the holders of a majority of the Series B Shares, (v) a representative of the holders of a majority of the Series D Shares, (vi) representative(s) of the holders of at least 75% of the Series E Shares, and (vii) the holders of Shares representing not less than fifty (50) per cent of the voting rights at such meeting; provided that any meeting of Shareholders of the Company shall be carried out in accordance with the provisions set forth in the Restated Articles.

(c) In a meeting of Shareholders of the Company, each Preferred Share shall carry such number of votes as is equal to the number of votes then issuable upon the conversion of such Preferred Shares into Common Shares. Each holder of Common Shares shall have one (1) vote for each Common Share held by such holder. The holders of Preferred Shares and the holders of Common Shares shall vote together and not as a separate class, except as otherwise required by this Agreement or the Restated Articles.

(d) Termination of Rights. The rights set forth in Sections 1.3, 1.4, 1.5, 1.6 and 1.7 shall terminate upon the earlier of:

(i) closing of an initial public offering of the Company; or

(ii) a Liquidation Event or Deemed Liquidation Event, as such terms are defined in the Restated Articles.

2. REGISTRATION RIGHTS.

2.1 Applicability of Rights. The Company covenants and agrees that the Holders (as defined below) shall be entitled to the following rights with respect to any potential public offering of the Company's Shares in the United States and shall be entitled to reasonably analogous or equivalent rights with respect to any other offering of the Company's securities in any other jurisdiction in which the Company undertakes to publicly offer or list such securities for trading on a recognized securities exchange.

2.2 Definitions. For purposes of this Section 2 and to the extent applicable under this Agreement:

(a) Registration. The terms "**register,**" "**registered,**" and "**registration**" refer to a registration effected by filing a registration statement which is in a form which complies with, and is declared effective by the SEC (as defined below) in accordance with, the Securities Act.

(b) Registrable Securities. The term "**Registrable Securities**" shall mean: (i) any Common Shares of the Company issued or issuable upon conversion of any shares of the Preferred Shares (the "**Conversion Shares**") issued under that certain Subscription Agreement dated as of September 16, 2005 between the Company, the Founders and the 2005 Investors (the "**Series A Subscription Agreement**"), the Subscription Agreement dated as of November 15, 2006 between the Group Companies, the Founders and the Series B Investors (other than Fidelity Asia Ventures Fund L.P. and Fidelity Asia Principals Fund L.P. (collectively, "**Fidelity**") and Google) (the "**Series B Subscription Agreement**"), certain Applications for Shares signed by Google on December 9, 2006 and by Fidelity on December 21, 2006, the Subscription Agreement dated as of April 14, 2011 between the Group Companies, the Founders and the Series C Investors (the "**Series C Subscription Agreement**"), the Share Purchase Agreement dated as of January 31, 2012 between the Group Companies, the Founders and the Series D Investor (the "**Series D Share Purchase Agreement**"), and the Share Purchase Agreement respectively, (ii) any Shares issued to the Investors pursuant to the Right of Participation (defined in Section 3 hereof), and (iii) any Common Shares of the Company issued (or issuable upon the conversion or exercise of any warrant, right or other security which is issued) as a dividend or other distribution with respect to, or in exchange for or in replacement of, any Preferred Shares or Common Shares described in clause (i) of this subsection (b); provided that, with respect to any provision under the Section 2.3 below, the "Registrable Securities" shall exclude the Common Shares of the Company issued or issuable upon conversion of the Series C Shares. Notwithstanding the foregoing, "Registrable Securities" shall exclude any Registrable Securities sold by a person in a transaction in which rights under this Section 2 are not assigned in accordance with this Agreement, and any Registrable Securities which are sold in a registered public offering under the Securities Act or analogous statute of another jurisdiction, or sold pursuant to Rule 144 promulgated under the Securities Act or analogous rule of another jurisdiction.

(c) Registrable Securities Then Outstanding. The number of shares of "**Registrable Securities then outstanding**" shall mean the number of Common Shares of the Company that are Registrable Securities and are then issued and outstanding, issuable upon conversion of Preferred Shares then issued and outstanding or issuable upon conversion or exercise of any warrant, right or other security then outstanding.

(d) Holder. For purposes of this Section 2, the term "**Holder**" shall mean any person or persons owning or having the rights to acquire Registrable Securities or any permitted assignee of record of such Registrable Securities to whom rights under this Section 2 have been duly assigned in accordance with this Agreement, however provided that with respect to Section 2.3, the "**Holders**" shall exclude the holders of any Common Shares of the Company issued or issuable upon conversion of any shares of the Preferred Shares under the Series C Subscription Agreement.

(e) Form F-3. The term "**Form F-3**" shall mean such respective form under the Securities Act as is in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(f) SEC. The term "**SEC**" or "**Commission**" shall mean (i) with respect to any offering of securities in the United States, the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act and (ii) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body of the jurisdiction with authority to supervise and regulate the sale of securities in that jurisdiction.

(g) Registration Expenses. The term "**Registration Expenses**" shall mean all expenses incurred by the Company in complying with Sections 2.3, 2.4 and 2.5 hereof, including, without limitation, all registration and filing fees, printing expenses, fees, and disbursements of counsel for the Company, reasonable fees and disbursements of one counsel for the Holders, Blue Sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(h) Selling Expenses. The term "**Selling Expenses**" shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to Sections 2.3, 2.4 and 2.5 hereof.

(i) Exchange Act. The term "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and any successor statute.

(j) For purposes of this Agreement, reference to registration of securities under the Securities Act and the Exchange Act shall also be deemed to mean the equivalent registration in a jurisdiction other than the United States as designated by such Holders, it being understood and agreed that in each such case all references in this Agreement to the Securities Act, the Exchange Act and rules, forms of registration

statements and registration of securities thereunder, U.S. law and the SEC, shall be deemed to refer, to the equivalent statutes, rules, forms of registration statements, registration of securities and laws of and equivalent government authority in the applicable non-U.S. jurisdiction.

(k) Business Days. The term "**Business Day**" means any day (excluding Saturdays, Sundays and public holidays in Hong Kong and New York) on which banks generally are open for business in Hong Kong and New York.

2.3 Demand Registration.

(a) Request by Holders. If at any time after the earlier of (i) the fourth anniversary of the date hereof, or (ii) the closing of the Company's first firm commitment underwritten public offering the Company shall receive a written request from the Holders of at least thirty percent (30%) of the Registrable Securities to file a registration statement under the Securities Act covering the registration of Registrable Securities pursuant to this Section 2.3, the Company shall, within ten (10) Business Days of the receipt of such written request, give written notice of such request (the "**Request Notice**") to all Holders, and use its best efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered and included in such registration by written notice given by such Holders to the Company within twenty (20) days after receipt of the Request Notice, subject only to the

limitations of this Section 2.3; provided that the Company shall not be obligated to effect, or to take any action to effect, any such registration if:

(i) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(ii) After the Company has initiated three (3) such registrations pursuant to this Section 2.3 (counting for these purposes only registrations which have been declared or ordered effective);

(iii) During the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of filing of, and ending on a date one hundred eighty (180) days after the effective date of, a Company-initiated registration; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective;

(iv) If the Initiating Holders (defined below) propose to dispose of Registrable Securities which may be immediately registered on Form F-3 pursuant to a request made under Section 4 hereof;

(v) If the Initiating Holders (defined below) do not request that such offering be firmly underwritten by underwriters selected by the Initiating Holders (subject to the consent of the Company, which consent will not be unreasonably withheld); or

(vi) If the Company and the Initiating Holders (defined below) are unable to obtain the commitment of the underwriter described in clause (v) above to firmly underwrite the offer.

(b) Underwriting. If the Holders initiating the registration request under this Section 2.3 (the "**Initiating Holders**") intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the Request Notice. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 2.3, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten, then the Company shall so advise all Holders which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the

Holders on a pro rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the Initiating Holders); provided, however, that the number of shares of Registrable Securities held by holder(s) of the Series A Shares, the Series A-1 Shares, the Series B Shares, the Series D Shares and the Series E Shares to be included in such underwriting and registration shall not be reduced unless all other securities are first entirely excluded from the underwriting and registration including, without limitation, all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, consultant, officer or director of the Company or any subsidiary of the Company; provided further that at least twenty-five (25%) of shares of Registrable Securities requested by the Holders to be included in such underwriting and registration shall be so included. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Maximum Number of Demand Registrations. The Company shall not be obligated to effect more than three (3) such demand registrations pursuant to this Section 2.3.

(d) Deferral. Notwithstanding the foregoing, if the Company shall furnish to Holders requesting registration pursuant to this Section 2.3, a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be filed at such time, then the Company shall have the right to defer such filing for a period of not more than one hundred and twenty (120) days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period; provided further, that the Company shall not register any other of its shares during such twelve (12) month period. A demand right shall not be deemed to have been exercised until such deferred registration shall have been effected.

(e) Other Securities Laws in Demand Registration. In the event of any registration pursuant to this Section 2.3, the Company shall register and qualify the securities covered by the registration statement under the securities laws of any other jurisdictions outside of the United States or in Hong Kong or elsewhere as shall be appropriate for the distribution of the securities; provided, however, that (i) the Company shall not be required to do business or to file a general consent to service of process in any such state or jurisdiction, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act, and (ii) notwithstanding anything in this Agreement to the contrary, in the event any jurisdiction in which the securities shall be qualified imposes a non-waivable requirement that expenses incurred in connection with the qualification of the securities be borne by selling shareholders, the expenses shall be payable pro rata by the selling shareholders.

2.4 Piggyback Registrations.

(a) The Company shall notify all Holders in writing at least thirty (30) days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including, but not limited to, registration statements

relating to secondary offerings of securities of the Company, but excluding registration statements relating to any registration under Section 2.3 or Section 2.5 of this Agreement or to any employee benefit plan or a corporate reorganization or other Rule 145 transaction, an offer and sale of debt securities, or a registration on any registration form that does not permit secondary sales, or the Company's initial public offering of its common shares), and shall afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) Underwriting. If a registration statement for which the Company gives notice under this Section 2.4 is for an underwritten offering, then the Company shall so advise the Holders. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 2.4 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Agreement but subject to Section 2.12, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude Registrable Securities requested to be registered from the registration and the underwriting, and the number of Registrable Securities that may be included in the registration and the underwriting shall be allocated, first, to the Company, second, to the holders of the Series E Shares, Series D Shares, Series C Shares, Series B Shares and Series A-1 Shares holding the Registrable Securities on a pro rata basis, third, to each of the remaining Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis, in each case based on the total number of shares of Registrable Securities then held by each such Holder , and fourth to holders of other securities of the Company; provided, however, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) the number of Registrable Securities held by holder(s) of the Series E Shares, Series D Shares, Series C Shares, Series B Shares and Series A-1 Shares included in any such registration is not reduced below twenty-five percent (25%) of the aggregate number of shares of Registrable Securities for which inclusion has been requested; and (ii) all shares of Registrable Securities held by holder(s) of the Series A Shares or all other shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, consultant, officer or director of the Company (or any subsidiary of the Company) shall first be excluded from such registration and underwriting before any Registrable Securities held by holder(s) of the Series E Shares, Series D Shares, Series C Shares and Series B Shares are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s),

delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Not Demand Registration. Registration pursuant to this Section 2.4 shall not be deemed to be a demand registration as described in Section 2.3 above. There shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.4.

2.5 Form F-3 Registration. In case the Company shall receive from any Holder or Holders of at least thirty percent (30%) of the Registrable Securities then outstanding a written request or requests that the Company effects a registration on Form F-3 (or an equivalent registration in a jurisdiction outside of the United States) and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, then the Company will:

(a) Notice. Promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance, to all other Holders; and

(b) Registration. As soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after the Company provides the notice contemplated by Section 2.5(a); provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.5:

(i) if Form F-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than US$1,000,000;

(iii) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such Form F-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form F-3 registration statement no more than once during any twelve (12) month period for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under Section 2.5(a); provided that the Company shall not register any of its other shares during such ninety (90) day period;

(iv) if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any

portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Sections 2.3(b) and 2.4(b); or

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service of process in such jurisdiction; or

(vi) if such registration is to be effected more than five (5) years after the Company's initial public offering.

(c) Not Demand Registration. Form F-3 registrations shall not be deemed to be demand registrations as described in Section 2.3 above. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.5.

(d) Underwriting. If the Holders requesting registration under this Section 2.5 intend to distribute the Registrable Securities covered by their request by means of an underwriting, the provisions of Section 2.3(b) shall apply to such registration.

2.6 Expenses. All Registration Expenses incurred in connection with any registration pursuant to Section 2.3, 2.4 or 2.5 (but excluding Selling Expenses) shall be borne by the Company. Each Holder participating in a registration pursuant to Section 2.3, 2.4 or 2.5 shall bear such Holder's proportionate share (based on the total number of shares sold in such registration other than for the account of the Company) of all Selling Expenses or other amounts payable to underwriter(s) or brokers, in connection with such sale by the Holders. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered, unless the Holders of a majority of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to Section 2.3 (in which case such registration shall also constitute the use by all Holders of one (1) such demand registration); provided further, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to the Holders at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, then the Holders shall not be required to pay any of such expenses and such registration shall not constitute the use of a demand registration pursuant to Section 2.3.

2.7 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities under this Agreement, the Company shall, as expeditiously as reasonably possible:

(i) Registration Statement. Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of

the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to ninety (90) days; provided, however, that (i) such ninety (90) day period shall be extended for a period of time equal to the period any Holder refrains from selling any securities included in such registration at the request of the underwriter(s), and (ii) in the case of any registration of Registrable Securities on Form F-3 which are intended to be offered on a continuous or delayed basis, such ninety (90) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold.

(ii) Amendments and Supplements. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(iii) Prospectuses. Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration.

(iv) Blue Sky. Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction or except as may be required by the Securities Act.

(v) Underwriting. In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement in usual and customary form, with the managing underwriter(s) of such offering.

(vi) Notification. Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of (i) the issuance of any stop order by the SEC in respect of such registration statement, or (ii) the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(vii) Opinion and Comfort Letter. Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of the Registrable Securities

and (ii) letters dated as of (x) the effective date of the registration statement covering such Registrable Securities and (y) the closing date of the offering from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of the Registrable Securities.

2.8 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.3, 2.4 or 2.5 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to timely effect the registration of their Registrable Securities.

2.9 Indemnification. In the event any Registrable Securities are included in a registration statement under Section 2.3, 2.4 or 2.5:

(a) By the Company. To the extent permitted by law, the Company will indemnify and hold harmless each Holder, its partners, officers, directors, legal counsel, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act, or other United States federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "**Violation**"):

(i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus, final prospectus or free-writing prospectus contained therein or any amendments or supplements thereto;

(ii) any omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or

(iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any United States federal or state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any United States federal or state securities law in connection with the offering covered by such registration statement;

the Company will reimburse each such Holder, its partner, officer, director, legal counsel, underwriter or controlling person for any legal or other expenses reasonably incurred by them, as incurred, in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection (a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the written consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for

use in connection with such registration by such Holder, partner, officer, director, legal counsel, underwriter or controlling person of such Holder.

(b) By Selling Holders. To the extent permitted by law, each selling Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, its legal counsel, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors, officers, legal counsel or any person who controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, legal counsel, controlling person, underwriter or other such Holder, partner, director, officer, legal counsel or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other United States federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, legal counsel, controlling person, underwriter or other Holder, partner, officer, director, legal counsel or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 2.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the written consent of such Holder, which consent shall not be unreasonably withheld; and provided, further, that in no event shall any indemnity under this Section 2.9(b) exceed the net proceeds actually received by such Holder in the registered offering out of which the applicable Violation arises.

(c) Notice. Promptly after receipt by an indemnified party under this Section 2.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of liability to the indemnified party under this Section 2.9 to the extent the indemnifying party is materially prejudiced as a result thereof, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.9.

(d) Contribution. In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any indemnified party makes a claim for indemnification pursuant to this Section 2.9 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 2.9 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any indemnified party in circumstances for which indemnification is provided under this Section 2.9; then, and in each such case, the indemnified party and the indemnifying party will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion to reflect the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other hand, in connection with the Violation that resulted in such losses, claims, damages or liabilities so that a Holder at such fault (together with its related persons) is responsible for the portion represented by the percentage that the public offering price of its Registrable Securities offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders at such fault are responsible for the remaining portion. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case: (A) no Holder will be required to contribute any amount in excess of the net proceeds to such Holder from the sale of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Survival; Consents to Judgments and Settlements. The obligations of the Company and Holders under this Section 2.9 shall survive the completion of any offering of Registrable Securities in a registration statement, regardless of the expiration of any statutes of limitation or extensions of such statutes. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

2.10 Termination of the Company's Obligations. The Company's obligations under Sections 2.3, 2.4 and 2.5 with respect to any Registrable Securities proposed to be sold by a Holder in a registration pursuant to Section 2.3, 2.4 or 2.5 shall terminate on the fifth (5th) anniversary of an initial public offering, or, if, in the opinion of counsel to the Company, all such Registrable Securities proposed to be sold by a Holder (and any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) may then be sold without restrictions pursuant to Rule 144 promulgated under the Securities Act.

2.11 No Registration Rights to Third Parties. Without the prior written consent of the holders of a majority of the Series A-1 Shares then outstanding, the holders of a majority of Series B Shares then outstanding, the holders of a majority of the Series C Shares then outstanding, the holders of a majority of the Series D Shares then outstanding, and the holders of at least 75% of the Series E Shares then outstanding, in each case voting together as a separate class, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any person or entity any registration rights of any kind (whether similar to the demand, "piggyback" or Form F-3 registration rights described in this Section 2, or otherwise) relating to any securities of the Company.

2.12 Market Stand-Off. Each holder of the Common Shares and each Holder agree that, so long as it holds any voting securities of the Company, upon request by the Company or the underwriters managing the initial public offering of the Company's securities, it will not sell or otherwise transfer or dispose of any securities of the Company (other than those permitted to be included in the registration and other transfers to Affiliates permitted by law or to other Affiliates who agree to be similarly bound) without the prior written consent of the Company or such underwriters, as the case may be, for a period of time specified by the representative of the underwriters not to exceed one hundred and eighty (180) days from the effective date of the registration statement covering such initial public offering or the pricing date of such offering as may be requested by the underwriters (whichever is later). The foregoing provision of this Section 2.12 shall only apply to the Company's initial public offering and shall not apply to the sale of any securities of the Company to an underwriter pursuant to any underwriting agreement, and shall only be applicable to the Holders if all officers, directors and holders of one percent (1%) or more of the Company's outstanding share capital on a fully-diluted basis enter into similar agreements with same terms and conditions as described in this Section 2.12, and if the Company or any underwriter releases, at any time during the market stand-off time period, any officer, director or holder of one percent (1%) or more of the Company's outstanding share capital on a fully-diluted basis from his, her or its sale restrictions so

undertaken, then each Holder shall be notified prior to such release and shall itself be simultaneously released to the same proportional extent of such Holder's Shares originally subject to the market-standoff restrictions. The Company shall require all future acquirers of the Company's securities holding at least one percent (1%) of the then outstanding share capital of the Company on a fully-diluted basis to execute, prior to any public offering of the Company's securities, a market stand-off agreement containing substantially similar provisions as those contained in this Section 2.12.

2.13 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may at any time permit the sale of the Registrable Securities to the public without registration or pursuant to a registration on Form F-3, after such time as a public market exists for the Common Shares, the Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) File with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the Company's initial public offering), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or its qualification as a registrant whose securities may be resold pursuant to Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as a Holder may reasonably request in availing itself of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to Form F-3.

3. RIGHT OF FIRST OFFER.

3.1 General. Each Investor and its permitted assignees to whom such Investor's rights under this Section 3 have been duly assigned in accordance with Section 6.1 (such Investor, and each such assignee hereinafter each referred to as a "**Participation Rights Holder**") shall have the right of first offer, but not an obligation, to purchase such Participation Rights Holder's Pro Rata Share (as defined below) of all (or any part) of any New Securities (as defined in Section 3.3) that the Company may from time to time issue after the date of this Agreement (the "**Right of Participation**").

3.2 Pro Rata Share. A Participation Rights Holder's "**Pro Rata Share**" for purposes of the Right of Participation is the ratio of (a) the number of Common Shares (calculated on a fully-diluted and as-converted basis) then held by such Participation Rights Holder to (b) the total number of Common Shares (calculated on a fully-diluted and as-converted basis) then held by all Participation Rights Holders immediately prior to the issuance of New Securities giving rise to the Right of Participation.

3.3 New Securities. "**New Securities**" shall mean any class of shares or securities of the Company, including but not limited to the Preferred Shares, Common Shares or other shares of the Company, whether now authorized or not, and rights, options or warrants to purchase such Preferred Shares, Common Shares and securities of any type whatsoever that are, or may become, convertible or exchangeable into the Preferred Shares, Common Shares or other shares, without regard to the differences in voting rights; provided, however, that the term "**New Securities**" shall not include (the issuances pursuant to the subsections below collectively referred to as the "**Permitted Issuances**"):

(i) any of the Common Shares, options or warrants issued to employees, officers, directors, contractors, advisors or consultants of the Company for up to 26,822,828 Common Shares pursuant to the Company's 2010 share incentive plan (the "**2010 ESOP**") and 9,073,732 Common Shares to the RS Holdco for distributions in the form of restricted shares pursuant to the Company's 2013 share incentive plan (the "**2013 RS Plan**"; together with the 2010 ESOP, collectively the "**ESOP**") approved by the Board;

(ii) any securities issued in connection with any share split, share dividend, subdivision, combination, reclassification or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis, as approved by the Board;

(iii) any securities issued pursuant to any public offering (including, without limitation, an initial public offering) of the Company;

(iv) any securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity;

(v) any Conversion Shares; or

(vi) any securities issued in connection with a strategic partnership or joint venture entered into by the Company, which shall not be a private equity, venture capital or other similar financing and shall be approved by the Board (including at least the affirmative vote of one (1) Series E Director, the Series D Director, Series A-1 Director and Series A Director).

3.4 Procedures.

(a) First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Participation Rights Holder written notice of its intention to issue New Securities (the "**First Participation Notice**"), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Each Participation Rights Holder shall have fourteen (14) Business Days from the date of receipt of any such First Participation Notice to agree in writing to purchase such Participation Rights Holder's Pro Rata Share of such New Securities (or any part thereof) for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Participation Rights Holder's Pro Rata Share). If any Participation Rights Holder fails to so agree in writing within such fourteen (14) Business Day period, then such Participation Rights Holder shall be deemed to have forfeited the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not agree to purchase.

(b) Second Participation Notice; Oversubscription. If any Participation Rights Holder fails or declines to fully exercise its Right of Participation in accordance with subsection (a) above, the Company shall promptly give notice (the "**Second Participation Notice**") to the other Participation Rights Holders who fully exercised their Right of Participation (the "**Right Participants**") in accordance with subsection (a) above. Each Right Participant shall have five (5) Business Days from the date of receipt of the Second Participation Notice (the "**Second Participation Period**") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy (the "**Additional Number**"). Such notice may be made by telephone if confirmed in writing within two (2) Business Days. If, as a result thereof, such oversubscription exceeds the total

number of the remaining New Securities available for purchase, each oversubscribing Right Participant will be cut back by the Company with respect to its oversubscription to that number of remaining New Securities equal to the lesser of (x) the Additional Number and (y) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction, the numerator of which is the number of Common Shares (calculated on a fully-diluted and as-converted basis) held by such oversubscribing Right Participant and the denominator of which is the total number of Common Shares (calculated on a fully-diluted and as-converted basis) held by all the oversubscribing Right Participants. Each Right Participant shall be obligated to buy such number of New Securities as determined by the Company pursuant to this Section 3.4(b) and the Company shall so notify the Right Participants within fourteen (14) Business Days following the date of the Second Participation Notice.

(c) Failure to Exercise. Upon the expiration of the Second Participation Period and to the extent that not all New Securities have been subscribed for by the Participation Rights Holders, or in the event no Participation Rights Holder exercises the Right of Participation within fourteen (14) days following the issuance of the First Participation Notice, the Company shall have 60 days thereafter to sell the New Securities described in the First Participation Notice (the portion to which the Right of Participation hereunder were not exercised) at the same or higher price and upon non-price terms not materially more favorable to the purchasers thereof than specified in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such 60 day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Participation Rights Holders pursuant to this Section 3.

3.5 Termination. The Right of Participation for each Participation Rights Holder shall not terminate so long as any Investors and its Affiliates collectively hold any Series A-1 Shares, Series A Shares, Series B Shares, Series C Shares, Series D Shares, Series E Shares or Common Shares; provided, however, that the Right of Participation shall terminate upon the earlier of the closing of the initial public offering of the Company, a Liquidation Event or a Deemed Liquidation Event, or a Trade Sale.

4. TRANSFER RESTRICTIONS.

4.1 Certain Definitions. For purposes of this Section 4, "**Common Shares**" means (i) the Company's outstanding Common Shares, (ii) the Common Shares issuable upon exercise of outstanding options or warrants, and (iii) the Common Shares issuable upon conversion of any outstanding convertible securities other than Conversion Shares; "**Preferred Holder**" means an Investor and its permitted assignees to whom its rights under this Section 4 have been duly assigned in accordance with this Agreement; "**Common Holders**" means the holders of any Common Shares; and "**Restricted Shares**" means any of the Company's securities including, without limitation, the Common Shares, any Preferred Shares, or securities convertible into or exercisable for Common Shares.

4.2 Restriction on Sale. During the Restricted Period (as defined below), each holder of any class or series of Restricted Shares (such holder for the purposes of this Section 4, the "**Restricted Shareholders**") agrees not to, directly or indirectly, transfer, sell or pledge or otherwise dispose of or permit the transfer, sale, pledge, or other disposition of, any Restricted

Shares except in compliance with this Section 4. In the event of an involuntary transfer of Restricted Shares during the Restricted Period pursuant to divorce, legal separation, bankruptcy or insolvency, such involuntary transfer shall be conducted in accordance with the applicable provisions of this Section 4. Each Restricted Shareholder (if applicable) shall procure that restrictions set forth in this Section 4 shall not be avoided by the direct or indirect transfer, sale, pledge, or other disposition of any shares (or other interest) in such Restricted Shareholder or of any other entity having control over such Restricted Shareholder.

4.3 Right of First Refusal and Right of Co-Sale.

(a) Transfer Notice. If (i) a Restricted Shareholder proposes to, directly or indirectly, transfer, sell or pledge or otherwise dispose of or permit the transfer, sale, pledge, or other disposition of, any Restricted Shares held by him to one or more third parties or (ii) at any time any Restricted Shares held by such Restricted Shareholder are transferred involuntarily pursuant to divorce, legal separation, bankruptcy or other proceedings, death or any other involuntary transfer (each such disposition referenced in this Section 4, a "**Transfer**"), then such Restricted Shareholder (or, in the event of an involuntary transfer, the person to whom the Offered Shares (as defined below) are to be transferred) (such Restricted Shareholder or person, a "**Selling Shareholder**") shall give the Company and each Preferred Holder written notice of such Selling Shareholder's intention to make such Transfer (the "**Transfer Notice**"), which Transfer Notice shall include (i) a description of the Restricted Shares to be transferred (the "**Offered Shares**"), (ii) the identity of the prospective transferee(s) and (iii) the consideration and the material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that such Selling Shareholder has received a firm offer from the prospective transferee(s) and in good faith believes a binding agreement for the Transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Transfer. The Transfer Notice shall constitute an irrevocable offer by the Selling Shareholder to sell the Offered Shares to the other Shareholders in the following order: firstly, to each holder of the Series E Shares (the "**Series E Holder**"), the Series D Shares (the "**Series D Holder**"), the Series C Shares (the "**Series C Holder**") and the Series B Shares (the "**Series B Holder**") on a pro rata and as converted basis, and for any remaining Offered Shares not purchased by the Series E Holders, Series D Holders, Series C Holders and the Series B Holders, to the holders of the Series A-1 Shares (the "**Series A-1 Holder**"), and for any remaining Offered Shares not purchased by the Series A-1 Holders, to the holders of the Series A Shares (the "**Series A Holder**"), and for any remaining Offered Shares not purchased by the Series A Holders, to the Common Holders.

(b) Option of Series E Holders, Series D Holders, Series C Holders and Series B Holders to Purchase.

(i) Each of the Series B Holders, the Series C Holders, the Series D Holders and the Series E Holders who notifies such Selling Shareholder in writing within ten (10) Business Days after receipt of the Transfer Notice (the "**Series B/C/D/E Purchase Period**") referred to in Section 4.3(a) (each a "**Purchasing B/C/D/E Holder**") shall have the right, exercisable upon such written notice to the Selling Shareholder (the "**Purchase and Co-Sale Notice**"), to purchase up to its pro rata share of the Offered Shares plus up to its pro rata share of any Offered Shares not purchased by any other Series B Holder, Series C Holder, Series D

Holder or Series E Holder (the "**Remaining Shares**") on the same terms and conditions as set forth in the Transfer Notice, subject to Section 4.3(f)(i) below. The Purchase and Co-Sale Notice shall state (A) whether the Series E Holder, the Series D Holder, the Series C Holder or the Series B Holder desires to purchase up to its pro rata share of the Offered Shares, (B) whether the Series E Holder, the Series D Holder, the Series C Holder or the Series B Holder desires to purchase the maximum amount of its pro rata share of the Remaining Shares, and (C) whether the Series E Holder, the Series D Holder, the Series C Holder or the Series B Holder elects not to purchase any of the Offered Shares but wishes to sell a portion of the securities held by such Series E Holder, Series D Holder, Series C Holder or Series B Holder pursuant to Section 4.3(g) of this Agreement and the number of securities to be sold (subject to Section 4.3(g)(ii)). A Series E Holder, Series D Holder, Series C Holder or Series B Holder has option either to purchase or to sell under this Section 4 and such right shall not be construed as an option to both purchase and sell with respect to the same Transfer. A Series E Holder, Series D Holder, Series C Holder or Series B Holder who either does not deliver a Purchase and Co-Sale Notice or indicates in the Purchase and Co-Sale Notice that such Series E Holder, Series D Holder, Series C Holder or Series B Holder elected not to purchase any of the Offered Shares shall be referred to herein as a "**Non-Purchasing Holder**".

(ii) Each Purchasing B/C/D/E Holder who sets forth in the Purchase and Co-Sale Notice a desire to purchase the maximum amount of Offered Shares available shall be entitled to purchase its pro rata share of the Remaining Shares.

(iii) Each Purchasing B/C/D/E Holder's pro rata share shall be equal to a fraction, the numerator of which is the number of Conversion Shares held by such Purchasing B/C/D/E Holder and the denominator of which is the total number of Conversion Shares held by all Series B Holders, all Series C Holders, all Series D Holders and all Series E Holders calculated immediately prior to the time of the purchase hereunder from the Selling Shareholder, provided, however, that with respect to the Remaining Shares, the denominator shall be total number of Conversion Shares held by the Purchasing B/C/D/E Holders that are purchasing the Remaining Shares. Upon expiration of the Series B/C/D/E Purchase Period, the Selling Shareholder will provide notice to all Series B Holders, all Series C Holders, all Series D Holders and all Series E Holders as to whether or not the Right of First Refusal has been exercised by the Series B Holders, the Series C Holders, the Series D Holders and the Series E Holders (the "**Series B/C/D/E Expiration Notice**").

(c) Series A-1 Holders' Option to Purchase.

(i) Series A-1 Transfer Notice. If any of the Offered Shares proposed in the Transfer Notice to be transferred are not purchased by the Series B Holders, the Series C Holders, the Series D Holders and the Series E Holders (the "**Series A-1 Remaining Offered Shares**"), then after the issue of the Series B/C/D/E Expiration Notice and subject to the co-sale rights set forth in this Agreement, the Selling Shareholder shall give the Series A-1 Holder an additional Transfer Notice (the "**Series A-1 Transfer Notice**") which shall include an offer to sell the Series A-1 Remaining Offered Shares and all of the information and certifications required in a Transfer Notice.

(ii) Each Series A-1 Holder who notifies such Selling Shareholder in writing within ten (10) Business Days after receipt of the Series A-1 Transfer Notice (the "**Series A-1 Purchase Period**") referred to above (each a "**Purchasing A-1 Holder**") shall have the right, exercisable upon such written notice to the Selling Shareholder in a Purchase and Co-Sale Notice, to purchase up to its pro rata share of the Series A-1 Remaining Offered Shares plus up to its pro rata share of any Series A-1 Remaining Offered Shares not purchased by any other Series A-1 Holder (the "**Remaining A-1 Shares**") on the same terms and conditions as set forth in the Series A-1 Transfer Notice, subject to Section 4.3(f)(i) below. The Purchase and Co-Sale Notice shall state (A) whether the Series A-1 Holder desires to purchase up to its pro rata share of the Series A-1 Remaining Offered Shares, (B) whether the Series A-1 Holder desires to purchase the maximum amount of its pro rata share of the Remaining A-1 Shares, and (C) whether the Series A-1 Holder elects not to purchase any of the Series A-1 Remaining Offered Shares but wishes to sell a portion of the securities held by such Series A-1 Holder pursuant to Section 4.3(g) of this Agreement and the number of securities to be sold (subject to Section 4.3(g)(ii)). A Series A-1 Holder has option either to purchase or to sell under this Section 4 and such right shall not be construed as an option to both purchase and sell with respect to the same Transfer.

(iii) Each Purchasing A-1 Holder who sets forth in the Purchase and Co-Sale Notice a desire to purchase the maximum amount of the Series A-1 Remaining Offered Shares available shall be entitled to purchase its pro rata share of the Remaining A-1 Shares.

(iv) Each Purchasing A-1 Holder's pro rata share shall be equal to a fraction, the numerator of which is the number of Conversion Shares held by such Purchasing A-1 Holder and the denominator of which is the total number of Conversion Shares held by all Series A-1 Holders calculated immediately prior to the time of the purchase hereunder from the Selling Shareholder, provided, however, that with respect to the Remaining A-1 Shares, the denominator shall be total number of Conversion Shares held by the Purchasing A-1 Holders that are purchasing the Remaining A-1 Shares. Upon expiration of the Series A-1 Purchase Period, the Selling Shareholder will provide notice to all Series A-1 Holders as to whether or not the Right of First Refusal has been exercised by the Series A-1 Holders (the "**Series A-1 Expiration Notice**").

(d) Series A Holders' Option to Purchase.

(i) Series A Transfer Notice. If any of the Offered Shares proposed in the Transfer Notice to be transferred are not purchased by the Series A-1 Holders (the "**Series A Remaining Offered Shares**"), then after the issue of the Series A-1 Expiration Notice and subject to the co-sale rights set forth in this Agreement, the Selling Shareholder shall give each holder of Series A Shares (the "**Series A Holders**") an additional Transfer Notice (the "**Series A Transfer Notice**") which shall include an offer to sell the Series A Remaining Offered Shares and all of the information and certifications required in a Transfer Notice.

(ii) Each Series A Holder who notifies such Selling Shareholder in writing within ten (10) Business Days after receipt of the Series A Transfer Notice (the "**Series A Purchase Period**") referred to above (each a "**Purchasing A Holder**") shall have the right, exercisable upon such written notice to the Selling Shareholder in a Purchase and Co-Sale Notice, to purchase up to its pro rata share of the Series A Remaining Offered Shares plus up to its pro

rata share of any Series A Remaining Offered Shares not purchased by any other Series A Holder (the "**Remaining A Shares**") on the same terms and conditions as set forth in the Series A Transfer Notice, subject to Section 4.3(f)(i) below. The Purchase and Co-Sale Notice shall state (A) whether the Series A Holder desires to purchase up to its pro rata share of the Series A Remaining Offered Shares, (B) whether the Series A Holder desires to purchase the maximum amount of its pro rata share of the Remaining A Shares, and (C) whether the Series A Holder elects not to purchase any of the Offered Shares but wishes to sell a portion of the securities held by such Series A Holder pursuant to Section 4.3(g) of this Agreement and the number of securities to be sold (subject to Section 4.3(g)(ii)). A Series A Holder has option either to purchase or to sell under this Section 4 and such right shall not be construed as an option to both purchase and sell with respect to the same Transfer.

(iii) Each Purchasing A Holder who sets forth in the Purchase and Co-Sale Notice a desire to purchase the maximum amount of the Series A Remaining Offered Shares available shall be entitled to purchase its pro rata share of the Remaining A Shares.

(iv) Each Purchasing A Holder's pro rata share shall be equal to a fraction, the numerator of which is the number of Conversion Shares held by such Purchasing A Holder and the denominator of which is the total number of Conversion Shares held by all Series A Holders calculated immediately prior to the time of the purchase hereunder from the Selling Shareholder, provided, however, that with respect to the Remaining A Shares, the denominator shall be total number of Conversion Shares held by the Purchasing A Holders that are purchasing the Remaining A Shares. Upon expiration of the Series A Purchase Period, the Selling Shareholder will provide notice to all Series A Holders as to whether or not the Right of First Refusal has been exercised by the Series A Holders (the "**Series A Expiration Notice**").

(e) Common Holders' Option to Purchase.

(i) Common Transfer Notice. If any of the Offered Shares proposed in the Transfer Notice to be transferred are not purchased by the Series A Holders (the "**Common Remaining Offered Shares**"), then after the issue of the Series A Expiration Notice and subject to the co-sale rights set forth in this Agreement, the Selling Shareholder shall give each Common Holder an additional Transfer Notice (the "**Common Transfer Notice**") which shall include an offer to sell the Common Remaining Offered Shares and all of the information and certifications required in a Transfer Notice.

(ii) Each Common Holder who notifies such Selling Shareholder in writing within ten (10) Business Days after receipt of the Common Transfer Notice (the "**Common Purchase Period**") referred to above (each a "**Purchasing Common Holder**") shall have the right, exercisable upon such written notice to the Selling Shareholder in a Purchase and Co-Sale Notice, to purchase up to its pro rata share of the Common Remaining Offered Shares plus up to its pro rata share of any Common Remaining Offered Shares not purchased by any other Common Holder (the "**Remaining Common Shares**") on the same terms and conditions as set forth in the Common Transfer Notice, subject to Section 4.3(f)(i) below. The Purchase and Co-Sale Notice shall state (A) whether the Common Holder desires to purchase up to its pro rata share of the Common Remaining Offered Shares, (B) whether the Common Holder desires to purchase the maximum amount of its pro rata share of the Remaining Common Shares, and (C)

whether the Common Holder elects not to purchase any of the Offered Shares but wishes to sell a portion of the securities held by such Common Holder pursuant to Section 4.3(g) of this Agreement and the number of securities to be sold (subject to Section 4.3(g)(ii)). A Common Holder has option either to purchase or to sell under this Section 4 and such right shall not be construed as an option to both purchase and sell with respect to the same Transfer.

(iii) Each Purchasing Common Holder who sets forth in the Purchase and Co-Sale Notice a desire to purchase the maximum amount of the Common Remaining Offered Shares available shall be entitled to purchase its pro rata share of the Remaining Common Shares.

(iv) Each Purchasing Common Holder's pro rata share shall be equal to a fraction, the numerator of which is the number of Common Shares held by such Purchasing Common Holder and the denominator of which is the total number of Common Shares held by all Common Holders calculated immediately prior to the time of the purchase hereunder from the Selling Shareholder, provided, however, that with respect to the Remaining Common Shares, the denominator shall be total number of Common Shares held by the Purchasing Common Holders that are purchasing the Remaining Common Shares. Upon expiration of the Common Purchase Period, the Selling Shareholder will provide notice to all Common Holders as to whether or not the Right of First Refusal has been exercised by the Common Holders (the "**Common Expiration Notice**").

(f) Involuntary Transfers; Non-Cash Consideration.

(i) In the event that the Transfer in question is by operation of law or another involuntary Transfer (including a Transfer incident to death, divorce, legal separation or bankruptcy), the price per share shall be the greater of (A) the original purchase price paid by Selling Shareholder for such Offered Shares (adjusted for share splits, share dividends, combinations and the like) or (B) the fair market value of such Offered Shares, which shall be a price set by the Board that will reflect the current value of the Offered Shares in terms of present earnings and future prospects of the Company, determined within thirty (30) days after receipt by the Shareholders of the Transfer Notice. In the event that the Selling Shareholder or the Selling Shareholder's executor disagrees with such valuation as determined by the Board, the Selling Shareholder or the Selling Shareholder's executor shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Purchasing Shareholders and the Selling Shareholder or the Selling Shareholder's executor, the fees of which appraiser shall be borne equally by the Purchasing Shareholders and the Selling Shareholder or the Selling Shareholder's estate.

(ii) In the event the consideration for the Offered Shares specified in a Transfer Notice is payable in property other than cash and the Shareholders who wish to purchase the Offered Shares under Section 4.3(b) (acting together), as the case may be, cannot agree on the cash value of such property within ten (10) days after such Shareholders' receipt of the Transfer Notice, as the case may be, the value of such property shall be determined by an appraiser of recognized standing selected jointly by the Selling Shareholder and such Shareholders (acting together), as the case may be. If they cannot agree on an appraiser within twenty (20) days after receipt of the Transfer Notice by such Preferred Holders, as the case may

be, within a further five(5)-day period, the Selling Shareholder and such Shareholders (acting together), as the case may be, shall each select an appraiser of recognized standing and the two appraisers shall designate a third appraiser of recognized standing to determine the value of such property. The value of such property shall be determined by the appraiser selected pursuant to this Section 4.3(f)(ii) within one (1) month from its appointment, and such determination shall be final and binding on the Selling Shareholder and such Shareholders, as the case may be. The cost of such appraisal shall be shared equally by the Selling Shareholder, on the one hand, and such Shareholders, as the case may be, on the other hand (each such Shareholder shall pay its pro rata portion of such costs based on the number of Offered Shares acquired by each such Shareholder). If the ten (10) day period as specified in Section 4.3 has expired but for the determination of the value of the consideration for the Offered Shares offered by the Selling Shareholder, then such ten (10) day period shall be extended to the fifth Business Day after such valuation shall have been determined to be final and binding pursuant to this Section 4.3(f)(ii).

(g) Right of Co-Sale.

(i) Following the expiration of the right of first refusal and purchase rights described in Sections 4.3(b), (c), (d) and (e), each Preferred Holder who previously notified the Selling Shareholder in the Purchase and Co-Sale Notice of such Preferred Holder's desire to sell a portion of its shares with the Selling Shareholder (such Preferred Holder, a "**Co-Sale Participant**") shall have the right to participate in the sale of any Offered Shares that were not purchased by the Shareholders pursuant to Sections 4.3(b), (c), (d) and (e), on the same terms and conditions as specified in the Transfer Notice; provided, however, that (a) holders of Series A-1 Shares shall not be entitled to participate under this Section 4.3(g)(i) and shall not be deemed as a Co-Sale Participant as provided in Section 4.3(g)(ii) unless all Co-Sale Participants holding Series B Shares, Series C Shares, Series D Shares and Series E Shares have first exercised or declined to exercise their right of co-sale under this Section 4.3(g); (b) holders of Series A Shares shall not be entitled to participate under this Section 4.3(g)(i) and shall not be deemed as a Co-Sale Participant as provided in Section 4.3(g)(ii) unless all Co-Sale Participants holding Series A-1 Shares have first exercised or declined to exercise their right of co-sale under this Section 4.3(g); and (c) no Preferred Holders shall be entitled under this Section 4.3(g) to participate in Transfers of Restricted Shares by a Selling Shareholder incident to divorce, legal separation, bankruptcy or other proceedings, or death or in any other involuntary Transfers of Restricted Shares by a Selling Shareholder. To the extent one or more Preferred Holders exercise such right of co-sale in accordance with the terms and conditions set forth below, the number of Restricted Shares that the Selling Shareholder may sell in the Transfer shall be correspondingly reduced. Shareholders shall not have any right of first refusal to purchase the Shares to be sold by the Co-Sale Participants pursuant to this Section 4.3(g).

(ii) Each Co-Sale Participant may sell all or any part of that number of Conversion Shares equal to the product obtained by multiplying (A) the Offered Shares, less (x) any Offered Shares purchased pursuant to Sections 4.3(b), (c), (d) and (e), (y) when holders of Series A-1 Shares shall be deemed Co-Sale Participants, any Conversion Shares that holders of Series B Shares, Series C Shares, Series D Shares and Series E Shares shall have elected to co-sell under this

Section 4.3(g), and (z) when holders of Series A Shares shall be deemed Co-Sale Participants, any Conversion Shares that holders of Series A-1 Shares, Series B Shares, Series C Shares, Series D Shares and Series E Shares shall have elected to co-sell under this Section 4.3(g), by (B) a fraction, the numerator of which shall be the number of Co-Sale Shares (as defined below) owned by such Co-Sale Participant and the denominator of which shall be the total number of Co-Sale Shares held by all Co-Sale Participants and the Common Shares (assuming full conversion of outstanding Preferred Shares) held by the Selling Shareholder, calculated immediately prior to the time of the Transfer. For the purpose of this Section 4.3(g)(ii), "**Co-Sale Shares**" means (A) any Common Shares issued or issuable upon conversion of the Series B, Series C Shares, Series D Shares or Series E Shares if the Co-Sale Participants are the holders of Series B, Series C Shares, Series D Shares and Series E Shares, (B) any Common Shares issued or issuable upon conversion of the Series A-1 Shares if the Co-Sale Participants are the holders of Series A-1 Shares, and (C) any Common Shares issued or issuable upon conversion of the Series A Shares if the Co-Sale Participants are the holders of Series A Shares.

(h) Transferred Shares. Each Co-Sale Participant shall effect its participation in the sale by promptly delivering to the Selling Shareholder for transfer to the prospective purchaser a duly executed instrument of transfer and one or more certificates, which represent:

(i) the series and number of securities of the Company which such Co-Sale Participant elects to sell;

(ii) that number of Common Shares, or that number of Preferred Shares which are at such time convertible into the number of Common Shares, which such Co-Sale Participant elects to sell; provided, however, that if the prospective third-party purchaser objects to the delivery of Preferred Shares in lieu of Common Shares, such Co-Sale Participant shall first convert such Preferred Shares into Common Shares and transfer the Common Shares as provided in this Section 4.3(h). The Company agrees to make any such conversion concurrently with the actual transfer of such shares to the purchaser and contingent upon such Transfer; or

(iii) a combination of the above.

(iv) Payment. The share certificate or certificates that the Co-Sale Participant delivers to such Selling Shareholder pursuant to Section 4.3(h) shall be returned to the Company for cancellation in consummation of the sale of the Offered Shares pursuant to the terms and conditions specified in the Transfer Notice, and such Selling Shareholder shall concurrently therewith remit to such Co-Sale Participant that portion of the sale proceeds to which such Co-Sale Participant is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibit(s) such assignment or otherwise refuse(s) to purchase shares or other securities from a Co-Sale Participant exercising its rights of co-sale hereunder, such Selling Shareholder shall not sell to such prospective purchaser or purchasers any Restricted Shares unless and until, simultaneously with such sale, such Selling Shareholder shall purchase such shares or other securities from such Co-Sale Participant for the same consideration and on the same terms and conditions as the proposed Transfer described in the Transfer Notice. The Company shall, upon receiving the relevant instruments of transfer duly executed by the Co-Sale Participant and the surrendering by the Co-Sale Participant or the Selling Shareholder of the certificates for the Preferred Shares or Common Shares being transferred as provided above, make proper entries in the register of members of the Company and cancel the surrendered certificates and issue any new certificates in the name of the prospective purchaser or the Selling Shareholder, as the case may be, as necessary to

consummate the transactions in connection with the exercise by the Co-Sale Participant of their co-sale rights under this Section 4.3.

4.4 Non-Exercise of Rights. To the extent that the Shareholders have not exercised their rights to purchase all of a Selling Shareholder's Offered Shares, such Selling Shareholder together with any Co-Sale Participant shall have a period of sixty (60) days from the expiration of such rights to sell any remaining Offered Shares, upon terms and conditions (including the purchase price) no more favorable to the purchaser than those specified in the Transfer Notice, to the third-party transferee(s) identified in the Transfer Notice. The third-party transferee(s) shall, as a condition to the effectiveness of Transfer of the Offered Shares, furnish the Company and the Shareholders with a written agreement to be bound by and comply with this Agreement, including without limitation all provisions of this Section 4, as if such transferee(s) were a Selling Shareholder hereunder, as well as the terms of the agreement pursuant to which such Restricted Shares were issued. In the event a Selling Shareholder does not consummate the sale or disposition of the Offered Shares within the sixty (60)-day period from the expiration of these rights, the Shareholders' first refusal rights hereunder shall continue to be applicable to any subsequent disposition of the Restricted Shares by such Selling Shareholder. Furthermore, the exercise or non-exercise by the Shareholders to purchase Restricted Shares from such Selling Shareholder shall not adversely affect the Shareholders' rights to make subsequent purchases from any Selling Shareholder of Restricted Shares. Any proposed Transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed Transfer of any of the Selling Shareholders' Restricted Shares shall again be subject to the right of the Shareholders under this Section 4 and shall require compliance by the relevant Selling Shareholder with the procedures described in this Section 4.

4.5 Exempt Transfers. Notwithstanding anything to the contrary contained herein, any right or restriction as provided in this Section 4 shall not apply to (a) any repurchase of Shares by the Company pursuant to any right of repurchase in the event of a termination of employment or consulting relationship or pursuant to the terms of the ESOP, (b) any transfer to (x) the immediate family member of the Selling Shareholder or any entity that is wholly owned by the Selling Shareholder, if the Selling Shareholder is a Founder or Founder Holdco, or (y) an Affiliate of the Selling Shareholder, if the Selling Shareholder is a shareholder of the Company other than any Founder or Founder Holdco, provided that the transferee so transferred shall not be a Competitor of any of the Group Companies, (c) in the case of a Transferor that is a natural person, transfers by the Transferor upon his or her death by will or intestacy to his or her siblings, children, grandchildren, spouse or any other relatives approved by unanimous consent of the Board, or any transfer to the parents, children or spouse, or to trusts for the exclusive benefit of such persons, of any Common Holder for bona fide tax and/or estate planning purposes, (d) any transfer by a Founder or a Partner to any Person not exceeding, when aggregated with all of the Shares previously transferred by such Founder or Partner, ten per cent (10%) of all Shares held by him on the date hereof (for the purpose of this Agreement, "**Partners**" mean collectively Huang Peng, a PRC citizen whose **ID** number is ***, and Wang Xiaoming, a PRC citizen whose **ID** number is ***; and "**Partner**" means any of them), and (e) without limiting the foregoing subsection (a), any transfer by Fidelity to any Fidelity Persons or charitable organization, provided that the transferee so transferred shall not be a Competitor of any of the Group Companies (each transferee pursuant to the foregoing subsections (b), (c), (d) and (e), a "**Permitted Transferee**"); provided that adequate documentation therefor is provided to the

Investors to their satisfaction and that any such Permitted Transferee agrees in writing to be bound by this Agreement in place of the relevant transferor; provided, further, that such transferor shall remain liable for any breach by such Permitted Transferee of any provision hereunder. Each Shareholder (other than the Selling Shareholder) hereby waives its right of first refusal and right of co-sale under this Section 4 in respect of such transfer of Restricted Shares to any Permitted Transferee. For the purpose of this Agreement, "**Fidelity Persons**" means (1) Fidelity International Limited ("**FIL**"), a company incorporated in Bermuda, and any subsidiary undertaking of FIL from time to time (FIL and its subsidiary undertakings being the "**FIL Group**"); (2) FMR Corp. ("**FMR**"), a Delaware corporation, and any subsidiary undertaking of FMR from time to time (FMR and its subsidiary undertakings being the "**FMR Group**"); (3) any director, officer, employee or shareholder of the FIL Group and/or the FMR Group or members of his family and any company, trust, partnership or other entity ("**Fidelity Entities**") formed for his or any of their benefit from time to time (any or all of such individuals and Fidelity Entities being the "**Closely Related Shareholders**"); (4) any Fidelity Entity controlled by Closely Related Shareholders where "**control**" shall mean the power to direct the management and policies or appoint or remove members of the board of directors or other governing body of the Fidelity Entity, directly or indirectly, whether through the ownership of voting securities, contract or otherwise, and "**controlled**" shall be construed accordingly; and (5) any affiliate of any member of the FIL Group and/or the FMR Group (where "**affiliate**" means any Fidelity Entity controlled by any combination of any Closely Related Shareholders and any member of the FIL Group and/or the FMR Group, and includes the officers, partners and directors of any affiliate). For the purpose of this Agreement, "**Affiliate**" means (a) in relation to any individual other than a Founder, the immediate family of such individual or any entity controlled by such individual, (b) in relation to a Founder or Founder Holdco, the immediate family of such Founder or any entity wholly owned by such Founder or Founder Holdco (whether by himself or together with other Founders), and (c) in relation to any legal person, any other person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the specified person; provided that, for the purpose of this Section 4, the "**Affiliate**" of any Selling Shareholder other than any Founder or Founder Holdco shall mean (x) any person in which such Selling Shareholder directly or indirectly owns the voting of more than 75% of the total outstanding equity interest, (y) any person which directly or indirectly owns the voting of more than 75% of the total outstanding equity interest in such Selling Shareholder, or (z) any person which is under the common control with the Selling Shareholder by any other person which directly or indirectly owns the voting of more than 75% of the total equity interest in both such person and such Selling Shareholder. For purposes of this definition and notwithstanding the definition with respect to Fidelity Entities in clause (3) above, a person shall be deemed to be "**controlled by**" another person if the other possesses, directly or indirectly, power either (i) to vote fifty percent (50%) or more of the securities having voting power for the election of directors of such person, or (ii) to direct or cause the direction of the management and policies of such person whether by contract or otherwise.

4.6 Prohibited Transfers.

(a) In the event a Selling Shareholder should sell any Restricted Shares in contravention of the transfer restrictions in this Section 4 or such Selling Shareholder fails to procure that its transferee (whether a third party transferee, an affiliate or otherwise) agree in writing to be bound by and comply with the rights and obligations of such Selling Shareholder

under this Agreement, including, without limitation, all provisions of this Section 4 (each, a "**Prohibited Transfer**"), the Preferred Holders, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option provided below and such Selling Shareholder shall be bound by the applicable provisions of such option.

(b) In the event of a Prohibited Transfer, each Preferred Holder shall have the right to sell to such Selling Shareholder the type and number of shares of Common Shares, Conversion Shares or Preferred Shares equal to the number of shares each Preferred Holder would have been entitled to transfer to the third-party transferee(s) under Section 4.3(g) hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof (assuming the Company had not exercised its right of first refusal and no Preferred Holder had elected to become Purchasing Holders). Such sale shall be made on the following terms and conditions:

(i) The price per share at which the shares are to be sold to such Selling Shareholder shall be equal to the price per share paid by the third-party transferee(s) to such Selling Shareholder in the Prohibited Transfer. The Selling Shareholder shall also reimburse each Preferred Holder for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Preferred Holder's rights under this Section 4.

(ii) Within thirty (30) days after the later of the dates on which the Preferred Holder (A) received notice of the Prohibited Transfer or (B) otherwise became aware of the Prohibited Transfer, each Preferred Holder shall, if exercising the option created hereby, deliver to such Selling Shareholder a duly executed instrument of transfer and the certificate or certificates representing shares to be sold.

(iii) The Selling Shareholder shall, upon receipt of the certificate or certificates for the shares to be sold by a Preferred Holder, pursuant to this Section 4.6, pay the aggregate purchase price therefor and the amount of reimbursable fees and expenses, as specified in Section 4.6(b)(i), in cash or by other means acceptable to the Preferred Holder.

(iv) Notwithstanding the foregoing, any attempt by such Selling Shareholder to transfer Restricted Shares in violation of this Section 4 hereof shall be null and void and the Company agrees it will not affect such a Transfer nor will it treat any alleged transferee(s) as the holder of such shares without the written consent of the holders of a majority of the then outstanding Series A Shares, the holders of a majority of the then outstanding Series B Shares, the holders of a majority of the then outstanding Series C Shares, the holders of a majority of the then outstanding Series D Shares, and the holders of at least 75% of the then outstanding Series E Shares, each voting together as a separate class.

4.7 Definition of Trade Sale. For purposes of this Agreement, a "**Trade Sale**" shall mean (a) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company, (b) a transfer or an exclusive licensing of all or substantially all of the intellectual property of the Group Companies, (c) a sale, transfer or other disposition of a majority of the issued and outstanding share capital of the

Company or a majority of the voting power of the Company; or (d) a merger, consolidation or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such

merger, consolidation or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity.

4.8 Legend.

(a) Each certificate representing the Restricted Shares shall be endorsed with the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY FOREIGN JURISDICTION. THE SECURITIES MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE AND FOREIGN SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS.

THE SALE, ASSIGNMENT, HYPOTHECATION, PLEDGE, ENCUMBRANCE OR OTHER DISPOSITION (EACH A "TRANSFER") AND VOTING OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THE SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT, DATED [*], 2014 BY AND AMONG THE COMPANY, ITS SUBSIDIARIES AND THE SHAREHOLDERS NAMED THEREIN, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE. THE COMPANY WILL NOT REGISTER THE TRANSFER OF SUCH SECURITIES ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL THE TRANSFER HAS BEEN MADE IN COMPLIANCE WITH THE TERMS OF SUCH SHAREHOLDERS AGREEMENT."

(b) Each party agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Section 4.8(a) above to enforce the provisions of this Agreement and the Company agrees to promptly do so. The legend shall be removed upon termination of the provisions of this Section 4.

4.9 Restriction on Indirect Transfers. Notwithstanding anything to the contrary contained herein, without the prior written approval of the holders of a majority of the then outstanding Preferred Shares (including holders of at least 75% of the then outstanding Series E Shares), voting together on an as converted basis (the "**Majority Preferred**"):

(a) Each of the Founders shall not, and shall cause any other shareholder of each Founder Holdco not to, directly or indirectly, sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose through one or a series of transactions any equity interest held, directly or indirectly, by the Founders or any other shareholder in each Founder Holdco to any person, and each Founder Holdco hereby agrees it will not affect a transfer in violation of the foregoing sentence nor will it treat any alleged transferee as the holder of such shares.

(b) Each Founder Holdco shall not, and each Founder shall cause each Founder Holdco not to, issue to any person any equity securities of any Founder Holdco or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of any Founder Holdco.

(c) Each of the Founders shall not, and shall cause any other person not to, directly or indirectly, sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose through one or a series of transactions any equity interest held or controlled by him in the Domestic Companies (as defined in Schedule A) to any person. Any transfer in violation of this Section 4.9(c) shall be void and each Domestic Company hereby agrees it will not effect such a transfer nor will it treat any alleged transferee as the holder of such equity interest.

(d) The Domestic Companies shall not, and each of the Founders shall cause the Domestic Companies not to, issue to any person any equity securities of the Domestic Companies, or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of the Domestic Companies.

4.10 Term. The provisions under Section 4.1 through Section 4.9 shall terminate upon the earlier to occur of:

(a) the closing of an initial public offering of the Company; and

(b) a Trade Sale (as defined above).

The period from the date hereof to such termination date is defined as the "**Restricted Period**".

4.11 Series E Investor's Consent Right.

(a) Notwithstanding anything to the contrary herein and in addition to such restrictions set forth under Section 4.1 through Section 4.9, except for transfers by the Selling Shareholders to Permitted Transferees as provided in Section 4.5 above, without the prior written consent of the holders of at least 75% of the Series E Shares:

(i) none of Zou Shenglong and his Permitted Transferee shall, directly or indirectly, sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose of through one or a series of transactions any Restricted Shares held by them to any person during the period commencing from the date hereof to the later of (x) the fifth (5th) anniversary of the date hereof, or (y) the fourth (4th) anniversary of the closing of an initial public offering of the Company; and

(ii) none of the Founders (except for Zou Shenglong), the Partners, and their respective Permitted Transferees shall, directly or indirectly, sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose of through one or a series of transactions any Restricted Shares held by them to any person for the period of four (4) years commencing from the date hereof; and

(iii) none of the holders of Common Shares which are issued or granted pursuant to the ESOP (but excluding the Partners) and their respective Permitted Transferees shall, directly or indirectly, sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose of through one or a series of transactions any Restricted Shares held by them to any person on or before the earlier of (x) the completion of an initial public offering of the Company, and (y) the fourth (4th) anniversary of the date hereof, except carried out in strict accordance with the ESOP duly adopted by the Company.

(b) Any attempt to transfer any Restricted Shares in violation of this Section 4.11 shall be void and the Company hereby agrees it will not effect such a transfer nor will it treat any alleged transferee as the holder of such Restricted Shares without the prior written consent of the holders of at least 75% of the Series E Shares.

4.12 Restrictions on RS Holdco. Notwithstanding anything to the contrary contained herein, except carried out in strict accordance with the ESOP duly adopted by the Company, without the prior written approval of the Majority Preferred:

(a) Each of the Founders shall not, and shall cause any other shareholder of the RS Holdco not to, directly or indirectly, sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose through one or a series of transactions any equity interest held, directly or indirectly, by the Founders or any other shareholder in the RS Holdco to any person, and the RS Holdco hereby agrees it will not effect a transfer in violation of the foregoing sentence nor will it treat any alleged transferee as the holder of such shares.

(b) The RS Holdco shall not, and each Founder shall cause the RS Holdco not to, issue to any person any equity securities of the RS Holdco or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of the RS Holdco.

5. DRAG-ALONG RIGHTS.

5.1 Drag-Along Rights. Notwithstanding anything herein to the contrary, but subject to Sections 5.2(a) and 5.6, (i) at any time after the third (3rd) anniversary of the date hereof, if the holders of at least a majority of Common Shares held by the Founder Holdcos and the holders of at least 75% of Series E Shares, approve a Transfer of all Shares held by them or approve a proposed Trade Sale, in each case to a bona fide third party purchaser and based on a total equity value of the Company of no less than US$1,300,000,000, or (ii) ninety-seven (97%) or more of all voting power of the Company, voting together as a single class on an as-converted basis, approve a Transfer of all Shares held by them to a purchaser, or approve a proposed Trade Sale without any requirement in terms of a total consideration, then, in any such event, upon written notice from such Drag-Along Shareholders (as defined below) requesting them to do so, each of the other shareholders of the Company (the "**Dragged Shareholders**") shall (i) vote, or

give its written consent with respect to, all Shares held by them in favor of such proposed Drag-Along Sale and in opposition of any proposal that could reasonably be expected to delay or impair the consummation of any such proposed Drag-Along Sale; (ii) transfer all of their Shares in such Drag-Along Sale to such purchaser; (iii) refrain from exercising any dissenters' rights (including without limitation those set forth in Section 8) or rights of appraisal under applicable law at any time with respect to or in connection with such proposed Drag-Along Sale; and (iv) take all actions reasonably necessary to consummate the proposed Drag-Along Sale, including without limitation amending the then existing Restated Articles. All proceeds derived from a Dragged-Along Sale shall be distributed among the holders of Preferred Shares and holders of Common Shares in accordance with the Restated Articles. Notwithstanding any provision to the contrary, the share transfer restrictions of Section 4 of this Agreement shall not apply to any transfers made pursuant to this Section 5, provided that there shall be no Drag-Along Sale in the event that the Preferred Holders other than the Drag-Along Shareholders (the "**Minority**") shall agree to purchase all Shares proposed to be sold by the Drag-Along Shareholders on the same terms as the proposed Drag-Along Sale within 10 Business Days after receipt by the Minority of the Drag Along Notice (as defined below) (the "**Minority Purchase Right**"), in which case all proceeds derived from such sale shall be distributed among the holders of Preferred Shares (other than the Minority exercising the Minority Purchase Right) and holders of Common Shares in accordance with the Restated Articles. The Minority Purchase Right shall be exercised by the Minority in the manner set forth in Sections 5.6 and 5.7 below. For the purpose of this Section 5, as required by the context, (i) the shareholders who have the right to approve a Transfer of Shares or a proposed Trade Sale as set forth above are collectively referred to as the "**Drag-Along Shareholders**" and such Transfer of all Shares or a proposed Trade Sale each is referred as a "**Drag-Along Sale**"; and (ii) the purchaser in a Drag-Along Sale shall not be deemed a bona fide third party purchaser if (x) the Series E Investor, individually or in the aggregate, directly or indirectly owns or controls the voting of more than 30% of the total outstanding equity interest in such purchaser, (y) such purchaser directly or indirectly owns or controls the voting of more than 30% of the total outstanding equity interest in any Series E Holder, or (z) there exists a Person that directly or indirectly owns or controls the voting of more than 30% of the total equity interest in both such purchaser and any Series E Holder.

5.2 Representation and Undertaking.

(a) Any such sale or disposition by the Dragged Shareholders shall be on the terms and conditions as the proposed Drag-Along Sale by the Drag-Along Shareholders. Subject to Section 5.3, such Dragged Shareholders shall be required to make customary and usual representations and warranties in connection with the Drag-Along Sale, including, without limitation, those as to their ownership and authority to sell, free of all liens, claims and encumbrances of any kind other than customary permitted liens, the Shares proposed to be transferred or sold by such persons or entities; and such sale or transfer not constituting a violation or breach of or default under (with or without the giving of notice or the lapse of time or both) any law or regulation applicable to such Dragged Shareholders or any material contract to which such Dragged Shareholders is a party or by which they are bound, and shall, severally and not jointly, indemnify and hold harmless the purchasers against all costs, damages, expenses, losses, judgments or liabilities for any breach or alleged breach of any representation or warranty made by such Dragged Shareholders under the terms of the agreements relating to such Drag-Along Sale, which indemnification shall be limited, in the aggregate, to each such Dragged

Shareholder's pro rata share of the indemnification amount and in no event exceed the amount of consideration actually paid to such Dragged Shareholder in connection with such Drag-Along Sale.

(b) Subject to Section 5.3 hereof, each of the Dragged Shareholders undertakes to obtain all consents, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings with any governmental authority or any third party (the "**Consents**"), which are required to be obtained or made in connection with the Drag-Along Sale; provided, that such Consents should be obtained or made without significant expenses. Each of the Drag-Along Shareholders and the Dragged Shareholders further undertakes to pay its pro rata share of costs and expenses arising out of or in connection with the Drag-Along Sale.

5.3 Drag-Along Notice. Prior to making any Drag-Along Sale in which the Drag-Along Shareholders wish to exercise their rights under this Section 5, the Drag-Along Shareholders shall provide the Company and the Dragged Shareholders with written notice (the "**Drag-Along Notice**") not less than thirty (30) days prior to the proposed date of closing of the Drag-Along Sale (the "**Drag-Along Sale Date**"). The Drag-Along Notice shall set forth: (a) the name and address of the purchasers; (b) the proposed amount and form of consideration to be paid, and the terms and conditions of payment offered by each of the purchasers; (c) the Drag-Along Sale Date; (d) the number of shares held of record by the Drag-Along Shareholders on the date of the Drag-Along Notice which form the subject to be transferred, sold or otherwise disposed of by the Drag-Along Shareholders; and (e) the number of Shares of the Dragged Shareholders to be included in the Drag-Along Sale, as applicable. In the event that the Drag-Along Sale Date does not occur within ninety (90) days after the date of the Drag-Along Notice, the shareholders of the Company shall have no obligations to sell their Shares unless they receive a new Drag-Along Notice or otherwise agree with the purchaser(s) in writing.

5.4 Transfer Certificate. In the event that the Drag-Along Sale is structured as sale of Shares, on the Drag-Along Sale Date, each of Drag-Along Shareholders and the Dragged Shareholders shall each deliver or cause to be delivered an instrument of transfer and a certificate or certificates evidencing its Shares to be included in the Drag-Along Sale, duly endorsed for transfer with signatures guaranteed, to such third party purchasers in the manner and at the address indicated in the Drag-Along Notice.

5.5 Payment. In the event that the Drag-Along Sale is structured as sale of Shares, the consideration per share to be paid to the Dragged Shareholders and the Drag-Along Shareholders pursuant to the proposed Drag-Along Sale shall be determined with reference to Article 65(2) of the Restated Articles. If the Drag-Along Shareholders or the Dragged Shareholders receive the purchase price for their Shares or such purchase price is made available to them as part of a Drag-Along Sale and, in either case they fail to deliver the relevant signed instruments of transfer and the certificates evidencing their Shares as described in this Section 5, they shall for all purposes be deemed to have agreed to a transfer of their Shares to the purchaser (and the register of members of the Company shall be updated to reflect such status), shall have no voting rights, shall not be entitled to any dividends or other distributions with respect to any Shares held by them, shall have no other rights or privileges as a shareholder of the Company and, in the event of liquidation of the Company, their rights with respect to any consideration they would have

received if they had complied with this Section 5, if any, shall be subordinate to the rights of any equity holder. In addition, the Company shall stop any subsequent transfer of any such shares held by such shareholders.

5.6 Minority Purchase Right. The Minority shall deliver a written notice (the "**Minority Notice**") to the Drag-Along Shareholders and the Company within 10 Business Days after receipt by the Minority of the Drag Along Notice stating that the Minority intend to purchase such number of Common Shares or Conversion Shares held by the Drag-Along Shareholders on the same terms as proposed by the prospective purchaser in the Drag-Along Sale, including, the purchase price and terms of payment associated with such sale and the proposed closing date of such sale.

5.7 Closing of Minority Purchase. At the closing of the transaction to be entered into pursuant to the Minority Purchase Right, the Minority shall remit to each of the Drag-Along Shareholders the same per share consideration (the cash portion of which shall be paid by delivery of a certified check or wire transfer of immediately available funds to an account designated by each Drag-Along Shareholder) for each Share purchased by the Minority pursuant to the Minority Purchase Right against delivery by each of the Drag-Along Shareholders of certificates for all Shares to be sold by the Drag-Along Shareholders, duly endorsed or with duly executed stock powers.

5.8 Term. The provisions under this Section 5 shall terminate upon the earlier to occur of:

(a) the closing of an initial public offering of the Company; and

(b) a Trade Sale (as defined above).

6. ASSIGNMENT AND AMENDMENT.

6.1 Assignment. Notwithstanding anything herein to the contrary:

(a) Information and Inspection Rights; Registration Rights. The rights of the Investors under Section 1.1 may be assigned to any holder of Preferred Shares, and the registration rights of the Holders under Section 2 may be assigned to any Holder or to any person acquiring Registrable Securities in a permitted transfer provided that no party may assign any of such registration rights to any entity that is organized or domiciled in the PRC; and provided further, that in either case no party may be assigned any of the foregoing rights unless the Company is given written notice by the assigning party stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided, further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 6.

(b) Rights of First Offer; Right of First Refusal; Co-Sale Rights; Drag-Along Rights. The rights of each Investor or each holder of Preferred Shares under Sections 3, 4 and 5 are fully assignable in connection with a permitted transfer of Shares of the Company by such Investor or such holder of Preferred Shares, as the case may be; provided, however, that no party may be

assigned any of the foregoing rights unless the Company is given written notice by such assigning party at the time of such assignment, stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided, further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 6.

6.2 Amendment of Rights. Any term of this Agreement may be amended only with the written consent of the Company, the holders of a majority of the Preferred Shares, provided, however, that any amendments to any rights of the Founders, other holders of Common Shares, the holders of Series A-1 Shares, the holders of Series **B** Shares, the holders of Series C Shares, the holders of Series D Shares, or the holders of Series E Shares, as the case may be, shall require the prior written approval of the Founders, the holders of at least a majority of then outstanding Common Shares, the holders of a majority of then outstanding Series A-1 Shares, the holders of a majority of then outstanding Series **B** Shares, the holders of a majority of then outstanding Series C Shares, the holders of a majority of then outstanding Series D

Shares, or the holders of at least 75% of then outstanding Series E Shares, as the case may be, each voting together as a separate class; provided, further, that any parties hereto may waive any of its rights hereunder without obtaining the consent of any other party. Any amendment or waiver effected in accordance with this Section 6.2 shall be binding upon the parties hereto and their respective assigns.

7. CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETE.

7.1 Disclosure of Terms. The terms and conditions of this Agreement, the Series A Subscription Agreement, the Series **B** Subscription Agreement, the Series C Subscription Agreement, the Series D Share Purchase Agreement, the Share Purchase Agreement and all exhibits and schedules attached to such agreements, including their existence, and the record and beneficial ownership of the Series C Investors (collectively, the "**Financing Terms**") shall be considered confidential information and shall not be disclosed by any party hereto to any third party except in accordance with the provisions set forth below; provided that such confidential information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder.

7.2 Press Releases. Any press release issued by the Company shall not disclose any of the Financing Terms and the final form of such press release shall be approved in advance in writing by all of the Investors, which approval shall not be unreasonably withheld. No other announcement regarding any of the Financing Terms in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the Investors' prior written consent.

7.3 Permitted Disclosures. Notwithstanding the foregoing, any party may disclose any of the Financing Terms or confidential information obtained from the Company to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys on a need-to-know basis, in each case only where such persons or entities are under appropriate nondisclosure obligations (the "**Permitted Disclosures**"). Without limiting the generality of the foregoing, the Investors and any Group Company's directors designated by the

holders of Preferred Shares shall be entitled to disclose the Financing Terms and other information related to the Company or any Subsidiary for the purposes of fund reporting or inter-fund reporting or to their fund manager, other funds managed by their fund manager and their respective auditors, counsel, directors, officers, employees, shareholders or investors, or as required by law, government authorities, exchanges and/or regulatory bodies, including the SEC (or the equivalent in other jurisdictions).

7.4 Legally Compelled Disclosure. In the event that any party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to disclose the existence of this Agreement, the Series A Subscription Agreement, the Series B Subscription Agreement, the Series C Subscription Agreement, the Series D Share Purchase Agreement, the Share Purchase Agreement and any of the exhibits and schedules attached to such agreements, or any of the Financing Terms hereof in contravention of the provisions of this Section 7, such party (the "**Disclosing Party**") shall provide the other parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

7.5 Company Confidential Information. Each of the Investors agrees that it will keep confidential and will not disclose, divulge or use for any purpose, other than (i) to monitor its investment in the Company and (ii), with respect to the Series E Investor, subject to any confidentiality obligation as provided in the business cooperation agreement executed or to be executed by the Series E Investor or its Affiliate and the applicable Group Company, to conduct any business cooperation with the Group Companies under such agreement, any confidential information obtained from any Group Company pursuant to Section 1 of this Agreement, unless such confidential information (i) is known or becomes known to the public in general (other than as a result of a breach of this Section 7), (ii) is or has been independently developed or conceived by such Investor without use of any Group Company's confidential information or (iii) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company or any other Group Company; provided, however, that such Investor may disclose confidential information (a) pursuant to Permitted Disclosures as defined in Section 7.5, or (b) to any associate, partner, member, shareholder or wholly owned subsidiary of such Investor in the ordinary course of business, or (c) as may otherwise be required by law, provided that such Investor has taken reasonable steps to minimize the extent of any such required disclosure.

7.6 Investors' Non-Compete. If any Investor (other than the Series E Investor) or any of its Affiliates becomes a Competitor (as such term is applicable to such Investor or Affiliates), (A) the right of such Investor to appoint its Director or observer of the Company or any Subsidiary pursuant to Section 1.3(b)(ii), Section 1.3(b)(iii) or Section 1.3(b)(v) of this Agreement shall terminate, as the case may be, (B) the Board of Directors of the Company is entitled to remove the Director or observer so appointed by such Investor in accordance with the terms of this Agreement and the Restated Articles, (C) except as required by law and subject to

Section 1.1(a), the right of such Investor to any other non-public information of any Group Company shall terminate.

7.7 Founders' Non-Compete. Each Founder hereby covenants and undertakes that he shall devote substantially one hundred percent (100%) of his working time and attention to the business of the Group Companies, and use his best efforts to develop the business and care for the interests of the Group Companies. Each Founder hereby further covenants and undertakes that, during the period when he holds any direct or indirect equity interest in any Group Company and for a further period of twenty four (24) months thereafter, without the prior written consent of the holders of at least 75% of Series E Shares and a majority of the Series D Holders, he shall not, and shall ensure that the companies that such Founder directly or indirectly controls or holds at least three percent (3%) equity interests in (other than the Company and its direct and indirect subsidiaries) do not, directly or indirectly, (i) compete with the business of any Group Company, (ii) induce or attempt to induce any client, customer, supplier, licensee or other business relation of any Group Company to do business with it (other than for the sole benefit of the Group Companies) or to reduce or cease doing business with any Group Company (such business includes providing downloading or online video services, or downloading, online video and storage services provided through cloud technology, or online games, but excludes content resale), or in any way interfere with the relationship between any such client, customer, supplier, licensee or business relation, on the one hand, and any Group Company, on the other hand or (iii) induce or attempt to induce any employee, salesperson or representative of any Group Company to leave the employment of any Group Company, or in any way interfere with the relationship between any Group Company, on the one hand, and any employee, salesperson or representative thereof, on the other hand, unless, in each case of (i), (ii) and (iii), the approval of at least six (6) affirmative votes of the Board, including the affirmative vote of one (1) Series E Director and at least three (3) affirmative votes of any of the Series D Director, the Series A-1 Director or the Series A Director, has been obtained by such Founder, provided that, affirmative votes by Directors appointed by such Founder shall not be counted towards the number of affirmative votes of the Board so required.

7.8 Other Information. The provisions of this Section 7 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the parties with respect to the transactions contemplated hereby

7.9 Notices. All notices required under this Section 7 shall be made pursuant to Section 11 of this Agreement.

8. PROTECTIVE PROVISIONS.

8.1 Acts Requiring Majority Approval of Series E Shares. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles, so long as the Series E Holders continue to hold at least ten percent (10%) of the Company's total Shares on an as converted basis, none of the following actions shall be carried out by the Company or any Group Company, except with the prior written consent of the holders of at least 75% of the then outstanding Series E Shares, voting together as a single class, whether by amendment, merger, amalgamation, consolidation, scheme of arrangement or otherwise (for the purposes of this

Section 8, the term "**Company**" means, unless where wholly inapplicable, the Company and the Subsidiaries):

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Series E Shares;

(b) any action that authorizes, creates or issues any class of the Company securities including without limitation those having rights, preferences or privileges superior to or on a parity with any Series E Shares;

(c) any action that increases or decreases the authorized number of the Series E Shares or any increase or decrease in the authorized share capital of the Series E Shares;

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Series E Shares;

(e) any increase, decrease or change of the share capital of the Company, except for purpose of the implementation of the ESOP;

(f) cease to conduct or carry on the principal business of any Group Company substantially as currently conducted;

(g) sell, lease or dispose of all or a substantial part of the undertaking, goodwill or assets of any Group Company;

(h) increase, reduce or cancel the authorized or issued share capital of any Group Company or issue, allot, purchase or redeem any shares or securities convertible into or carrying a right of subscription in respect of shares or any share warrants or grant or issue any options rights or warrants or which may require the issue of shares in the future or do any act which has the effect of diluting or reducing the effective shareholding of the Series E Investor in the Company, except for purpose of the implementation of the ESOP;

(i) settle, adopt or alter the terms of any profit sharing scheme or any employee share option or share participation schemes (including the ESOP);

(j) amend the accounting policies currently adopted by the Company or change the fiscal year of the Company;

(k) appoint or change the auditors of any Group Company;

(l) borrow any money or obtain any financial facilities except pursuant to trade facilities obtained from banks or other financial institutions in the ordinary course of business;

(m) create, allow to arise or issue any debenture constituting a pledge, lien or charge (whether by way of fixed or floating charge, mortgage encumbrance or other security) on all or any of the undertaking, assets or rights of the Company and/or any Subsidiary except for the purpose of securing borrowings from banks or other financial institutions in the ordinary course

of business not exceeding RMB500,000 (or its equivalent in other currency or currencies) in a single transaction or not exceeding RMB2,000,000 in the aggregate in any financial year;

(n) sell, transfer, license, charge, encumber or otherwise dispose of any trademarks, patents or other intellectual property owned by any Group Company that are material or critical to the business of the Group Companies;

(o) pass any resolution for the winding up of any Group Company or undertake any merger, reconstruction or liquidation exercise concerning any Group Company except for those that are solely in connection with restructuring for tax purposes which would not have adverse impact on the condition of the Group Companies (business, financial or otherwise) and the benefits and interests of the Series E Investor;

(p) approve or make adjustments or modifications to terms of any transaction or series of transactions between any Group Company on one hand and any of its shareholder, director, senior manager at the VP (or the higher) level or any of their affiliates or any shareholder, director, senior manager at the VP (or the higher) level of such affiliates on the other hand, including but not limited to the making of any loans or advances, whether directly or indirectly, or the provision of any guarantee, indemnity or security for or in connection with any indebtedness of liabilities of any director or shareholder of the Company/and/or its subsidiaries;

(q) dispose of or dilute the Company's equity interests, directly or indirectly, in any other Group Company;

(r) any material change to the five-year business plan and forecast of the Company provided to the Series E Investor prior to the date hereof as attached hereto as Exhibit I, and any material change to the budget of the Company provided to the Series E Investor; and any transaction outside or in divergence of such business plan, forecast or budget;

(s) initiate or settle any material suit, arbitration or similar proceeding in relation to any Group Company;

(t) any increase of compensation by more than 20% for any of the five most-highly paid employees of the Company; or

(u) any activity out of the ordinary course of business of any Group Company.

8.2 Acts Requiring Majority Approval of Series D Shares. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles, so long as the Series D Threshold (as defined in Section 1.3(b)(ii) above) is met, none of the following actions shall be carried out by the Company or any Group Company, except with the prior written consent of the holders of at least a majority (51%) of the then outstanding Series D Shares, voting together as a single class, whether by amendment, merger, amalgamation, consolidation, scheme of arrangement or otherwise:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Series D Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any Series **D** Shares or any other securities of the Company;

(c) any action that increases or decreases the authorized number of the Series **D** Shares or any increase or decrease in the authorized share capital of the Series **D** Shares;

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series **D** Shares; and

(e) the appointment of an accounting firm not one of the "Big 4" accounting firms to be the auditor of any Group Company;

provided that none of the Company or any Group Company shall carry out any of the following without the prior consent of the holders of at least a majority (51%) of the outstanding Series **D** Shares, voting together as a single class:

(i) an initial public offering of any Group Company, unless the offering is a Qualified IPO; and

(ii) any (w) sale, lease, transfer or other disposition of all or substantially all of the assets of the Company; (x) transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company; (y) sale, transfer or other disposition of a majority of the issued and outstanding share capital of the Company or a majority of the voting power of the Company; or (z) merger, consolidation or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such merger, consolidation or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity, in each case, with a total consideration value ("**Trade Sale Consideration Value**") of less than US$1,300,000,000, provided that if the counterparty in any transaction under (i) or (ii) above has assumed less than all of the liabilities of the Company, then the value of the remaining liabilities of the Company shall be subtracted from the total consideration value of such transaction for purposes of determining whether the Trade Sale Consideration Value of such transaction is less than US$1,300,000,000 pursuant to this Section 8.2.

8.3 Acts Requiring Majority Approval of Series C Shares. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles, for as long as the Series C Holders continue to hold at least ten percent (10%) of the Company's total Shares on an as converted basis, none of the following actions shall be carried out by the Company or any Group Company, except with the prior written consent of the holders of at least a majority (51%) of the then outstanding Series C Shares, voting together as a single class, whether by amendment, merger, amalgamation, consolidation, scheme of arrangement or otherwise:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series C Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any Series C Shares or any other securities of the Company;

(c) any action that increases or decreases the authorized number of the Series C Shares or any increase or decrease in the authorized share capital of the Series C Shares; and

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series C Shares.

8.4 Acts Requiring Majority Approval of Series B Shares. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles, for as long as the Series B Holders continue to hold at least ten percent (10%) of the Company's total Shares on an as converted basis, the following acts of the Company shall require the prior written approval of the holder(s) of at least a majority (51%) of the outstanding Series B Shares, voting together as a single class:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, Series B Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any class of Series B Shares or any other securities of the Company;

(c) any action that increases the authorized number of the Series B Shares, or any increase or decrease in the authorized share capital of the Company;

(d) any consolidation or merger with or into any other business entity or the sale, lease, transfer or other disposition of all or substantially all the assets of the Company or the license out of all or substantially all of the Company's intellectual property rights, in each case in transactions with a total consideration value less than US$100,000,000; and

(e) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series B Shares.

8.5 Acts Requiring Majority Approval of Series A-1 Shares. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles, for as long as the Series A-1 Holders continue to hold at least ten percent (10%) of the Company's total Shares on an as converted basis, the following acts of the Company shall require the prior written approval of the holder(s) of at least a majority (51%) of the outstanding Series A-1 Shares, voting together as a single class, which consent shall not be unreasonably withheld, provided however that in no event shall the dividend, voting, liquidation and conversion rights of the Series A-1 Shares as set forth in the Restated Articles be altered without the prior written approval of the holders of a majority of the Series A-1 Shares:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, Series A-1 Shares;

(b) any action that authorizes, creates or issues any class of the Company securities having rights, preferences or privileges superior to or on a parity with any class of Series A-1 Shares or any other securities of the Company;

(c) any action that increases the authorized number of the Series A-1 Shares, or any increase or decrease in the authorized share capital of the Company;

(d) any consolidation or merger with or into any other business entity or the sale, lease, transfer or other disposition of all or substantially all the assets of the Company or the license out of all or substantially all of the Company's intellectual property rights, in each case in transactions with a total consideration value less than US$100,000,000; and

(e) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of any of the Series A-1 Shares.

8.6 Acts Requiring Requisite Consent of Series E, Series D, Series B and Series A-1 Shares. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles, for as long as each of the Series B Holders and the Series A-1 Holders continue to hold at least ten percent (10%) of the Company's total Shares on an as converted basis, the following acts of the Company shall require the prior written approval of both the holder(s) of at least a majority (51%) of the outstanding Series B Shares, and the holder(s) of at least a majority (51%) of the outstanding Series A-1 Shares, each voting separately as a single class. (If either the Series B Holders or the Series A-1 Holders do not hold at least ten percent (10%) of the Company's total Shares, such acts will only require the requisite consent of the class of Series B or Series A-1 holders, as the case may be, which continue to hold such 10% of the total Shares on an as converted basis.) In addition, for as long as the Series D Holders continue to meet the Series D Threshold, the following acts of the Company shall require the prior written approval of the holder(s) of at least a majority (51%) of the outstanding Series D Shares. In addition, for as long as the Series E Holders continue to hold at least ten percent (10%) of the Company's total Shares on an as converted basis, the following acts of the Company shall require the prior written approval of the holder(s) of at least 75% of the outstanding Series E Shares:

(a) any action that repurchases, redeems or retires any of the Company's voting securities other than pursuant to any redemption rights provided in the Restated Articles, or contractual rights to repurchase Common Shares from employees, directors or consultants of the Company or its subsidiaries at the lower of (i) the original purchase price paid by such employees, directors or consultants for such Common Shares or (ii) the fair market value of such Common Shares, which shall be a price set by the Board upon termination of their employment or services or pursuant to the terms of the ESOP or pursuant to the exercise of a contractual right of first refusal held by the Company, or the Company's Transfer, repurchase and cancellation of the Treasury Shares;

(b) any amendment of the Restated Articles or other constitutional documents;

(c) the dissolution, liquidation or winding up, the initiation of bankruptcy proceedings, or application for appointment of a receiver, judicial manager or the like;

(d) the declaration or payment of any dividend on any Shares of any Group Company or the decision not to declare the distributable profits of any Group Company as dividends;

(e) any change in the number of directors of the Company; and

(f) any initial public offering or public offering of any debt or equity securities of any Group Company, unless the offering is a Qualified IPO or is otherwise approved by at least five (5) members of the Board, including one (1) Series E Director and the Series D Director.

8.7 Acts Requiring Super-majority Approval of the Board. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles and subject to Section 8.1, any of the following acts of the Company shall require at least five (5) affirmative votes of the Board, including the affirmative vote of at least three (3) affirmative votes of any of the Series E Directors, the Series D Director, the Series A-1 Director or the Series A Director:

(a) extension of any loan or advance to, or ownership of any stock or other securities of, any subsidiary or other corporation, partnership, or other entity in excess of US$800,000 unless such entity is wholly owned by a Group Company or such loan is used to increase the registered capital of a Group Company;

(b) extension of any loan or advance to any person, including, without limitation, any employee or director of the Company, except such temporary advances and similar expenditures below US$50,000 as are incurred in the ordinary course of business or under the terms of the ESOP;

(c) directly or indirectly guarantee any indebtedness for any person other than affiliates of the Company, and except for trade accounts of any of the Group Companies arising in the ordinary course of business;

(d) incurrence of any indebtedness in excess of US$2,000,000 individually or in the aggregate in a series of related transactions during any fiscal year that is not included in the budget approved by the Board, other than trade credit or working capital loans incurred in the ordinary course of business;

(e) the repayment, termination or cancellation of any indebtedness from proceeds to the Company of the sale of Series B Shares pursuant to the Series B Subscription Agreement;

(f) any transaction or series of transactions between the Company and any shareholder, director, officer or employee of the Company or their Affiliates;

(g) any incurrence of any security interest (other than equipment leases or bank line of credit), lien or other encumbrance on any assets of the Company;

(h) any material change in the Company's business plan, change of the principal business of the Company, entry into new lines of business, or exit of the current line of business of any Group Company;

(i) the approval or amendment of the Company's annual budget;

(j) the appointment or removal of the auditors of any Group Company and the determination of their fees, remuneration or other compensation;

(k) any initial public offering or public offering of any debt or equity securities of any Group Company;

(l) determination of the compensation of the Founders, the CEO and the CFO of the Company, provided that, with respect to the determination of the compensation of a Founder, affirmative votes by Directors appointed by such Founder shall not be counted towards the number of affirmative votes of the Board required for such action;

(m) appointment and removal of the CFO of the Company;

(n) the acquisition or leasing of any real estate by the Company, other than commercial office, manufacturing or warehouse space used in the ordinary course of business;

(o) any action that repurchases, redeems or retires any of the Company's voting securities other than pursuant to any redemption rights provided in the Restated Articles or contractual rights to repurchase Common Shares from employees, directors or consultants of the Company or its subsidiaries at the lower of (i) the original purchase price paid by such employees, directors or consultants for such Common Shares or (ii) the fair market value of such Common Shares, which shall be a price set by the Board upon termination of their employment or services or pursuant to the terms of the ESOP or pursuant to the exercise of a contractual right of first refusal held by the Company, or the Company's Transfer, repurchase and cancellation of the Treasury Shares;

(p) sale, transfer, license, pledge of or creation of encumbrance over technology or intellectual property of the Company, other than licenses granted in the ordinary course of business; and

(q) consolidation or merger with or into any other business entity or the sale, lease, transfer or other disposition of all or substantially all the assets of the Company or the license out of all or substantially all of the Company's intellectual property rights.

8.8 Approval of M&A Matters. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles and subject to Section 8.1, any merger or acquisition transaction of the Company with a total consideration value of more than US$10,000,000 shall require at least six (6) affirmative votes of the Board, including at least three (3) affirmative votes of any of the Series E Directors, the Series D Director, the Series A-1 Director or the Series A Director.

8.9 Acts Requiring Special Approval of the Board. In addition to such other limitations as may be provided under applicable laws and in the Restated Articles and subject to Section 8.1, any of the following acts of the Company shall require at least five (5) affirmative votes of the Board, provided that any Director with a conflict of interest shall be required to abstain from voting in any Board decisions relating to the actions in which such Director has a conflict of interest:

(a) any investment or incurrence of any commitment to invest in excess of US$5,000,000 at any time in respect of any single transaction or in excess of US$20,000,000 at any time through a series of related transactions in any fiscal year of any Group Company, other than investments in prime commercial paper, money market funds, certificates of deposit in any international bank having a net worth in excess of US$100,000,000 or obligations issued or guaranteed by the United States or other sovereign government, in each case having a maturity not exceeding two (2) years (if any such investments are proposed to be made in any person or entity in which any of the Investors is a shareholder, the Director appointed by such Investor shall be deemed to have a conflict of interest for purposes of this Section 8.9(a) and shall abstain from voting in any Board discussion or action regarding such investments);

(b) the adoption or amendment of the ESOP or any other employee equity incentive plans (if any such proposed adoption or amendment of the ESOP or employee equity incentive plans would affect the equity ownership of a Founder in the Group Companies or otherwise relates to a Founder, such Founder Directors shall be deemed to have a conflict of interest for purposes of this Section 8.9(b) and shall abstain from voting in any Board discussion or action regarding actions described in this Section 8.9(b);

(c) appointment and removal of the CEO of the Company (Zou Shenglong shall not be deemed to have a conflict of interest for purposes of this Section 8.9(c) and shall be entitled to vote in any Board discussion or action regarding such appointment or removal); and

(d) the establishment of any other brands for companies other than current brands of the Group Companies.

8.10 Senior Management Appointment. The Investors and the Company agree that the power to appoint, remove, dismiss and/or terminate the employment of the Chief Executive Officer ("**CEO**") and the Chief Financial Officer of each Group Company shall vest with the Board, requiring consent of five (5) directors, including one Series E Director, the Series D Director and at least two of the Founder Directors. The CEO so appointed by the Board shall have power to appoint, remove, dismiss and/or terminate the employment of the Managing Director, Chief Operating Officer, Chief Technical Officer and Vice Presidents, or their equivalents (all such officers, the "**Senior Management Personnel**") and other officers and other employees of any Group Company, other than the Chief Financial Officer (who shall be appointed, removed and/or terminated by the Board), and provided, however, that the remuneration of such Senior Management Personnel shall be subject to the approval of the Board.

8.11 Termination of Rights. The rights set forth in this Section 8 shall terminate upon the earlier of:

(i) closing of an initial public offering of the Company; or

(ii) a Liquidation Event or Deemed Liquidation Event, as such terms are defined in the Restated Articles.

9. EMPLOYEE OPTIONS.

9.1 The Board shall have power to grant incentive awards, including options, restricted shares, restricted share units and any other types of incentive awards (such awards, the "**2010 Options**") to full-time employees, directors (other than the Founder Directors and the Founders), officers and consultants of any Group Company in accordance with 2010 ESOP; provided that:

(a) the total number of Shares issued pursuant to such 2010 Options and the total number of Shares for the time being subject to such 2010 Options pursuant to the 2010 ESOP shall not in aggregate exceed 26,822,828 Shares (as proportionally adjusted for any combination, consolidation, sub-division or split up of any Common Shares or any new issue of Preferred Shares).

(b) each such grant under the 2010 ESOP shall be on such terms (including as to conditions of vesting and exercise and exercise price) as shall be approved by the Board, but in any event the Board shall not allow any option to be exercised prior to an initial public offering or Trade Sale. Subject to these restrictions, 2010 Options shall vest over not less than a four-year period with the first 25% of such shares vesting after twelve (12) months of continued employment or services, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months. Each of the parties hereto (with the exception of the Company) hereby waives any right of pre-emption which it may have or acquire in respect of any grant of employee share 2010 Options or issue of Shares on exercise pursuant to such option scheme up to the maximum number of Shares;

(c) all 2010 Options granted under the 2010 ESOP vested but not exercised by the holder thereof shall lapse automatically at the expiration of one (1) month after the date of termination of employment, directorship or service, as the case may be, with the Group Companies (the Group Companies may however make other reasonable arrangements with the service providers who provide services to the Group on an assignment, case-by-case or job basis and are not officers or employees of the Company or subject to any contract of continuous services); and

(d) the Company shall retain a "right of first refusal" on transfers by any employee of Shares issued upon exercise of 2010 Options until an initial public offering or Trade Sale and the right to repurchase any such Shares obtained through exercise of 2010 Options held by the employees, directors and consultants granted under this Section 9.1, at a fair price as determined by the auditors of the Company upon termination of employment, directorship or service prior to an initial public offering or Trade Sale.

9.2 The Board shall have power to grant restricted shares to the senior management, counsels or consultant of the Company in accordance with the 2013 RS Plan, pursuant to which the total number of Shares issued pursuant to such plan and the total number of Shares for the

time being subject to such plan shall not in aggregate exceed 9,073,732 Shares (as proportionally adjusted for any combination, consolidation, sub-division or split up of any Common Shares or any new issue of Preferred Shares).

10. ADDITIONAL AGREEMENTS.

10.1 Qualified IPO. No later than February 6, 2017, the Company shall use its best efforts to complete a Qualified IPO. A "**Qualified IPO**" shall mean a firm commitment underwritten initial public offering by the Company of its Common Shares on the NASDAQ Global Market, the New York Stock Exchange, Hong Kong Stock Exchange (main board), Shenzhen Stock Exchange or Shanghai Stock Exchange.

10.2 Redemption Right.

(a) If a Qualified IPO has not occurred by February 28, 2017, the Series D Holders shall have the right (the "**Series D Redemption Right**"), at any time after February 28, 2017 but not later than February 28, 2018, to request the Company to purchase all Shares then held by the Series D Holders (the "**Series D Redemption**"), at a per share price which shall be equal to the aggregate amount of (x) the price paid per such Share pursuant to the Series D Share Purchase Agreement (as appropriately adjusted for any share split, share division, share combination, share dividend or similar events), plus (y) all declared but unpaid dividends and distributions on each such Share calculated up to and including the date of redemption plus interest of eight (8) percent per annum compounded annually from the date of the actual purchase of the Shares by the Series D Holders up to and including the date of redemption (the "**Series D Redemption Price**").

(b) At any time after March 1, 2018 but not later than March 1, 2019, the Series E Holders shall have the right (the "**Series E Redemption Right**") to request the Company to purchase all or any portion of the Series E Shares then held by the demanding Series E Holders (the "**Series E Redemption**"), at a per share price which shall be equal to the aggregate amount of (x) the Original Issue Price (as defined in the Restated Articles) applicable to each Series E Share (as appropriately adjusted for any share split, share division, share combination, share dividend or similar events), plus (y) interest on the Original Issue Price applicable to each Series E Share at a rate of fifteen percent (15%) per annum, compounded annually, from the actual issuance date of such Series E Share up to and including the date of redemption, plus (z) all declared but unpaid dividends and distributions on such Series E Share (the "**Series E Redemption Price**").

(c) Redemption Priority. In the event that any Series D Holder has elected to exercise its Series D Redemption Right pursuant to Section 10.2(a) and, prior to the payment by the Company of the aggregate Series D Redemption Price in full, any Series E Holder has elected to exercise its Series E Redemption Right pursuant to Section 10.2(b), (i) the Company shall first redeem all of the Shares requested by

such Series D Holder to be redeemed and pay to such Series D Holder the full amount of the aggregate Series D Redemption Price, and (ii) the Company may not redeem, and no Series E Holder may cause the Company to redeem, any Series E Shares unless and until payment has been made in full in respect of the aggregate Series D Redemption Price.

10.3 Additional Series E Investors. All parties hereto agree to extend the benefits of this Agreement to any Person who, in addition to the Series E Investor, also acquires Series E Shares in the transactions contemplated by the Share Purchase Agreement and has delivered a deed of accession to the Company whereby such Person undertakes to be bound by the provisions of this Agreement. From and after the date such deed of accession is delivered, such Person shall be deemed a Series E Investor and a party to this Agreement for all purposes of this Agreement.

10.4 Anti-Dilution Adjustment.

(a) All parties hereto acknowledge that (i) the anti-dilution right of the Series C Investors (the "**Series C Anti-dilution Right**") pursuant to Article 66(3)(a)(iv) of the Third Amended and Restated Articles of Association of the Company, adopted as of April 14, 2011, was triggered as a result of the Company's issuance of Series D Shares to the Series D Investor pursuant to the Series D Share Purchase Agreement, and (ii) the then effective Series C Conversion Price was adjusted by the Company to be US$4.14 as per Article 66(3)(a)(iv) of the Third Amended and Restated Articles of Association of the Company, in lieu of issuance of additional Shares to the Series C Investors, to fully satisfy the Series C Anti-dilution Right of the Series C Investors. Each Series C Investor hereby acknowledges and confirms that its Series C Anti-dilution Right has been fully and sufficiently compensated by the Company's such adjustment of the then effective Series C Conversion Price, and it will not further request to exercise any Series C Anti-dilution Right in connection with the issuance of the Series D Shares.

(b) All parties hereto acknowledge that (i) the anti-dilution right of Series C Shares held by CRP Holding Limited ("**CRP Holding**") and Series D Shares (the "**Series C/D Anti-dilution Right**") pursuant to Article 66(3)(a)(iv) of the Fourth Amended and Restated Articles of Association of the Company, dated February 6, 2012 and amended on January 29, 2014, was triggered as the result of the Company's issuance of Series E Shares to the Series E Investor pursuant to the Share Purchase Agreement, and (ii) the then effective applicable Conversion Prices with respect to Series C Shares and Series D Shares was adjusted by the Company to be US$3.64141727 (with respect to Series C Shares held by CRP Holding), and US$2.86129657 (with respect to Series D Shares) respectively, as per Article 66(3)(a)(iv) of the Fourth Amended and Restated Articles of Association of the Company, in lieu of issuance of additional Shares to CRP Holding and the Series D Investor, to fully satisfy the Series C/D Anti-dilution Right of CRP Holding and the Series D Investor (the "**Agreed Adjustment**"). Each of CRP Holding and the Series D Investor hereby acknowledges and confirms that its Series C/D Anti-dilution Right has been fully and sufficiently compensated by the Company's such adjustment of the applicable Conversion Prices, and it will not further request to exercise any Series C/D Anti-dilution Right in connection with the issuance of the Series E Shares pursuant to the Share Purchase Agreement (but excluding, for the avoidance of doubt, any issuance of Series E Shares pursuant to the warrants relating thereto).

It is noted, however, that the applicable Conversion Price with respect to Series C Shares held by CRP Holding and Series D Shares, as adjusted above, is based on the closing of the sale and issuance of the Series E Shares by the Company at a per share purchase price of US$2.81787412 for an aggregate consideration (before deducting any commission, fee or expense payable in connection therewith) of US$300 million (the "**Series E Consideration**") in two separate deals,

with the first deal of US$200 million and the Subsequent Sale (as defined in the Share Purchase Agreement) of US$100 million pursuant to the Share Purchase Agreement. The Company, CRP Holding and the Series D Investor agree that if the Subsequent Sale fails to close,

(i) the Conversion Price for Series C Shares held by CRP Holding pursuant to the Agreed Adjustment shall be adjusted to and calculated as follows: the Conversion Price for Series C Shares held by CRP Holding shall equal to the product obtained by multiplying US$4.14 (the applicable conversion price for Series C Shares held by CPR Holdings immediately before the date hereof) multiplied by a fraction, the numerator of which shall be the number of Common Shares (including Common Shares issuable upon conversion of the Preferred Shares, at the prevailing Conversion Price, however, excluding those number of Shares held by the Series D Investor to be repurchased by the Company from the Series D Investor pursuant to Section 10.6 hereof) issued and outstanding immediately prior to the Closing (as defined in the Share Purchase Agreement), plus the number of Shares that US$200 million would purchase at US$4.14 (the applicable conversion price for Series C Preferred Shares held by CPR Holdings immediately before the date hereof), and the denominator of which shall be the number of Common Shares issued and outstanding (including Common Shares issuable upon conversion of the Preferred Shares, at the prevailing Conversion Price, however, excluding those number of Shares held by the Series D Investor to be repurchased by the Company from the Series D Investor pursuant to Section 10.6 hereof) immediately prior to such Closing plus the number of Series E Shares actually issued by the Company under the Share Purchase Agreement (excluding those Series E Shares to be repurchased by the Company from the Series E Investor pursuant to Section 10.5 hereof, if applicable); and

(ii) the Conversion Price for Series D Shares pursuant to the Agreed Adjustment shall be adjusted to and calculated using the same methodology as was used in calculating the Agreed Adjustment relating to the Series D Shares, except that (i) US$200 million shall be substituted for US$300 million as the Series E Consideration, (ii) the number of Series E Shares shall be accordingly updated after the repurchase by the Company from the Series E Investor pursuant to Section 10.5 hereof, and (iii) the number of Series D Shares held by the Series D Investor shall exclude those number of Series D Shares to be repurchased by the Company from the Series D Investor pursuant to Section 10.6 hereof, wherever applicable in such adjustment and calculation.

10.5 Repurchase of Series E Shares. Only if and to the extent the Subsequent Sale fails to close, the Company has an exclusive right to elect to repurchase at par value per Series E Share, by written notice to the Series E Investor, 22,698 Series E Shares (adjusted for any share dividends, sub-division, consolidation and recapitalization) held by the Series E Investor.

10.6 Repurchase of Shares held by Primavera. All parties hereto agree that the Company shall repurchase from Primavera 469,225 Common Shares, 27,180 Series A Shares, 591,451 Series A-1 Shares, 725,237 Series B Shares and 3,808,943 Series D Shares with a total consideration of US$24,275,665.3 on or before April 1, 2014. An interest rate of 15% per annum, compounded annually, shall apply to any such consideration not paid to Primavera on or before April 15, 2014, and Primavera shall deliver duly executed counterparts of the instrument(s) of transfer in respect of all of the repurchased Shares to the Company against the full payment of the repurchase consideration by the Company.

10.7 Issuance of Primavera Warrant. It is acknowledged and agreed that the Company shall, on the date hereof, issue to Primavera a warrant to purchase Series E Shares on the terms and conditions set forth in the Primavera New Warrant (as defined in the Share Purchase Agreement).

10.8 Dual Class Voting Structure. In the event that the Company shall implement a dual class voting structure (the "**Dual Class Structure**") immediately prior to (and effective subject to) the completion of the Company's initial public offering where the existing Common Shares and Common Shares issued or issuable upon conversion of the Preferred Shares will be re-designated into two (2) different classes of common shares carrying different voting rights, then the Common Shares held by the Founder Holdcos and Common Shares issued or issuable upon conversion of the Series E Preferred Shares shall be converted and re-designated into that class of common shares carrying greater voting rights.

11. GENERAL PROVISIONS.

11.1 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit G hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in Exhibit G; or (d) three (3) Business Days after deposit with an international overnight delivery service, postage prepaid, addressed to the parties as set forth in Exhibit G with next Business Day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider. Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 11.1 by giving the other party written notice of the new address in the manner set forth above.

11.2 Entire Agreement. This Agreement, the Share Purchase Agreement and any Transaction Agreements (as defined in the Share Purchase Agreement), together with all the exhibits hereto and thereto, constitute and contain the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof. Without limiting the generality of the foregoing, this Agreement supersedes, in its entirety, the Fifth Restated Shareholders Agreement, which shall terminate and have no further force or effect whatsoever as of the date of this Agreement, and the parties hereto hereby irrevocably waive any and all rights that they may have against any other party under the Fifth Restated Shareholders Agreement in exchange for their rights hereunder.

11.3 Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the internal laws of the State of New York.

11.4 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

11.5 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their permitted successors and assigns any rights or remedies under or by reason of this Agreement.

11.6 Successors and Assigns. Subject to the provisions of Section 6.1, the provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the successors and permitted assigns of the parties hereto.

11.7 Interpretation; Captions. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe or interpret this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement.

11.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.9 Adjustments for Share Splits, Etc. Wherever in this Agreement there is a reference to a specific number of shares of Series A-1 Shares, Series A Shares, Series B Shares, Series C Shares, Series D Shares, Series E Shares or Common Shares of the Company, then, upon the occurrence of any subdivision, combination or share dividend of the Series A-1 Shares, Series A Shares, Series B Shares, Series C Shares, Series D Shares, Series E Shares or Common Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or share dividend.

11.10 Future Significant Common Holders. Except with the written consent of the holders of at least 75% of then outstanding Series E Shares, the holders of at least a majority of then outstanding Series D Shares, the holders of at least a majority of the then outstanding Series C Shares and the holders of at least a majority of then outstanding Series B Shares, each voting together as a separate class, the Company covenants that, until the completion of the initial public offering of the Company's securities, it will cause each Partner (to the extent such Partner directly holds any Common Shares) and all future holders of the Common Shares to join this Agreement as a party. The parties hereby agree that such future holders may become parties to this Agreement by executing an instrument of accession to this Agreement in a standard and

customary form reasonably satisfactory to the Company, without any amendment of this Agreement, pursuant to this Section 11.10.

11.11 Shareholders Agreement to Control. If and to the extent that there are inconsistencies between the provisions of this Agreement and those of the Restated Articles, the terms of this Agreement shall control with respect to each of the shareholders of the Company only. If appropriate, the parties agree to take all actions necessary or advisable, as promptly as practicable after the discovery of such inconsistency, to amend the Restated Articles so as to eliminate such inconsistency to the fullest extent permissible by law. Each Founder shall cause his respective holding company as set forth on Schedule B attached hereto (each, a "**Holding Company**"), which holds of record the Common Shares, to comply with the provisions of this Agreement applicable to such Holding Company as a holder of Common Shares.

11.12 Aggregation of Shares. All Series A-1 Shares, Series A Shares, Series B Shares, Series C Shares, Series D Shares, Series E Shares or Common Shares held or acquired by entities or persons which are Affiliates (as defined in Rule 405 under the Securities Act) shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

11.13 Dispute Resolution.

(a) In the event of any dispute arising out of or in connection with this Agreement, including any question regarding its breach, existence, validity, or termination ("**Dispute**"), the parties shall in good faith attempt to resolve such Dispute as soon as practicable after the complaining party provides notice of such Dispute. In the event that the Dispute is not resolved between the parties within five (5) business days after receipt of such notice, on the request of the party raising the Dispute, the Dispute shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce ("**ICC**") then in effect. There shall be three arbitrators, one nominated by the initiating party and the second nominated by the other party, each within fifteen (15) days of receipt of the request for arbitration; the third, who shall act as the chair of the arbitral tribunal, shall be nominated by the two selected arbitrators within twenty (20) days of the confirmation of the second arbitrator. If any arbitrators are not nominated within these time periods, the ICC International Court of Arbitration shall make the appointment(s). The place of arbitration shall be Hong Kong. The language of the arbitral proceedings shall be English. The arbitral tribunal shall apply the International Bar Association Rules on the Taking of Evidence in International Arbitration (2010). The arbitrators may award any relief permitted under this Agreement and applicable law; however they may not award punitive, exemplary or multiple damages. The award shall be rendered within eight (8) months from the selection of the chair of the arbitral tribunal, unless the parties agree to extend this time limit or the arbitral tribunal determines that the interest of justice so requires. The award shall be final and binding upon the parties as from the date rendered, and shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues, or accounting presented to the arbitral tribunal. This Agreement and the rights and obligations of the parties shall remain in full force and effect pending the award in any arbitration proceeding hereunder. The parties agree that any party to this Agreement shall have the right to have recourse to and shall be bound by the Pre-arbitral Referee Procedure of the ICC in accordance with its Rules for a Pre-Arbitral Referee Procedure.

(b) The parties hereto shall initially split the costs of arbitration evenly. The prevailing party in arbitration shall be entitled to recover from the other party all costs, including of arbitration, and attorneys' fees incurred in connection with the arbitration.

11.14 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach or default of any other party hereto under this Agreement, shall impair any such right, power or remedy of such former party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party hereto of any breach of default under this Agreement or any waiver on the part of any party hereto of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the parties hereto, shall be cumulative and not alternative.

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IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

COMPANY:

XUNLEI LIMITED

By: /s/ Shenglong Zou

Name: Shenglong Zou
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

BVI SUBSIDIARY:

XUNLEI NETWORK TECHNOLOGIES LIMITED

By: /s/ Shenglong Zou
Name: Shenglong Zou
Title:

HK SUBSIDIARY:

XUNLEI NETWORK TECHNOLOGIES LIMITED

By: /s/ Shenglong Zou
Name: Shenglong Zou
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

PRC SUBSIDIARIES:

XUNLEI COMPUTER (SHENZHEN) COMPANY LIMITED

By: /s/ Shenglong Zou /s/ Corporate seal
Name: Shenglong Zou
Title:

GIGANOLOGY (SHENZHEN) CO., LTD.

By: /s/ Shenglong Zou /s/ Corporate seal
Name: Shenglong Zou
Title:

SHENZHEN XUNLEI NETWORKING TECHNOLOGIES CO., LTD.

By: /s/ Shenglong Zou /s/ Corporate seal
Name: Shenglong Zou
Title:

XUNLEI GAMES DEVELOPMENT (SHENZHEN) CO., LTD.

By: /s/ /s/ Corporate seal
Name:
Title:

SHENZHEN XUNLEI KANKAN INFORMATION TECHNOLOGIES CO., LTD.

By: /s/ Wei Liu /s/ Corporate seal
Name: Wei Liu
Title:

XUNLEI NETWORKING (BEIJING) CO., LTD.

By: /s/ /s/ Corporate seal
Name:
Title:

SHENZHEN FENGDONG NETWORKING TECHNOLOGIES CO., LTD.

By: /s/ /s/ Corporate seal
Name:
Title:

XUNLEI SOFTWARE (SHENZHEN) CO., LTD.

By: /s/ Wei Liu /s/ Corporate seal
Name: Wei Liu
Title:

SHENZHEN WANGXIN TECHNOLOGIES CO., LTD.

By: /s/ /s/ Corporate seal
Name:
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

FOUNDERS:

By: /s/ Shenglong Zou
ZOU SHENGLONG

/s/ Hao Cheng
CHENG HAO

FOUNDER HOLDCOS:

VANTAGE POINT GLOBAL LIMITED

By: /s/ Shenglong Zou
Name:
Title:

ALDEN & JASMINE LIMITED

/s/ Hao Cheng
Name: Hao Cheng
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

RS HOLDCO

LEADING ADVICE HOLDINGS LIMITED

By: /s/ Shenglong Zou

Name: Shenglong Zou
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES E INVESTOR

XIAOMI VENTURES LIMITED

By: /s/ Kong Kat Wong

Name: Kong Kat Wong
Title: Director

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES D INVESTOR

SKYLINE GLOBAL COMPANY HOLDINGS LIMITED

By: /s/
Name:
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES C INVESTORS

CRP HOLDINGS LIMITED

By: /s/
Name:
Title:

KING MARKET INVESTMENT LIMITED

By: /s/ Peixin Xu
Name: Peixin Xu
Title: Director

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES B INVESTORS:

CEYUAN VENTURES I, L.P.

By: /s/
Name:
Title:

CEYUAN VENTURES ADVISORS FUND, LLC

By: /s/
Name:
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES B INVESTORS:

For and on behalf of
MORNINGSIDE TECHNOLOGY
INVESTMENTS LIMITED

By: /s/ Louise Mary Garbarino /s/ Jill Marie Franklin
Name: Louise Mary Garbarino /Jill Marie Franklin
Title: Authorize Signatures

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES A-1 INVESTORS:

For and on behalf of
MORNINGSIDE TECHNOLOGY
INVESTMENTS LIMITED

By: /s/ Louise Mary Garbarino /s/ Jill Marie Franklin
Name: Louise Mary Garbarino /Jill Marie Franklin
Title: Authorize Signatures

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES A INVESTORS:

IDG TECHNOLOGY VENTURE INVESTMENT III, L.P.

By: /s/ Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

JOINWAY INVESTMENTS LIMITED

By: /s/
Name:
Title:

BRIGHT ACCESS INTERNATIONAL LIMITED

By: /s/
Name:
Title:

SERIES B INVESTORS:

IDG Technology Venture Investment III, L.P.

By: /s/ Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

IDG Technology Venture Investment IV, L.P.

By: /s/ Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES B INVESTORS:

GOOGLE INC.

By: /s/ Donald Harrison
Name: Donald Harrison
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES B INVESTORS:

FIDELITY ASIA VENTURES FUND L.P.
By: Fidelity Asia Partners, L.P., its General Partner By: FIL Asia Ventures Limited, its General Partner

By: /s/ ALLAN PELUANG
Name: ALLAN PELUANG
Title: Director

FIDELITY ASIA PRINCIPALS FUND L.P.
By: Fidelity Asia Partners, L.P., its General Partner By: FIL Asia Ventures Limited, its General Partner

By: /s/ ALLAN PELUANG
Name: ALLAN PELUANG
Title: Director

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES B INVESTORS:

SKYLINE GLOBAL COMPANY HOLDINGS LIMITED

By: /s/

Name:
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES A-1 INVESTORS:

SKYLINE GLOBAL COMPANY HOLDINGS LIMITED

By: /s/
Name:
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES A INVESTORS:

SKYLINE GLOBAL COMPANY HOLDINGS LIMITED

By: /s/
Name:
Title:

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

COMMON SHARE INVESTORS:

SKYLINE GLOBAL COMPANY HOLDINGS LIMITED

By: /s/
Name:
Title:

SCHEDULE A

PRC SUBSIDIARIES

1. Thunder Computer (Shenzhen) Limited, a wholly foreign-owned enterprise incorporated under the laws of the People's Republic of China ("**Xunlei Computer**").
2. Giganology (Shenzhen) Limited, a wholly foreign-owned enterprise incorporated under the laws of the People's Republic of China ("**Giganology Shenzhen**", together with Xunlei Computer, each, a "**WFOE**").
3. Shenzhen Xunlei Networking Technologies Ltd., a limited liability company organized under the laws of the PRC ("**Shenzhen Xunlei**").
4. Xunlei Software (Shenzhen) Co., Ltd., a limited liability company organized under the laws of the PRC.

5. Xunlei Games Development (Shenzhen) Co., Ltd., a limited liability company organized under the laws of the PRC.

6. Shenzhen Xunlei Kankan Information Technologies Co., Ltd., a limited liability company organized under the laws of the PRC.

7. Shenzhen Fengdong Networking Technologies Co., Ltd., a limited liability company organized under the laws of the PRC.

8. Xunlei Networking (Beijing) Co., Ltd., a limited liability company organized under the laws of the PRC.

9. Shenzhen Wangxin Science and Technology Co., Ltd., a limited liability company organized under the laws of the PRC (the companies referenced in item (3) through (10), collectively the "**Domestic Companies**"; and each, a "**Domestic Company**").

SCHEDULE B

FOUNDERS' HOLDINGS

Founder	PRC ID Number	Founder Holdco	Founder's Ownership Percentage in Common Holder
Sean Shenglong Zou	***	Vantage Point Global Limited (a British Virgin Islands company)	100 %
Hao Cheng	***	Aiden & Jasmine Limited (a British Virgin Islands company)	100 %

EXHIBIT A

Schedule of Series A Investors

IDG Technology Venture Investment III, L.P.

Joinway Investments Limited

Bright Access International Limited

Skyline Global Company Holdings Limited

EXHIBIT B

Schedule of Series A-1 Investors

Morningside Technology Investments Limited

Skyline Global Company Holdings Limited

EXHIBIT C

Schedule of Series B Investors

Ceyuan Ventures I, L.P.

Ceyuan Ventures Advisors Fund, LLC

Morningside Technology Investments Limited

IDG Technology Venture Investment III, L.P.

IDG Technology Venture Investment IV, L.P.

Google Inc.

FIDELITY ASIA VENTURES FUND L.P.

FIDELITY ASIA PRINCIPALS FUND L.P.

Skyline Global Company Holdings Limited

EXHIBIT D

Schedule of Series C Investors

King Market Investment Limited

CRP Holdings Limited

EXHIBIT E

Schedule of Series D Investor

Skyline Global Company Holdings Limited

EXHIBIT F

EXHIBIT G

Notices

TO THE GROUP COMPANIES:

4/F, Hans Innovation Mansion
North Ring Road, No. 9018 High-Tech Park, Nanshan District
Shenzhen, the PRC
Fax: (86 755) 3391 2909
Attention: Mr. Zou Shenglong

TO IDG TECHNOLOGY VENTURE INVESTMENT III, L.P. and IDG TECHNOLOGY VENTURE INVESTMENT IV, L.P.:

c/o Suite 2815
Wuyang Xingcheng Square, No. 111-115,
Shi You Xing Ma Road,
Guangzhou, the PRC
Fax: (86 20)8700 7035
Attention: YAN Fei

TO JOINWAY INVESTMENTS LIMITED:
c/o Ms Grace Young Rm 3713, The Center
99 Queen's Road Central Hong Kong
Fax: (852) 2523 9382
Attention: Ms Grace Young

TO BRIGHT ACCESS INTERNATIONAL LIMITED:
Suite 301, Block 22, Fulian Garden, Shenzhen, the PRC
Fax : (86 755) 2699 3074
Attention: Wang Fang

TO MORNINGSIDE TECHNOLOGY INVESTMENTS LIMITED:
c/o MTI Secretarial Services Limited,
22nd Floor, Hang Lung Centre, 2-20 Paterson Street,
Causeway Bay, Hong Kong
Fax: (852) 2577 3509 Attention: George Chang

TO CEYUAN VENTURES I, L.P. and CEYUAN VENTURES ADVISORS FUND, LLC:
Maples Corporate Services Limited,
Ugland House,
P.O. Box 309,
Grand Cayman, KY1-1104, Cayman Islands

With a copy to:

No. 1 Exhibition Hall, 2F of Lobby, Poly Plaza,
14 Dongzhimen South Avenue, Dongcheng District,
Beijing, 100027, the P.R.C.
Telephone: 86-10-8402-8800
Fax: 86-10-8402-0999
Attention: Ms. Yuan Chen

TO GOOGLE INC.:
1600 Amphitheatre Parkway
Mountain View, California 94043,
USA Fax: +1 (650) 618-1806
Attention: General Counsel

with a copy to:

Google Inc.
1600 Amphitheatre Parkway
Mountain View, California 94043, USA
Fax: +1 (650) 649-1920
Attention: Donald Harrison, Senior Counsel

TO FIDELITY ASIA VENTURES FUND L.P. and FIDELITY ASIA PRINCIPALS FUND L.P.:

FIL Capital Management (Hong Kong) Limited
Suite 2201, Level 22, Two Pacific Place
88 Queensway, Admiralty
Hong Kong

TO King Market Investment Limited:

The address, telephone, fax, and email that is on file with the Company, as such information may be amended from time to time by such investor

TO CRP Holdings Limited:

The address, telephone, fax, and email that is on file with the Company, as such information may be amended from time to time by such investor

TO SKYLINE GLOBAL COMPANY HOLDINGS LIMITED:
Suite 5801, Two International Finance Centre
8 Finance Street, Central, Hong Kong
Fax: +852 3767 5001
Attention: Stephen Zhang

TO XIAOMI VENTURES LIMITED:

68 Qinghe Middle Street WuCaiCheng Office Building, 12th floor,
Haidian District, Beijing, China
Fax: +86 (10) 6060 6666-1101
Attention: ZHANG Jinling

TO THE FOUNDERS AND FOUNDER HOLDCOS:

do Shenzhen Xunlei Networking Technologies Co Ltd
4/F, Hans Innovation Mansion
North Ring Road, No.9018 High-Tech Park, Nanshan District
Shenzhen, the PRC
Fax: (86 755) 3391 2909

TO RS HOLDCO:

c/o Shenzhen Xunlei Networking Technologies Co Ltd
4/F, Hans Innovation Mansion
North Ring Road, No.9018 High-Tech Park, Nanshan District
Shenzhen, the PRC
Fax: (86 755) 3391 2909

EXHIBIT H

FORM OF INDEMNIFICATION AGREEMENT

EXHIBIT I

FIVE-YEAR BUSINESS PLAN AND FORECAST

Exhibit 10.5

This is a translation of the original text in Chinese

Business Operation Agreement

This BUSINESS OPERATION AGREEMENT (this "Agreement"), dated November 15, 2006, is made in Shenzhen by and between:

Party A: Giganology (Shenzhen) Ltd.

Legal Address: 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC;

And

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

Legal Address: 11th Floor East, Shuguang Plaza, Ke Ji Nan Shi Er Road, Nanshan District, Shenzhen, Guangdong, PRC

And

Party C:

(1) Zou Shenglong, PRC resident ID number ####, with home address located at ####;

(2) Cheng Hao, PRC resident ID number ####, with home address located at ####;

(3) Wang Fang, PRC resident ID number ####, with home address located at ####;

(4) Shi Jianming, PRC resident ID number ####, with home address located at ####; and

(5) Guangzhou Shulian Information Investment Co., Ltd., business license No. ####, with registered address located at Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC.

(Collectively, the "Parties")

WHEREAS:

1. Party A is a duly registered and established wholly foreign owned enterprise in the People's Republic of China (the "PRC");

2. Party B is a limited liability company registered and established in the PRC;

3. Party A and Party B has established a business cooperation relationship by entering into the Software and Proprietary Technology License Agreement, Exclusive Technical Support and Services Agreement, Exclusive Technology Consulting and Training Agreement, Supplemental Agreement to Exclusive Technology Support and Services Agreement, and Supplemental Agreement to Exclusive Technology Consulting and Training Agreement; Party B will make certain payments to Party A under the above mentioned agreements. Therefore, the daily business operation of Party B will substantially affect its ability to pay to Party A.

4. The individuals of Party C are Party B's shareholder ("Shareholders"), which jointly hold 100% equity interests of Party B.

NOW, THEREFORE, the Parties agree and intend to be bound as follows through friendly negotiations and in accordance with the principles of equality and mutual benefit:

1. Obligations of Omission

In order to ensure Party B's performance of all the aforesaid agreements entered into by it with Party A as well as Party B's performance of all of its obligations thereunder, the Shareholders hereby confirm and agree that, unless consented by Party A, Party A's parent company, or any other designated parties in advance, Party B will not conduct any transaction which might substantially affect Party B's assets, business, employees, obligations, rights or operation, including with limitation:

1.1 to conduct any activity beyond the company's business scope, or to conduct the business in a way different from the past adopted ways or normal ways operating business;

1.2 to borrow money from any third party, or become liable for any third party;

1.3 to change or fire any director of the company, or replace any senior management of the company;

1.4 to sell to or buy from any third party, or dispose of in any other way, any asset or right in a value above Renminbi Two Hundred Thousand Yuan (RMB200,000), including without limitation any intellectual property;

1.5 to provide to any third party, any guaranty by means of its assets or intellectual property, or any other guaranty in any other form, or create any other encumbrances over its assets;

1.6 to amend the articles of association of the company, or change the business scope of the company;

1.7 to change the company's normal operation procedure, or amend any major internal rules or systems of the company;

1.8 to assign any of its rights or obligations hereunder to any third party;

1.9 to make major change to its business operation model, marketing strategy, operation plan or client relationship; or

1.10 to conduct any distribution of dividends or bonuses.

2. Operation Management and Human Resources Management

2.1 Party B and the Shareholders hereby agree to accept the suggestions that Party A may from time to time make, regarding Party B's employee recruitment and dismissal, daily corporate operation and management, and financial management system, to be strictly complied with by Party B.

2.2 Party B and the Shareholders hereby agree that, the Shareholders will, in accordance the procedures provided by laws, regulations, and the articles of association of Party B, elect the persons nominated by Party A as Party B's directors and cause such directors to elect the person nominated by Party A as the Chairman of the Board of Directors, and appoint the persons nominated by Party A to serve the posts of Party B's general manger, financial director or other senior management positions.

2.3 In the event that any of above mentioned directors or senior management nominated by Party A resigns from Party A, voluntarily or dismissed by Party A, such person will immediately lose the qualification to serve any post at Party B. In this circumstance, the Shareholders will immediately dismiss such person from the post severed by him or her at Party B, and elect and engage any other person nominated by Party A to serve such vacant post at Party B.

2.4 For the purpose of the above Article 2.3, the Shareholders will take all necessary internal and external corporate procedures to complete the above voting rights of such shareholders dismissal and engagement procedures pursuant to laws, the articles of association of the company, and this Agreement.

2.5 The Shareholders agree to additionally sign a Letter of Authorization substantially similar to the Schedule A hereto at the execution of this Agreement, in accordance with which, the Shareholders will irrevocably authorize the person nominated by Party A to exercise the rights of Shareholders on behalf of the Shareholders, and to exercise, in the name of the shareholders, all the Shareholder, at the Shareholders Meeting of Party B. The Shareholders further agree that they will replace the authorized person specified in the above Letter of Authorization from time to time according to Party A's requirement.

3. Others

3.1 In the event that any agreement by and between Party A and Party B terminates or expires, Party A shall be entitled to decide whether to terminate all the agreements by and between Party A and Party B, including without limitation the Technical Consulting and Support Contract.

3.2 Considering that Party A and Party B have already established business cooperation by signing agreements including the technical development contract, Party B's daily business operation activities will substantially affect its ability to pay Party A. The Shareholders agree that, if they receive any bonuses or dividends distributed by Party B, or any other earnings or benefits from Party B (in whatever form) as Party B's shareholders, then, the Shareholders shall unconditionally pay or transfer at no charge to Party A all the earnings or benefits received from Party B, and provide all the documents and take all the actions required by Party A for realization of such payment or transfer of the above-mentioned earnings or benefits.

4. Integrity and Amendment

4.1 This Agreement, all the other agreements and/or documents referred to herein and all the agreements and/or documents expressly contemplated herein constitute the whole agreement reached by the Parties with respect to the subject matter of this Agreement, and replace all preceding oral and written agreements, contracts, memorandums of understanding and communications among the Parties regarding the subject matter of this Agreement.

4.2 No amendment to this Agreement shall become effective unless signed by the Parties in writing. Any amendment or supplemental to this Agreement duly signed by the Parties is an integral part of this Agreement, and shall have the same legal effect with this Agreement.

5. Governing Law

The execution, validity, performance of this Agreement and the resolution of dispute in connection with this Agreement shall be governed by and interpreted in accordance with PRC laws.

6. Dispute Resolution

6.1 Any dispute arising from the execution, performance, termination or validity of this Agreement or in connection with this Agreement shall be resolved by the Parties through friendly negotiations and, if negations fail, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding. There will be one arbitrator who shall be

appointed by the CIETAC South China Sub-commission according to above mentioned rules and proceeding. The arbitral award is final and binding upon the Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party.

6.2 Each Party shall continue the performance of its obligations hereunder with good faith pursuant to this Agreement, unless it is disputed among the Parties.

7. Notice

All the notices given by each Party for purpose of performance its rights or obligations hereunder shall be made in writing, and shall be delivered to the addresses of related Party or other Parties specified below in person, by registered mail, pre-paid post, recognized courier, or facsimile.

Party A: Giganology (Shenzhen) Ltd.

Address: 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC

Facsimile: 0755-26996974

Telephone: 0755-26996887

Attention: Zou Shenglong

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

Address: 11th Floor East, Shuguang Plaza, Ke Ji Nan Shi Er Road, Nanshan District, Shenzhen, Guangdong, PRC

Facsimile: 0755-26993074

Telephone: 0755-26993076

Attention: Zou Shenglong

Party C:

(1) Zou Shenglong

Address: ####

Facsimile: ####

Telephone: ####

(2) Cheng Hao

Address: ####

Facsimile: ####

Telephone: ####

(3) Wang Fang

Address: ####

Facsimile: ####

Telephone: ####

(4) Shi Jianming

Address: ####

Facsimile: ####

Telephone: ####

(5) Guangzhou Shulian Information Investment Co., Ltd.

Address: Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC

Facsimile: 020-38295235

Telephone: 020-38295116

8. Effectiveness, Term and Others

8.1 Any written consent, suggestion or appointment or any decision which may have major impact on Party B's daily operation that is made by Party A and referenced herein, shall be made by the Board of Directors of Party A.

8.2 This Agreement is signed by the Parties and becomes effective on the date first above written. The term of this Agreement is ten (10) years after becoming effective, unless Party A early terminates this Agreement. In the event that before this Agreement expires Party A intends to renew this Agreement, then the Parties shall extend the term of this Agreement according to Party A's requirement, and additionally sign another business operation agreement or continue to perform this Agreement according to Party A's requirement.

8.3 Throughout the term hereof, neither Party B nor the Shareholders may early terminate this Agreement. Party A has the right to terminate this Agreement at any time by giving a thirty(30)-day written notice to Party B and the Shareholders.

8.4 The Parties hereby acknowledges that, this Agreement is reached by the Parties according to the principle of equality and mutual benefit on a fair and reasonable basis. If any term or provision herein becomes illegal or unenforceable due to the governing law, then such term or provision shall be deemed to have been deleted from this Agreement and become invalid, however provided that, the remaining terms herein still remain valid, and the above mentioned term or provision shall be deemed not contemplated in this Agreement from the conclusion hereof. The Parties shall replace the deleted terms with legal and valid terms which are acceptable to all the Parties through negotiations.

8.5 Any failure or delay to exercise any of its rights, power, or privileges under this Agreement by either Party will not operate as its waiver of such right, power or privilege. Single or partial exercise of any right, power or privilege by either Party shall not exclude its exercise of any other rights, power or privileges.

8.6 The Parties signed a Equity Interests Disposal Agreement, which becomes effective as of the effectiveness of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

[Execution page of this Business Operation Agreement]

Party A: Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Party C:

By: /s/ Zou Shenglong

(Signature/Seal)

By: /s/ Cheng Hao

(Signature/Seal)

By: /s/ Wang Fang

(Signature/Seal)

By: /s/ Shi Jianming

(Signature/Seal)

Guangzhou Shulian Information Investment Co., Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Supplemental Agreement to the Business Operation Agreement

This supplemental agreement to the business operation agreement (this "**Supplemental Agreement**"), dated March 1, 2012, is made in Shenzhen by and among:

Party A: Giganology (Shenzhen) Ltd.

Legal Address: Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.;

And

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

Legal Address: 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

And

Party C:

(1) **Zou Shenglong** ("Party A"), PRC resident ID number ####, with home address located at ####;

(2) **Cheng Hao** ("Party B"), PRC resident ID number ####, with home address located at ####;

(3) **Wang Fang** ("Party C"), PRC resident ID number ####, with home address located at ####;

(4) **Shi Jianming** ("Party D"), PRC resident ID number ####, with home address located at ####;

(5) **Guangzhou Shulian Information Investment Co., Ltd.** ("Party E"), business license No. ####, with registered address located at Room A226, Chuangshi Building, No. 329 Qingnian Road, Guanghzou Economy & Technology Development Zone, Guangdong, PRC;

(Collectively, the "**Parties**")

WHEREAS:

1. Party A is a duly registered and established wholly foreign owned enterprise in the People's Republic of China (the "**PRC**");

2. Party B is a limited liability company registered and established in the PRC; Party C are the shareholders of Party B (the "**Shareholders**"), holding 100% shares of Party B.

3. The Parties have entered into a Business Operation Agreement on November 15, 2006 (the "**Original Business Operation Agreement**").

4. The Parties through friendly negotiation and based on the principle of equality and mutual benefit, agree to enter into this Supplemental Agreement to amend and supplement the Original Business Operation Agreement.

The Parties hereby agree:

1. Adding Section "Performance Guarantee" to the Original Business Operation Agreement:

   "(1) Party A and Party B agree, provided thatParty B satisfies the relevant provisions under this Agreement, Party A is entitled but not obliged to be the guarantor for Party B's performance providing full guarantee for Party B's performance under the agreements, contracts or transactions entered into between Party B and any other third party in relation to Party B's business operation. As counter guarantee, upon Party A's request, Party B agree to mortgage/charge the account receivables in connection with its business operation and all its corporate assets in favor of Party A. According to the above performance guarantee arrangement, when it is required, Party A is entitled (but not obliged) to enter into written guarantee agreement(s) with counter part(ies) in the capacity of Party B's performance guarantor .

   (2) Party B and its Shareholders hereby agree and confirm, if Part B needs any performance guarantee or a guarantee for any working capital loans, Party B will first seek Party A as its guarantor. Party A is entitled but not obliged to provide Party B appropriate guarantee based on its sole discretion. If Party A decides not to provide such guarantee, Party B may seek guarantee from other third party as permitted by Party A."

2. This Supplemental Agreement becomes effective upon its execution by the Parties. This Supplemental Agreement is a supplement to the provisions in the Original Business Operation Agreement and shall have the same legal effect as the Original Business Operation Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Business Operation

Agreement.

3. This Supplemental Agreement is executed in Chinese in seven (7) counterparts with the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

[Signature page to the Supplemental Agreement to the Business Operation Agreement]

Party A: Giganology (Shenzhen) Ltd.

/s Zou Shenglong
Legal/Authorized representative (Signature and Seal):
[Affixed with company seal]

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

/s Zou Shenglong
Legal/Authorized representative (Signature and Seal):
[Affixed with company seal]

Party C:

Zou Shenglong
Signature/Seal: /s/ Zou Shenglong

Cheng Hao
Signature/Seal: /s/ Cheng Hao

Wang Fang
Signature/Seal:: /s/ Wang Fang

Shi Jianming
Signature/Seal: /s/ Shi Jianming

Guangzhou Shulian Information Investment Co., Ltd.

/s/

Legal/Authorized representative (Signature and Seal):
[Affixed with company seal]

Exhibit 10.6

This is a translation of the original text in Chinese

Equity Pledge Agreement

This EQUITY PLEDGE AGREEMENT (this "Contract"), dated November 15, 2006, is made in Shenzhen by and between:

(1) Zou Shenglong ("Party A"), PRC resident ID number ####, with home address located at ####

(2) Cheng Hao ("Party B"), PRC resident ID number ####, with home address located at ####

(3) Wang Fang ("Party C"), PRC resident ID number ####, with home address located at ####

(4) Shi Jianming ("Party D"), PRC resident ID number ####, with home address located at ####

(5) Guangzhou Shulian Information Investment Co., Ltd. ("Party E"), business license No. ####, with registered address located at Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC; and

(6) Giganology (Shenzhen) Ltd.("Giganology"), a wholly foreign owned enterprise established under laws of the PRC, with registered address located at 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the "Parties")

WHEREAS

(A) Shenzhen Xunlei Networking Technologies Co., Ltd. ("Shenzhen Xunlei"), a limited liability company established and existing under laws of the PRC, with registered address located at 11th Floor East, Shuguang Plaza, Ke Ji Nan Shi Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

(B) Party A, Party B, Party C, Party D and Party E (collectively "Existing Shareholders") are existing shareholders of Shenzhen Xunlei. The percentage of the contribution of each Existing Shareholder to the registered capital of Shenzhen Xunlei is listed in the Schedule I hereto.

(C) Giganology and the Existing Shareholders entered into an Equity Pledge Agreement on December 25, 2005, which was amended by a supplemental agreement dated March 21, 2006 (collectively the "Original Equity Pledge Agreement").

(D) Giganology, Shenzhen Xunlei and the Existing Shareholders entered into the agreements listed in the Schedule II hereto respectively on September 16, 2005 and November 15, 2006 (collectively the "Reorganization Contracts").

(E) The Parties hereby agree to enter into this Contract to amend and replace the Original Equity Pledge Agreement.

NOW, THEREFORE, the Parties agree as follows:

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1. DEFINITIONS

The following terms shall have the meanings given below unless otherwise specified herein:

1.1 "Pledgee" means Giganology;

1.2 "Pledgors" means the Existing Shareholders including Party A, Party B, Party C, Party D and Party E; or anyone of the Existing Shareholders according to the context;

1.3 "PRC" means the People's Republic of China, excluding Hong Kong, Macau Special Administrative Regions and Taiwan for purpose of this Contract;

1.4 "Pledged Equity" means all the interests held by the Pledgor in the registered capital of Shenzhen Xunlei, including without limitation the capital contribution made by the Pledgor to Shenzhen Xunlei, the dividends, profits or any other distributions distributed by Shenzhen Xunlei to the Pledgor, and any amount payable by Shenzhen Xunlei to the Pledgor as of the liquidation and dissolution of Shenzhen Xunlei.

2. PLEDGE AND SCOPE OF GUARANTY

2.1 The Pledgors hereby pledge all the rights, interests and benefits (no matter being existing or future) held by them with respect to the Pledged Equity to the Pledgee, as a continuing guaranty for the sufficient and timely performance of all the obligations under the Reorganization Contracts ("Secured Liabilities") by Shenzhen Xunlei and the Existing Shareholders.

2.2 The scope of guaranty hereunder includes any amount, liquidated damages, indemnity, and any fee for realization of principal creditor's rights and pledge right payable by Shenzhen Xunlei and/or the Existing Shareholders to the Pledgee under the master contract.

3. GUARANTY REGARDING NO-MORTGAGE

The Pledgors hereby jointly and severally guarantee to the Pledgee that, unless otherwise consented by the Pledgee in writing, the Pledgors will not

(1) transfer or attempt to transfer, assign, or dispose of in any other way, any interests held by the Pledgors with respect to the Pledged Equity; or

(2) create or agree to create over, or allow the existence of, any trust or secured interests related to, the Pledged Equity.

4. RELEASE

In the event that all the Secured Liabilities have been performed in accordance with the Reorganization Contracts, the pledge created hereunder shall be immediately released.

5. REGISTRATION

The Pledgors shall record the registration of pledge on the register of shareholders of Shenzhen Xunlei and provide corresponding certificate for completion of such pledge registration to the Pledgee on the date hereof.

6. ADDITIONAL CAPITAL CONTRIBUTION

If the Pledgors make additional capital injection into, or increase the holding of any part of, the registered capital of Shenzhen Xunlei following the execution of this Contract, the

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additionally injected capital or newly held part of the registered capital shall be governed by this Contract. The Pledgors shall at the Pledgee's request immediately sign an amendment or supplemental to this Contract to the satisfaction of the Pledgee with respect to the additional capital injection or new holding of any part of the registered capital, submit such signed amendment or supplemental agreement to Shenzhen Industry and Commerce Bureau for related registration and record, and provide to the Pledgee with corresponding certificates for the completion of such registration and record formalities.

7. REPRESENTATIONS AND WARRANTIES

7.1 Each Party hereby represents and undertakes to the other Parties that, it owns all required power and authorities for the execution and performance of this Contract, all the authorized representatives signing on this Contract have the full power to sign this Contract pursuant to valid authorization letter, or have been fully authorized by the board of directors to sign this Contract, and all the terms herein constitute effective and biding obligations of it.

7.2 The Pledgors hereby represent and undertake to the Pledgee:

(1) the Pledgors are the sole legitimate and beneficiary owner of the Pledged Equity;

(2) there is no any other secured interests with respect to the Pledged Equity as of the execution hereof;

(3) neither Pledgor will dispose of the Pledged Equity in any way without the written consent of the Pledgee;

(4) without the written consent of the Pledgee, the Pledgors will not grant the consent regarding the merger or consolidation between Shenzhen Xunlei and any other company or entity, or the reorganization in any form of Shenzhen Xunlei; and

(5) the Plegors will not take any action which may have major adverse effect on the Pledged Equity.

7.3 The Pledgors hereby further represent and undertake to the Pledgee that, they will take any action or sign any document reasonably required by the Pledgee for consummation of the guaranty hereunder.

8. EXERCISE OF PLEDGE RIGHT

8.1 The Pledgors agree that, under the following circumstances the Pledgee may exercise the pledge right hereunder in accordance with this Article 8:

(1) where Shenzhen Xunlei and/or the Existing Shareholders fail to perform related obligations under the Reorganization Contracts, and further fail to cure such default within thirty (30) days following the service of a written notice by the Pledgee, except for the circumstance specified in paragraph (3) of this Article 8;

(2) where the business or major operation strategy of Shenzhen Xunlei has adverse effect on the company's operation, or, the Pledgee reasonably believes that certain behavior of Shenzhen Xunlei will have material adverse effect on the Pledgee, and Shenzhen Xunlei fails to cure such behavior within thirty (30) days after the service of a written notice by the Pledgee; or

(3) where Shenzhen Xunlei and/or the Existing Shareholders have materially violated the requirements under the Reorganization Contracts, which has constituted a material breach of contract.

8.2 Where any circumstance listed in above Article 8.1 occurs with Shenzhen Xunlei and/or the Existing Shareholders, the Pledgee may immediately exercise the Pledged Equity after giving the Pledgors a written notice, and the Pledgors shall provide cooperation and take any necessary action or sign any necessary document reasonably required by the Pledgee.

8.3 Before the Pledgee exercises the Pledged Equity, it has the right to exercise the voting right and any other rights and power associated with the Pledged Equity, without breaching this Contract and the Reorganization Contracts.

9. NO RELEASE

The obligations of the Pledgors hereunder shall not be released or impaired for the following reasons:

(1) the invalidity, unenforceability or other defects of the Reorganization Contracts;

(2) any amendment or change to the Reorganization Contracts; or

(3) any liquidation, dissolution, restructure or reorganization, or any change to the legal person capacity of Shenzhen Xunlei, the Pledgors or any other person.

10. EFFECTIVENESS

The pledge guaranty hereunder becomes effective on the day on which the registration mentioned in the Article 5 hereof is completed.

11. COSTS AND EXPENSES

The Pledgors shall bear all the taxes in relation to the establishment and consummation of the guaranty hereunder.

12. INTEGRITY

This Contract constitutes the entire agreement reached by the Parties with respect to the subject matter of this Contract, and replaces and terminates all the preceding oral and written discussions, negotiations, notices, memorandums of understanding, documents, and agreements among the Parties regarding the subject matter of this Contract. The Parties agree that this Contract should not be amended unless being consented by the Parties in writing.

13. ASSIGNMENT

13.1 Unless expressly otherwise provided in this Contract, none of the Pledgors is allowed to assign any of its rights and obligations hereunder to any third party without the writing consent by the Pledgee. Any intension to affect the transfer of any right, obligation, or liability hereunder is invalid without the above mentioned consent.

13.2 Party B may at any time assign all or any of its rights and obligations under the Reorganization Contracts to any other person designated by it (a natural person/legal person). Under such circumstance, the assignee shall enjoy and assume the rights and obligations of Party B under this Contract, as if such rights and obligations are enjoyed and assumed by the assignee as a party to this Contract. When Party B assigns its rights and obligations under the Reorganization Contracts, Party A shall at Party B's request sign related agreements and/or documents for purpose of such assignment.

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14. FURTHER WARRANTIES

Each Party hereto shall sign, and take all necessary measures within its scope of power to cause any other persons, companies or subsidiaries (if necessary) to sign, any further document, agreement and deed, and take any other act, necessary for making all the terms of this Contract fully effective.

15. SEVERABILITY AND ENFORCEABILITY

15.1 If one or multiple terms hereof is announced (officially or unofficially) or determined by any competent authority to be illegal or invalid, or becomes unenforceable in accordance with any applicable law in any jurisdiction, then,

(1) such term shall be deemed to be isolated from the remaining terms hereof, and the remaining terms hereof continue to be valid;

(2) without prejudice to the capacity of filing claim before competent authorities, such invalid or unenforceable terms shall be eliminated from this Contract, provided that, if such eliminated terms have substantially affected or changed the commercial basis of this Contract, the Parties shall faithfully agree to replace such invalid or unenforceable terms with new terms. The newly added terms shall be valid and enforceable, and shall be able to express the meanings which the original invalid and unenforceable terms are trying to express.

15.2 If any applicable law fully or partially prohibits or limits the performance of this Contract, or in any way affect the performance by any Party hereto of its rights hereunder, then the Parties agree they will sign an additional agreement including commercial terms similar to those herein, to ensure the full performance of rights and obligations hereunder.

16. NOTICES

16.1 Any notice given by one Party to the other Parties shall be delivered in person, by facsimile, prepaid registered mail, or publicly recognized courier to the following addresses or facsimile numbers, which may be changed from time to time. The initial address and facsimile number of each Party are set forth as follows:

Party A: Zou Shenglong

Facsimile: ####

Address: ####

Party B: Cheng Hao

Facsimile: ####

Address: ####

Party C: Wang Fang

Address: ####

Facsimile: ####

Party D: Shi Jianming

Facsimile: ####

Address: ####

Party E: Guangzhou Shulian Information Investment Co., Ltd.

Facsimile: 020-38295235

Address: Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC

Giganology (Shenzhen) Ltd.

Facsimile: 0755-26996974

Address: 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC

Telephone: 0755-26996887

Attention: Zou Shenglong

16.2 Any such notice or communication is deemed given when:

(1) when delivered if in person; or

(2) on the fifth (5th) business day after being posted if by prepaid mail,; or

(3) if delivered by facsimile, when the sender receives the facsimile report, showing such notice or communication has been entirely sent to the receiver's facsimile machine or any other similar receiving machine; or

(4) on the third (3rd) business day after the courier receives the notice or communications.

For purpose of evidencing certain notices or communications have been given, the sending Party needs to prove that such notices or communications have been delivered in person, or the envelope embedded with such notices or communications have been correctly put address on and posted as prepaid mail, or the facsimile report shows that the facsimile has been successfully transmitted, or the package with such notices or communications in has been correctly specified address and delivered to courier.

17. WAIVER

Any failure or delay to exercise any of its rights or remedies under this Contract by either Party will not operate as its waiver of such right or remedy. Single or partial exercise of any right or remedy by either Party shall not exclude its exercise of any other rights or remedies. The rights described hereunder is accumulative, and does not exclude the rights or remedies provided by laws.

18. GOVERNING LAW AND JURISDICTION

18.1 This Contract is governed by and interpreted in accordance with laws of the PRC.

18.2 Any dispute arising from the execution, performance, termination or validity of this Contract or in connection with this Contract shall be resolved by both Parties through friendly negotiations and, if negations fail, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding. The arbitration shall be conducted in Shenzhen. There will be one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to above mentioned rules and proceeding. The arbitral award is final and binding upon the Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party. During the period from the submission of dispute for arbitration to the rendering of arbitral award, both Parties shall continue to perform their obligations hereunder without prejudice to the final judgment made based on the aforesaid arbitral award.

19. COUNTERPART

This Contract may be signed in multiple counterparts. Each singed counterpart shall be deemed as a original copy of this Contract. All the counterparts constitute identical legal documents.

20. MISCELLANEOUS

20.1 This Contract is written in Chinese in seven (7) original copies with same legal effect, each Party holding one (1) copy. Shenzhen Xunlei holds one (1) copy for record.

20.2 All the issues not contemplated herein shall be determined by the Parties through negotiations.

IN WITNESS WHEREOF, the Parties have executed this Contract as of the day and year first above written.

Party A: Zou Shenglong

By: /s/ Zou Shenglong

(Signature/Seal)

Party B: Cheng Hao

By: /s/ Cheng Hao

(Signature/Seal)

Party C: Wang Fang

By: /s/ Wang Fang

(Signature/Seal)

Party D: Shi Jianming

By: /s/ Shi Jianming

(Signature/Seal)

Party E: Guangzhou Shulian Information Investment Co., Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Pledgee: Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Schedule I

Register of Shareholders of Shenzhen Xunlei Networking Technologies Co., Ltd.

	Shareholder's Name	Shareholding Percentage	Remark
1	Zou Shenglong	28%	Has been pledged to Giganology in accordance with the Original Equity Pledge Agreement.
2	Cheng Hao	25%	Has been pledged to Giganology in accordance with the Original Equity Pledge Agreement.
3	Wang Fang	2%	Has been pledged to Giganology in accordance with the Original Equity Pledge Agreement.
4	Shi Jianming	25%	Has been pledged to Giganology in accordance with the Original Equity Pledge Agreement.
5	Guangzhou Shulian Information Investment Co., Ltd.	20%	Has been pledged to Giganology in accordance with the Original Equity Pledge Agreement.

Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Zou Shenglong

Title: Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Schedule II

List of Reorganization Contracts

Contractual Parties	Name of Contract	Execution Date of Contract
Giganology and Shenzhen Xunlei	Software and Proprietary Technology License Agreement	November 15, 2006
Giganology and Shenzhen Xunlei	Exclusive Technology Support and Services Agreement	September 16, 2005
	Supplemental Agreement to Exclusive Technology Support and Services Agreement	November 15, 2006
Giganology and Shenzhen Xunlei	Exclusive Technology Consulting and Training Agreement	September 16, 2005
	Supplemental Agreement to Exclusive Technology Consulting and Training Agreement	November 15, 2006
Giganology, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, and Guangzhou Shulian Information Investment Co., Ltd.	Business Operation Agreement	November 15, 2006
Giganology, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, Guangzhou Shulian Information Investment Co., Ltd., and Shenzhen Xunlei	Equity Interests Disposal Agreement	November 15, 2006
Giganology and Shenzhen Xunlei	Trademark and Domain Name Purchase Option Agreement	November 15, 2006

Supplemental Agreement to Equity Pledge Agreement

This SUPPLEMENTAAL AGREEMENT TO EQUITY PLEDGE AGREEMENT (the "Supplemental Agreement"), dated May 10, 2011, is made in Shenzhen by and between:

(1) Zou Shenglong ("Party A"), a PRC resident with ID number ####;

(2) Cheng Hao ("Party B"), a PRC resident with ID number ####;

(3) Shi Jianming ("Party D"), a PRC resident with ID number ####;

(4) Guangzhou Shulian Information Investment Co., Ltd. ("Party D"), a domestic limited liability company established under laws of the PRC with registered address located at Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC;

(5) Wang Fang (“Party E”), a PRC resident with ID number ####; and

(6) Giganology (Shenzhen) Ltd.(“Giganology”), a wholly foreign owned enterprise established and existing under laws of the PRC, with registered address located at Room 802, 11th Building, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the “Parties”.)

WHEREAS

(A) Parties A, B, C, D and E entered into the Equity Pledge Agreement (the “Equity Pledge Agreement”) on November 15, 2006.

(B) The registered share capital of Shenzhen Xunlei Network Technologies Co., Ltd. (“Shenzhen Xunlei”) increased from RMB 10,000,000 to RMB 30,000,000. The increased RMB 20,000,000 was subscribed by Party A.

(E) Through friendly negotiation, according to the principles of equality and reciprocity, the Parties hereby agree to enter into this Supplemental Agreement to amend and supplement the Equity Pledge Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. The Schedule I to the Equity Pledge Agreement shall be deleted and replaced with the below:

Schedule I

Register of Shareholders of Shenzhen Xunlei Networking Technologies Co., Ltd.

Shareholder’s Name	Amount of Contribution (RMB)	Shareholding Percentage
Zou Shenglong	22,800,000	76%
Cheng Hao	2,500,000	8.3%
Shi Jianming	2,500,000	8.3%
Guangzhou Shulian Information Investment Co., Ltd.	2,000,000	6.7%
Wang Fang	200,000	0.7%
Total	**30,000,000**	**100%**

2. The Schedule II to the Equity Pledge Agreement shall be deleted and replaced with the below:

Schedule II

List of Reorganization Contracts

Contractual Parties	Name of Contract	Execution Date of Contract
Giganology and Shenzhen Xunlei	Software and Proprietary Technology License Agreement	November 15, 2006
Giganology and Shenzhen Xunlei	Exclusive Technology Support and Services Agreement	September 16, 2005
	Supplemental Agreement to Exclusive Technology Support and Services Agreement	November 15, 2006
Giganology and Shenzhen Xunlei	Exclusive Technology Consulting and Training Agreement	September 16, 2005
	Supplemental Agreement to Exclusive Technology Consulting and Training Agreement	November 15, 2006
Giganology, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd.	Business Operation Agreement	November 15, 2006
Giganology, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, Guangzhou Shulian Information Investment Co., Ltd., and Shenzhen Xunlei	Equity Interests Disposal Agreement	November 15, 2006
	Supplemental Agreement to Equity Interests Disposal Agreement	May 10, 2011
Giganology and Shenzhen Xunlei	Trademark and Domain Name Purchase Option Agreement	November 15, 2006
	Supplemental Agreement to Trademark and Domain Name Purchase Option Agreement	January 2, 2011
Giganology, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, Guangzhou Shulian Information Investment Co., Ltd., and Shenzhen Xunlei	Loan Agreement	December 22, 2010
Giganology and Zou Shenglong	Loan Agreement	May 10, 2011

3. This Supplemental Agreement becomes effective upon its execution by the Parties. This Supplemental Agreement is a supplement to the provisions in the Equity Pledge Agreement and shall have the same legal effect as the Equity Pledge Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Equity Pledge Agreement.

4. Parties A, B, C, D and E hereby pledge their shares in Shenzhen Xunlei to Giganology. Such pledge guaranty becomes effective on the day on which it is registered with the industrial and commercial administrative authorities.

5. This Supplemental Agreement is executed in Chinese in six copies with the same legal effect, each Party holding one copy.

[Remainder of this page intentionally left blank]

[Execution page of the Supplemental Agreement to the Equity Pledge Agreement]

Zou Shenglong

By: /s/ Zou Shenglong

Cheng Hao

By: /s/ Cheng Hao

Shi Jianming

By: /s/ Shi Jianming

Guangzhou Shulian Information Investment Co., Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Wang Fang

By: /s/ Wang Fang

Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Supplemental Agreement(2) to the Equity Pledge Agreement

This Supplemental Agreement(2) to the Equity Pledge Agreement (this "Supplemental Agreement") dated March 1, 2012, is entered into in Shenzhen by and among:

(1) Zou Shenglong ("Party A"), PRC resident ID number ####, with home address located at ####;

(2) Cheng Hao ("Party B"), PRC resident ID number ####, with home address located at ####;

(3) Wang Fang ("Party C"), PRC resident ID number ####, with home address located at ####;

(4) Shi Jianming ("Party D"), PRC resident ID number ####, with home address located at ####;

(5) Guangzhou Shulian Information Investment Co., Ltd. ("Party E"), business license No. ####, with registered address located at Room A226, Chuangshi Building, No. 329 Qingnian Road, Guanghzou Economy & Technology Development Zone, Guangdong, PRC; and

(6) Giganology (Shenzhen) Ltd. ("Giganology"), a wholly foreign owned enterprise established under laws of the PRC, with registered address located at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the "Parties")

WHEREAS:

1. Shenzhen Xunlei Networking Technologies Co., Ltd. ("Shenzhen Xunlei"), a limited liability company established and existing under laws of the PRC, with registered address located at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC. Party A, Party B, Party C, Party D and Party E (collectively "Existing Shareholders") are its registered shareholders;

2. Giganology and Existing Shareholders entered into an Equity Pledge Agreement on November 15, 2006, which was amended by a supplemental agreement dated May 10, 2011 (collectively the "Original Equity Pledge Agreement");

3. The Parties hereby agree to enter into this Supplemental Agreement to amend and

replace the Original Equity Pledge Agreement.

The Parties hereby agree as follows:

1. Section 2.1 of the Original Equity Pledge Agreement be amended to:

   "The Pledgors hereby pledge all the rights, interests and benefits (current or future) held by them with respect to the Pledged Equity to the Pledgee, as a continuing guaranty for (i) the sufficient and timely performance of all the obligations under the Reorganization Contracts by Shenzhen Xunlei and the Existing Shareholders, (ii) the undertaking of liabilities for breach of the Reorganization Contracts by Shenzhen Xunlei and the Existing Shareholders, and (iii) damages suffered by the Pledgee resulting from the invalidity or rescission of the Reorganization Contracts (collectively, "Secured Liabilities")."

2. Section 4 of the Original Equity Pledge Agreement be amended to

   "In the event that all the Secured Liabilities have been performed in accordance with the Reorganization Contracts, the pledge created hereunder shall be immediately released two (2) years thereafter"

3. Unless otherwise stated in this Supplemental Agreement, the terms applied in this Supplemental Agreement have the same meaning as given to them in the Original Equity Pledge Agreement.

4. This Supplemental Agreement becomes effective upon its execution by the Parties. This Supplemental Agreement is a supplement to the provisions in the Original Equity Pledge Agreement and shall have the same legal effect as the Original Equity Pledge Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Equity Pledge Agreement.

5. This Supplemental Agreement is executed in Chinese in six counterparts with the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

Party A: Zou Shenglong

By: /s/ Zou Shenglong

Party B: Cheng Hao

By: /s/ Cheng Hao

Party C: Wang Fang

By: /s/ Wang Fang

Party D: Shi Jianming

By: /s/ Shi Jianming

Party E: Guangzhou Shulian Information Investment Co., Ltd.
(Seal)

By: /s/
[Affixed with company seal]

Giganology (Shenzhen) Ltd.
(Seal)

By: /s/

Third Supplemental Agreement to the Equity Pledge Agreement

This Third Supplemental Agreement to the Equity Pledge Agreement (this "**Supplemental Agreement**") dated March 10, 2014, is entered into in Shenzhen by and among:

(1) **Zou Shenglong** ("**Party A**"), PRC resident ID number ####, with home address located at ####;

(2) **Cheng Hao** ("**Party B**"), PRC resident ID number ####, with home address located at ####;

(3) **Wang Fang** ("**Party C**"), PRC resident ID number ####, with home address located at ####;

(4) **Shi Jianming** ("**Party D**"), PRC resident ID number ####, with home address located at ####;

(5) **Guangzhou Shulian Information Investment Co., Ltd.** ("**Party E**"), business license No. ####, with registered address located at Room A226, Chuangshi Building, No. 329 Qingnian Road, Guanghzou Economy & Technology Development Zone, Guangdong, PRC; and

(6) **Giganology (Shenzhen) Ltd**. ("**Giganology**"), a wholly foreign owned enterprise established under laws of the PRC, with registered address located at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the "**Parties**")

WHEREAS:

1. Shenzhen Xunlei Networking Technologies Co., Ltd. ("**Shenzhen Xunlei**"), a limited liability company established and existing under laws of the PRC, with registered address located at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC. Party A, Party B, Party C, Party D and Party E (collectively "Existing Shareholders") are its registered shareholders;

2. Giganology and Existing Shareholders entered into an Equity Pledge Agreement on November 15, 2006, which was amended by two supplemental agreements dated May 10, 2011 and March 1, 2012, respectively (collectively the "**Original Equity Pledge Agreement**");

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3. The Parties hereby agree to enter into this Supplemental Agreement to amend and replace the Original Equity Pledge Agreement.

The Parties hereby agree as follows:

1. To delete and replace Schedule 2 to the Original Equity Pledge Agreement with:

Parties	Agreement	Execution Date
Giganology (Shenzhen) Ltd., Zou Shenglong, Chenghao, Wangfang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd.	Business Operation Agreement Supplemental Agreement to the Business Operation Agreement	November 15, 2006 March 1, 2012
Giganology (Shenzhen) Ltd., Zou Shenglong, Chenghao, Wangfang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd.	Equity Pledge Agreement Supplemental Agreement to the Equity Pledge Agreement Second Supplemental Agreement to the Equity Pledge Agreement Third Supplemental Agreement to the Equity Pledge Agreement	November 15, 2006 May 10, 2011 March 1, 2012 March 10, 2014
Giganology (Shenzhen) Ltd., Zou Shenglong, Chenghao, Wangfang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd.	Power of Attorney	May 10, 2011
Giganology (Shenzhen) Ltd. and Shenzhen Xunlei Networking Technologies Co., Ltd.	Exclusive Technology Support and Services Agreement Supplemental Agreement to the Exclusive Technology Support and Services Agreement Second Supplemental Agreement to the Exclusive Technology Support and Services Agreement	September 16, 2005 November 15, 2006 May 10, 2014
Giganology (Shenzhen) Ltd. and Shenzhen Xunlei Networking Technologies Co., Ltd.	Exclusive Technology Consulting and Training Agreement Supplemental Agreement to	September 16, 2005 November 15, 2006

	Exclusive Technology Consulting and Training Agreement

	Second Supplemental Agreement to Exclusive Technology Consulting and Training Agreement	March 10, 2014
Giganology (Shenzhen) Ltd. and Shenzhen Xunlei Networking Technologies Co., Ltd.	Exclusive Technology Licensing Agreement	March 1, 2012
Giganology (Shenzhen) Ltd. and Shenzhen Xunlei Networking Technologies Co., Ltd.	Intellectual Property Purchase Option Agreement Supplemental Agreement to the Intellectual Property Purchase Option Agreement	March 1, 2012 March 10, 2014
Giganology (Shenzhen) Ltd., Zou Shenglong, Chenghao, Wangfang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd.	Loan Agreement Supplemental Agreement to the Loan Agreement Second Supplemental Agreement to the Loan Agreement	December 22, 2010 March 1, 2012 March 10, 2014
Giganology (Shenzhen) Ltd. and Zou Shenglong	Loan Agreement Supplemental Agreement to the Loan Agreement	May 10, 2011 March 1, 2012
Giganology (Shenzhen) Ltd., Zou Shenglong, Chenghao, Wangfang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd.	Equity Disposal Agreement Supplemental Agreement to the Equity Disposal Agreement	November 15, 2006 May 10, 2011

2. Unless otherwise stated in this Supplemental Agreement, the terms applied in this Supplemental Agreement have the same meaning as given to them in the Original Equity Pledge Agreement.

3. This Supplemental Agreement becomes effective upon its execution by the Parties. This Supplemental Agreement is a supplement to the provisions in the Original Equity Pledge Agreement and shall have the same legal effect as the Original Equity Pledge Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Equity Pledge Agreement.

4. This Supplemental Agreement is executed in Chinese in six (6) counterparts with

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the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

[Execution page of the Third Supplemental Agreement to Equity Pledge Agreement]

Party A: **/s/ Zou Shenglong**

Party B: **/s/ Cheng Hao**

Party C: **/s/ Wang Fang**

Party D: **/s/ Shi Jianming**

Party E: **/s/ Guangzhou Shulian Information Investment Co., Ltd.**
(Seal)

/s/ Giganology (Shenzhen) Ltd.
(Seal)

Exhibit 10.7

This is a translation of the original text in Chinese

Power of Attorney

Zou Shenglong, as a shareholder of Shenzhen Xunlei Networking Technologies Co., Ltd. ("Shenzhen Xunlei"), holds 76% equity interest in Shenzhen Xunlei in total. I, Zou Shenglong, agree to assign all of the rights I have as the shareholder of 76% equity interests in Shenzhen Xunlei to Giganology (Shenzhen) Ltd. ("Giganology"), and hereby irrevocably grant the following rights to the authorized person for its performance during the term of this Power of Attorney:

I hereby authorize the authorized person to perform, on my behalf, all the rights I originally have as the shareholder of 76% equity interests in Shenzhen Xunlei in accordance with laws and the articles of association of Shenzhen Xunlei, including without limitation, the right to convene a shareholders meeting, to accept any notice regarding convening a shareholders meeting and the agenda, to attend the shareholders meeting of Shenzhen Xunlei and exercise all the voting rights as a shareholder of 76% equity interest (including, as my authorized representative, to nominate and appoint the directors, general manager, financial director and other senior management of Shenzhen Xunlei at the shareholders meeting of Shenzhen Xunlei, as well as making decision regarding the distribution of dividends), and to sell or assign the 76% equity interests held by me in Shenzhen Xunlei, and so forth.

The authorized person has the right to appoint any individual nominated by its board of directors (or executive directors) to perform the rights granted by me hereunder.

Unless the Business Operation Agreement entered into by Giganology, Shenzhen Xunlei, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, and Guangzhou Shulian Information Investment Co., Ltd. is terminated early for any reason, the term of this Power of Attorney is ten (10) years commencing from the date hereof. As of the expiry of this Power of Attorney, I will extend the term of this Power of Attorney at the request of Giganology.

[*Remainder of this page intentionally left blank.*]

[Execution page of the Power of Attorney]

Authorizer:

Zou Shenglong

By: /s/ Zou Shenglong

Date: May 10, 2011

Authorized Person:

Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Date: May 10, 2011

Exhibit 10.8

This is a translation of the original text in Chinese

Power of Attorney

Cheng Hao, as a shareholder of Shenzhen Xunlei Networking Technologies Co., Ltd. ("Shenzhen Xunlei"), holds 8.3% equity interest in Shenzhen Xunlei in total. I, Cheng Hao, agree to assign all of the rights I have as the shareholder of 8.3% equity interests in Shenzhen Xunlei to Giganology (Shenzhen) Ltd. ("Giganology"), and hereby irrevocably grant the following rights to the authorized person for its performance during the term of this Power of Attorney:

I hereby authorize the authorized person to perform, on my behalf, all the rights I originally have as the shareholder of 8.3% equity interests in Shenzhen Xunlei in accordance with laws and the articles of association of Shenzhen Xunlei, including without limitation, the right to convene a shareholders meeting, to accept any notice regarding convening a shareholders meeting and the agenda, to attend the shareholders meeting of Shenzhen Xunlei and exercise all the voting rights as a shareholder of 8.3% equity interest (including, as my authorized representative, to nominate and appoint the directors, general manager, financial director and other senior management of Shenzhen Xunlei at the shareholders meeting of Shenzhen Xunlei, as well as making decision regarding the distribution of dividends), and to sell or assign the 8.3% equity interests held by me in Shenzhen Xunlei, and so forth.

The authorized person has the right to appoint any individual nominated by its board of directors (or executive directors) to perform the rights granted by me hereunder.

Unless the Business Operation Agreement entered into by Giganology, Shenzhen Xunlei, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, and Guangzhou Shulian Information Investment Co., Ltd. is terminated early for any reason, the term of this Power of Attorney is ten (10) years commencing from the date hereof. As of the expiry of this Power of Attorney, I will extend the term of this Power of Attorney at the request of Giganology.

[*Remainder of this page intentionally left blank.*]

[Execution page of the Power of Attorney]

Authorizer:

Cheng Hao

By: /s/ Cheng Hao

Date: May 10, 2011

Authorized Person:

Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Date: May 10, 2011

Exhibit 10.9

This is a translation of the original text in Chinese

Power of Attorney

Wang Fang, as a shareholder of Shenzhen Xunlei Networking Technologies Co., Ltd. ("Shenzhen Xunlei"), holds 0.7% equity interest in Shenzhen Xunlei in total. I, Wang Fang, agree to assign all of the rights I have as the shareholder of 0.7% equity interests in Shenzhen Xunlei to Giganology (Shenzhen) Ltd. ("Giganology"), and hereby irrevocably grant the following rights to the authorized person for its performance during the term of this Power of Attorney:

I hereby authorize the authorized person to perform, on my behalf, all the rights I originally have as the shareholder of 0.7% equity interests in Shenzhen Xunlei in accordance with laws and the articles of association of Shenzhen Xunlei, including without limitation, the right to convene a shareholders meeting, to accept any notice regarding convening a shareholders meeting and the agenda, to attend the shareholders meeting of Shenzhen Xunlei and exercise all the voting rights as a shareholder of 0.7% equity interest (including, as my authorized representative, to nominate and appoint the directors, general manager, financial director and other senior management of Shenzhen Xunlei at the shareholders meeting of Shenzhen Xunlei, as well as making decision regarding the distribution of dividends), and to sell or assign the 0.7% equity interests held by me in Shenzhen Xunlei, and so forth.

The authorized person has the right to appoint any individual nominated by its board of directors (or executive directors) to perform the rights granted by me hereunder.

Unless the Business Operation Agreement entered into by Giganology, Shenzhen Xunlei, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, and Guangzhou Shulian Information Investment Co., Ltd. is terminated early for any reason, the term of this Power of Attorney is ten (10) years commencing from the date hereof. As of the expiry of this Power of Attorney, I will extend the term of this Power of Attorney at the request of Giganology.

[*Remainder of this page intentionally left blank.*]

[Execution page of the Power of Attorney]

Authorizer:

Wang Fang

By: /s/ Wang Fang

Date: May 10, 2011

Authorized Person:

Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Date: May 10, 2011

Exhibit 10.10

This is a translation of the original text in Chinese

Power of Attorney

Shi Jianming, as a shareholder of Shenzhen Xunlei Networking Technologies Co., Ltd. ("Shenzhen Xunlei"), holds 8.3% equity interest in Shenzhen Xunlei in total. I, Shi Jianming, agree to assign all of the rights I have as the shareholder of 8.3% equity interests in Shenzhen Xunlei to Giganology (Shenzhen) Ltd. ("Giganology"), and hereby irrevocably grant the following rights to the authorized person for its performance during the term of this Power of Attorney:

I hereby authorize the authorized person to perform, on my behalf, all the rights I originally have as the shareholder of 8.3% equity interests in Shenzhen Xunlei in accordance with laws and the articles of association of Shenzhen Xunlei, including without limitation, the right to convene a shareholders meeting, to accept any notice regarding convening a shareholders meeting and the agenda, to attend the shareholders meeting of Shenzhen Xunlei and exercise all the voting rights as a shareholder of 8.3% equity interest (including, as my authorized representative, to nominate and appoint the directors, general manager, financial director and other senior management of Shenzhen Xunlei at the shareholders meeting of Shenzhen Xunlei, as well as making decision regarding the distribution of dividends), and to sell or assign the 8.3% equity interests held by me in Shenzhen Xunlei, and so forth.

The authorized person has the right to appoint any individual nominated by its board of directors (or executive directors) to perform the rights granted by me hereunder.

Unless the Business Operation Agreement entered into by Giganology, Shenzhen Xunlei, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, and Guangzhou Shulian Information Investment Co., Ltd. is terminated early for any reason, the term of this Power of Attorney is ten (10) years commencing from the date hereof. As of the expiry of this Power of Attorney, I will extend the term of this Power of Attorney at the request of Giganology.

[*Remainder of this page intentionally left blank.*]

[Execution page of the Power of Attorney]

Authorizer:

Shi Jianming

By: /s/ Shi Jianming

Date: May 10, 2011

Authorized Person:

Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Date: May 10, 2011

Exhibit 10.11

This is a translation of the original text in Chinese

Power of Attorney

Guangzhou Shulian Information Investment Co., Ltd., as a shareholder of Shenzhen Xunlei Networking Technologies Co., Ltd. ("Shenzhen Xunlei"), holds 6.7% equity interest in Shenzhen Xunlei in total. We, Guangzhou Shulian Information Investment Co., Ltd., agree to assign all of the rights we have as the shareholder of 6.7% equity interests in Shenzhen Xunlei to Giganology (Shenzhen) Ltd. ("Giganology"), and hereby irrevocably grant the following rights to the authorized person for its performance during the term of this Power of Attorney:

We hereby authorize the authorized person to perform, on our behalf, all the rights we originally have as the shareholder of 6.7% equity interests in Shenzhen Xunlei in accordance with laws and the articles of association of Shenzhen Xunlei, including without limitation, the right to convene a shareholders meeting, to accept any notice regarding convening a shareholders meeting and the agenda, to attend the shareholders meeting of Shenzhen Xunlei and exercise all the voting rights as a shareholder of 6.7% equity interest (including, as our authorized representative, to nominate and appoint the directors, general manager, financial director and other senior management of Shenzhen Xunlei at the shareholders meeting of Shenzhen Xunlei, as well as making decision regarding the distribution of dividends), and to sell or assign the 6.7% equity interests held by us in Shenzhen Xunlei, and so forth.

The authorized person has the right to appoint any individual nominated by its board of directors (or executive directors) to perform the rights granted by us hereunder.

Unless the Business Operation Agreement entered into by Giganology, Shenzhen Xunlei, Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, and Guangzhou Shulian Information Investment Co., Ltd. is terminated early for any reason, the term of this Power of Attorney is ten (10) years commencing from the date hereof. As of the expiry of this Power of Attorney, we will extend the term of this Power of Attorney at the request of Giganology.

[*Remainder of this page intentionally left blank.*]

[Execution page of the Power of Attorney]

Authorizer:

Guangzhou Shulian Information Investment Co., Ltd.

By: /s/ Guangzhou Shulian Information Investment Co., Ltd.

Date: May 10, 2011

Authorized Person:

Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Date: May 10, 2011

Exhibit 10.12

This is a translation of the original text in Chinese

Exclusive Technology Support and Services Agreement

This EXCLUSIVE TECHNOLOGY SUPPORT AND SERVICES AGREEMENT (this "Agreement"), dated September 16, 2005, is made in Shenzhen by and between:

Party A: Giganology (Shenzhen) Ltd.

And

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

(Collectively, the "Parties")

WHEREAS

Party A is a duly registered and established wholly foreign owned enterprise, owning strong technical development and support capability, and with extensive experience in technical support and services; and

Party B needs technical support and services from a specialized technical company in the course of business operation.

NOW, THEREFORE, the Parties agree and intend to be bound as follows through friendly negotiations and in accordance with the principles of equality and mutual benefit:

ARTICLE 1 TECHNICAL SUPPORT AND SERVICES

1.1 Party A agrees to provide to Party B, and Party B agrees to accept from Party A, technical support and services subject to the terms and conditions herein. Details of technical support and services include:

(1) to conduct related technical research and development according to Party B's business needs;

(2) to be responsible for daily maintaining, monitoring, testing, and trouble shooting of Party B's computer network equipment;

(3) to provide advices and solutions to the technical queries with respect to Party B's network equipment, technology products and software; and

(4) to provide Party B with other related technical support and services as contemplated under this Agreement.

1.2 Party B shall provide active cooperation with Party A in performing the above mentioned responsibilities, including without limitation by providing related data, technical requirements and descriptions, as necessary.

1.3 The term of this Agreement is twenty (20) years, commencing from the effective date hereof. The Parties agree that Party A may elect to extend the term for another ten (10) years by providing a written notice before this Agreement expires. Party A may elect to make such extension for unlimited times.

1.4 Party A is the exclusive provider to Party B of the technical support and services set forth herein. Party B shall not accept any technical support or services provided by any third party without prior written consent from Party A.

1.5 Party A is solely and exclusively entitled to the rights and benefits with respect to any rights, titles, interests, and intellectual property rights developed by Party A or Party B that may arise from its performance of this Agreement, including without limitation to any copyrights, patents, expertise and business secrets. The Parties agree that this Article 1.5 shall survive the change, cancellation and termination of this Agreement, if any.

2. SERVICE FEE

2.1 The Parties agree that Party B shall pay service fee to Party A as consideration of the technical support and services provided by Party A under Article 1.1 hereof, the amount and payment method of which fee are set forth in the schedule hereto. Such schedule may be changed subject to the Parties' negotiations and the actual performance of this Agreement.

3. CONFIDENTIALITY

3.1 For purpose of this Agreement, "confidential information" shall include without limitation all or any part of the following information: any technical information, materials, plans, drawings, data, parameters, standards, software, computer programs, and network design materials provided by one Party to the other Party in connection with any technical development, design, research, production, manufacture and maintenance; any contracts, agreements, memorandums, exhibits, drafts or minutes signed by the Parties for purpose of this Agreement (including this Agreement); and any notices served by one Party to the other Party for purpose hereof which is not identified as public information upon its presentation. Once this Agreement is terminated, Party A shall return to Party B upon B's request or destroy any file, material or software bearing the confidential information, and delete such confidential information from any related storage device, and shall cease using such confidential information.

3.2 Without prior written consent from the other Party, neither Party may disclose any confidential information to any third party.

3.3 Each of the Parties shall take necessary measures to provide any confidential information to its awareness or knowledge to its employees, agents or consultants on as-need basis, and shall cause such employees, agents or consultants to strictly comply with this term and not to disclose any confidential information to any third party. Each Party undertakes not to disclose any confidential information received from the other Party to any of its other employees.

3.4 Neither Party will be deemed to have disclosed any confidential information if:

3.4.1 the confidential information so disclosed has become available to the public before such disclosure (unless such disclosure is made in breach of this term);

3.4.2 it is made with prior written consent of the other Party; and

3.4.3 it is required by governmental agencies, laws or decrees, provided that any requirement from any government agency for disclosure of any confidential information shall be declined unless it is formally issued in writing.

3.5 If either Party is in breach of this Agreement, it shall be held liable for any loss incurred by the non-breaching Party.

4. LIABILITY FOR BREACH

4.1 If either Party is in breach of this Agreement, it shall be held liable for any loss incurred by the non-breaching Party.

4.2 Breach of this Agreement may not be waived unless by the non-breaching Party in writing. Any failure or delay to exercise any of its rights or remedies under this Agreement by either Party will not operate as its waiver of such right or remedy. Partial exercise of any right or remedy by either Party shall not impair its exercise of any other rights or remedies.

4.3 This Article 4 will survive the termination or cancellation of this Agreement.

5. FORCE MAJEURE

5.1 In this Agreement, force majeure means wars, fires, earthquakes, floods, storms, blizzards and other nature disasters, and any other events which are unforeseeable as of the date of this Agreement, and the occurrence of which is irresistible and unavoidable.

5.2 Neither Party will be held liable for failure or delay to perform any or all of its obligations hereunder due to the impact of force majeure, provided that the affected Party shall resume performance of its obligations upon elimination of the impact of the force majeure. In the event that the impact of the force majeure has made it impossible or unnecessary to perform this Agreement, the Parties shall seek for solutions through friendly negotiations.

6. CHANGE, RESCISSION AND TERMINATION OF AGREEMENT

6.1 This Agreement may be changed by the Parties through negotiations, or due to force majeure, or as required by laws or regulations, or under any other circumstances provided herein.

6.2 No change to this Agreement will bind upon the Parties unless it is made in writing with signature of the Parties.

6.3 If either Party fails to perform this Agreement within the period of time provided hereunder and further fails to do so within the thirty (30)-day grace period granted by the other Party, the other Party shall be entitled to rescind this Agreement by giving a notice to the breaching Party. The notice of rescission shall become effective on the day of being given. During the term hereof, Party B has the right to terminate this Agreement by giving a thirty (30)-day written notice to Party B at anytime.

6.4 During the term hereof, if either Party A or Party B files an application in any form for bankruptcy, or enters into any proceeding of liquidation, or is prohibited by competent authorities from operating business, or loses the legal person capacity or any other capacity as a legal entity, then the other Party shall have the right to rescind this Agreement. The notice of rescission shall become effective on the day of being given.

6.5 The change or rescission of this Agreement shall not impair the right of the Parties to claim damages. Where either Party suffers from the losses caused by change or rescission of this Agreement, the responsible Party shall indemnify the affected Party unless the liability of indemnification is discharged pursuant to law. In the event that this Agreement is terminated due to the reasons attributable to Party A, Party B shall be entitled to be indemnified the damages so caused by the termination of this Agreement and to obtain the compensation for the services it provides as of the termination hereof.

7. GOVERNING LAW AND DISPUTE RESOLUTION

7.1 The execution, validity, interpretation, performance, change and termination of this Agreement, and resolution of disputes shall be governed by laws of the People's Republic of China.

7.2 Any dispute arising from the performance of this Agreement or in connection with this Agreement shall be resolved by the Parties through friendly negotiations and, if the negotiations fail, shall be submitted to China International Trade and Economic Arbitration Commission for arbitration according to its then effective rules. The arbitration shall be conducted in Shenzhen.

8. MISCELLANEOUS

8.1 This Agreement shall become effective upon signature of the Parties.

8.2 Once this Agreement becomes effective and is under performance, the Parties may enter into a supplement regarding any issue not contemplated herein or any issue newly occurred during the performance of this Agreement. The supplement constitutes an integral part of this Agreement and has the same legal effect with this Agreement.

8.3 The terms of confidentiality, dispute resolution and liability for breach herein shall survive the rescission or termination of this Agreement.

8.4 Neither Party may assign any or all of its rights or obligations hereunder to any third party without the other Party's prior written consent.

8.5 The invalidity of any term herein shall not impair the validity of any other irrelevant terms herein.

8.6 This Agreement is in two (2) original copies, each Party holding one (1) copy. The two (2) copies have the same legal effect.

(Remainder of this page intentionally left blank.)

(Execution Page)

Party A: Giganology (Shenzhen) Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

[Schedule]

1. The Parties agree that Party B shall pay service fee to Party A as consideration of the technical support and services provided by Party A under Article 1.1 of this Agreement as follows:

(1) Basic Annual Fee

Party B shall pay Party A Renminbi [ ] Yuan (RMB[ ]) each year as the basic annual fee for the technical support and service hereunder, which shall be paid in four installments evenly in four quarters. Party B shall transfer Renminbi [ ] Yuan (RMB[ ]) to the bank account designated by Party A within fifteen (15) business days commencing from the first day of each quarter.

(2) Floating Fee

In addition to the above mentioned basic annual fee, in each quarter Party B shall pay Party A a floating fee based on the specific situation of the technical support and services provided in that quarter. The floating fee shall be paid quarterly. The amount of the floating fee for each quarter shall be determined by the Parties after considering:

(i) Quantity and qualification of the employees used by Party A for purpose of provision of technical support and services to Party B in such quarter;

(ii) Time consumed by employees of Party A for purpose of provision of technical support and service to Party B in such quarter;

(iii) All the inputs made by Party A for purpose of provision of technical support and service to Party B in such quarter; and

(iv) Contents and value of the technical support and service provided by Party A in such quarter; and

(v) Revenue of Party B.

2. Party B shall provide Party A with all necessary financial materials for calculating the floating fee for each quarter within fifteen (15) days from the end of the quarter, and shall pay the floating fee to Party A within thirty (30) days from the end of each quarter. If Party A raises any issue in the financial materials provided by Party B, Party A may appoint a reputable independent accountant to audit such financial materials. Party B shall provide cooperation for conducting the audit, provided that the audit shall be conducted during normal business time and shall not interfere Party B's normal business operation.

3. If Party A believes that adjustment of the amount of service fee set forth in Section 1 of this Schedule is needed as a result of the change of circumstances, then Party B shall negotiate with Party A with active efforts and in good faith within seven (7) business days upon the issue of written notice for fee adjustment by Party A, so as to decide the new service fee payment standard or mechanism.

Supplemental Agreement to Exclusive Technology Support and Services Agreement

This SUPPLEMENTAL AGREEMENT TO EXCLUSIVE TECHNOLOGY SUPPORT AND SERVICE AGREEMENT (this "**Supplemental Agreement**"), dated November 15, 2006, is made in Shenzhen by and between:

Party A: Giganology (Shenzhen) Ltd., a wholly foreign owned enterprise established and existing in accordance with laws of the People's Republic of China, with legal address located at 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC;

And,

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd., a limited liability company established and existing in accordance with laws of the People's Republic of China, with legal address located at 11th Floor East, Shuguang Plaza, Ke Ji Nan Shi Er Road, Nanshan District, Shenzhen, Guangdong, PRC;

(Collectively, the "**Parties**")

WHEREAS:

1. Party A and Party B have entered into a certain Exclusive Technology Support and Service Agreement dated September 16, 2005 (the "**Technology Support and Services Agreement**").

2. Through friendly negotiations and adhering to principles of equality and mutual benefit, Party A and Party B agree to enter into this Supplemental Agreement to amend and supplement the Technology Support and Services Agreement.

The Parties hereby agree as follows:

1. Article 7.2 of the Technology Support and Services Agreement shall be deleted and replaced in its entirety with the following:

"7.2 Any dispute arising from the execution, performance, termination or validity of this Agreement or in connection with this Agreement shall be resolved by both Parties through friendly negotiations and, if negations fail, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding. The arbitration shall be conducted in Shenzhen. There will be one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to above mentioned rules and proceeding. The arbitral award is final and binding upon the Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party. During the period from the submission of dispute for arbitration to the rendering of arbitral award, both Parties shall continue to perform their obligations hereunder without prejudice to the final judgment made based on the aforesaid arbitral award."

2. The Schedule to the Technology Support and Services Agreement shall be all deleted, and replaced in its entirety with the following:

"Schedule

Party A and Party B agree that, Party B shall, according to the following provisions, pay Party A the service fee as consideration of the technical support and service provided by Party A to Party B set forth in the Article 1.1 hereof:

(1) Party B shall pay twenty percent (20%) ("Percentage") of its pre-tax operating profit ("Income") as the technical service fee to Party A ("Service Fee") during the term hereof. Both Parties agree to review and adjust the above mentioned Percentage every six months according to the business operation and income of Party B, to make it consistently reflect the commercial value of the technical service and actual circumstance. The Parties agree to make a confirmation letter regarding the adjusted Percentage, which shall be supplemental terms of this Agreement, and shall be deemed as an integral part of this Agreement.

(2) Party B shall make one-off payment of the Service Fee to Party A each month ("Payment Period"). Within seven (7) business days following the end of each Payment Period, Party B shall provide a written report to Party A, specifying the duly calculated Income of Party B during the Payment Period and the corresponding amount of Service Fee to be paid.

(3) Party B shall make payment to Party A within seven (7) business days upon its receipt of the Service Fee payment notice from Party A. All the amount payable by Party B shall be made in RMB to the bank account notified by Party A to Party B in writing from time to time.

If Party B fails to pay any amount due and payable hereunder, Party B shall pay Party A default interest for its overdue payment of such amount. The default interest rate shall be the lending interest rate of the Shenzhen Branch of Bank of China for the same period. The calculation period starts from the date on which the amount is due and payable and ends on the date of its actual payment.

(4) Party B shall provide Party A with an audited authentic and true statement regarding Party B's Income and the payable amount of the Service Fee of the previous calendar year within sixty (60) days following the end of the previous calendar year. In the event that there is any inconsistency between such audited statement and the written report mentioned in above paragraph (2), then the Service Fee shall be adjusted in the next Payment Period.

(5) Throughout the term hereof, Party A has the right to send its employees, or engage a registered accountant at its own cost, to audit Party B's books and records, including without limitation the financial statements relating to the Income of Party B for the Payment Periods. Party B shall provide to Party A's appointed employees or engaged registered accountant with all related materials, books, records, data and information, and shall provide necessary facility and support to such employee or accountant. The audit report prepared by Party A's appointed employees or engaged accountant ("Audit Report") shall be final and conclusive unless Party B raises any issue regarding such Audit Report within seven (7) days. Party A has the right to give Party B at anytime a payment notice regarding the outstanding amount of Service Fee specified in the Audit Report. Party B shall make corresponding payment for it in accordance with the above paragraph (3) within seven (7) business days following the receipt of the payment notice.

3. This Supplemental Agreement shall become effective upon being signed by both Parties. As a supplement to the Technology Support and Services Agreement, this Supplemental Agreement

shall have the same legal effect with the Technology Support and Service Agreement. If there is any inconsistency between this Supplemental Agreement and the Technology Support and Service Agreement, this Supplemental Agreement shall prevail. The Technology Support and Service Agreement shall be referred to and complied with where there is no any inconsistency.

4. Any dispute arising from the execution, exercise, termination or validity of this Agreement or in connection with this Agreement shall be resolved by both Parties through friendly negotiations, failing which, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding. The arbitration shall be conducted in Shenzhen. There is one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to abovementioned rules and proceeding. The arbitral award is final and binding upon both Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party. During the period from the submission of dispute for arbitration to the rendering of arbitral award, both Parties shall continue to perform their obligations hereunder without prejudice to the final judgment made based on the aforesaid arbitral award.

5. This Supplemental Agreement has two (2) original copies, each Party holding one (1) copy. The two (2) copies have the same legal effect.

(Remainder of this page intentionally left blank.)

(Execution Page)

Party A: Giganology (Shenzhen) Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

Second Supplemental Agreement to Exclusive Technology Support and Services Agreement

This Second Supplemental Agreement to Exclusive Technology Support and Services Agreement (this "**Supplemental Agreement**"), dated March 10, 2014, is made in Shenzhen by and between:

Party A: **Giganology (Shenzhen) Ltd.**, a wholly foreign owned enterprise established under laws of the PRC, with registered address at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC;

And

Party B: **Shenzhen Xunlei Networking Technologies Co., Ltd.**, a limited liability company established under laws of the PRC, with registered address at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the "**Parties**")

WHEREAS:

(1) The Parties have entered into an Exclusive Technology Support and Services Agreement on September 16, 2005 and a Supplemental Agreement to the Exclusive Technology Support and Services Agreement on November 15, 2006 (Collectively, the "**Original Exclusive Technology Support and Services Agreement**");

(2) The Parties through friendly negotiation and based on the principle of equality and mutual benefit, agree to enter into this Supplemental Agreement to amend and supplement the Original Exclusive Technology Support and Services Agreement.

The Parties hereby agree:

1. To delete and replace Section 6.3 of the Original Exclusive Technology Support and Services Agreement with the following provision:

   If either Party fails to perform this Agreement within the period of time provided hereunder and further fails to do so within the thirty (30)-day grace period granted by the other Party, the other Party shall be entitled to rescind this Agreement by giving a notice to the breaching Party. The notice of rescission shall become effective on the day of being given. During the term hereof, Party A has the right to terminate this Agreement by giving a thirty (30)-day written notice to Party B at any time.

2. Unless otherwise stated in this Supplemental Agreement, the terms applied in this Supplemental Agreement have the same meaning as given to them in the Original Exclusive Technology Support and Services Agreement.

3. This Supplemental Agreement becomes effective upon its execution by the Parties on the date first written above. This Supplemental Agreement is a supplement to the provisions in the Original Exclusive Technology Support and Services Agreement and shall have the same legal effect as the Original Exclusive Technology Support and Services Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Exclusive Technology Support and Services Agreement.

4. This Supplemental Agreement is executed in Chinese in two (2) counterparts with the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

(Execution Page)

Party A: /s/ Giganology (Shenzhen) Ltd.

Party B: /s/ Shenzhen Xunlei Networking Technologies Co., Ltd.

Exhibit 10.13

This is a translation of the original text in Chinese

Exclusive Technology Consulting and Training Agreement

This EXCLUSIVE TECHNICAL CONSULTING AND TRAINING AGREEMENT (this "Agreement"), dated September 16, 2005, is made in Shenzhen by and between:

Party A: Giganology (Shenzhen) Ltd.

And

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

(Collectively, the "Parties")

WHEREAS: Party A is a duly registered and formed wholly foreign owned enterprise, with strong strength and experience in technical development and training;

Party B needs the provision of technical support and services by a specialized technical company in the course of business operation; and

Party B intends to accept from Party A, and Party A intends to provide to Party B, such technology training services.

NOW, THEREFORE, the Parties agree and intend to be bound as follows through friendly negotiations and in accordance with the principles of equality and mutual benefit:

ARTICLE 1 DESCRIPTION OF SERVICES

1.1 Both Parties agree that, Party B will designate Party A to provide the following consulting and training services to it in accordance with the conditions set forth herein:

(1) to provide training with respect to Party B's business operation, aiming to increase Party B's professional qualification in technical development, lower Party B's operating costs, and increase Party B's competency in market;

(2) to evaluate, analyze and summarize current system, procedure, and efficiency of Party B's product development, and to provide improvement scheme;

(3) based on the evaluation result, to provide counseling and technical training for Party B's related staff, in order to improve the staff's professional qualification; and

(4) to provide other consulting and training services in relation to this Agreement.

1.2 Party B agrees that the way of provision of consulting and training services by Party A is: Party B introduces the classes and technical specifications of the products under Party B's development and provides related written materials to Party A; Party A prepares a survey report based on the information provided by Party B, then prepares a training plan, to specify the details of training services, including the appointment of training staff, specific number of training staff, the term of training, schedule and content of training, and provides training for Party B according to the plan. Notwithstanding the above mentioned provisions, the Parties

may determine the specific way and content of the services to be provided according to the actual circumstance.

1.3 Party B undertakes that during the term hereof it will not accept any technical consulting and training services provided by any third party without prior written consent from Party A.

ARTICLE 2 TERM OF SERVICES

2.1 The term of this Agreement is twenty (20) years, commencing from the effective date hereof.

2.2 Party B undertakes that from the effective date hereof the period of services hereunder shall not be shortened or early terminated, unless otherwise agreed by the Parties.

2.3 The Parties agree that Party A may elect to extend the term for another ten (10) years by providing a written notice before this Agreement expires. Party A may elect to make such extension for unlimited times.

ARTICLE 3 SERVICE FEE

3.1 The Parties agree that Party B shall, in accordance with provisions herein, pay Party A the service fee for technical consulting and training services provided by Party A in accordance with the Schedule to this Agreement. Such schedule may be changed subject to the Parties' negotiations and the actual circumstance.

ARTICLE 4 PARTY A'S OBLIGATIONS

4.1 Party A shall make all endeavors to select high-qualified professional staff and organize a professional consulting team to provide the technical consulting and training services hereunder to Party B.

4.2 Party A shall work out a well-prepared consulting and training plan, be familiar with Party B's work site to carry out the consulting work according to the plan, complete the consulting services within scheduled time, and provide related documents (in hard copy and electronic form) to Party B.

4.3 Party A shall maintain frequent communications with Party B, timely inform Party B of the progress of the whole project, and conduct sufficient discussion with Party B with respect the initial plan or periodic achievement.

4.4 Party A shall keep confidential all the information provided by Party B or related to Party B's business operation (the "Information").

ARTICLE 5 PARTY B'S OBLIGATIONS

5.1 Party B shall provide necessary information and documents according to Party A's requirement. Party B shall designate specific staff to be responsible for communication and cooperation with Party A in this project, and shall actively corporate with Party A for the Party A's on-site research and information collection on Party B's work site. Party B shall also provide evaluation and feedback at proper timer regarding Party A's work achievement.

5.2 When necessary, Party B shall provide proper working facilities and conditions for Party A's designated technical staff, and bear related costs and expenses incurred by such staff during the provision of such consulting and training services.

5.3 Party B shall pay Party A the service fees periodically.

5.4 Party B shall provide Party A with necessary assistance as required by Party A.

ARTICLE 6 REPRESENTATIONS AND UNDERTAKINGS

6.1 For the purpose of this Agreement and Party B's interests, Party A hereby represents and undertakes as follows:

(1) Party A is a legal person duly established and existing under laws of the People's Republic of China, with full capacity for civil conduct;

(2) The authorized representative of Party A signing this Agreement has been duly authorized by Party A. Party A shall have no defense against Party B on the ground of lack of authority for agency, agency in excess of authority, or any other defect in authority.

6.2 For the purpose of this Agreement and Party A's interests, Party B hereby represents and undertakes as follows:

(1) Party B is a legal person duly established and existing under laws of the People's Republic of China, with full capacity for civil conduct to the extent of its registered capital;

(2) During the term hereof, Party B will not enter into any other agreement identical with or similar to this Agreement with any third party other than Party A, or accept the any or all training services same with or similar to the services described in Article 1 hereof from any third party other than Party A;

(3) The authorized representative of Party B signing this Agreement has been irrevocably, duly and fully authorized by Party B. Party B shall have no defense against Party A on the ground of lack of authority for agency, agency in excess of authority, or any other defect in authority.

6.3 If any Party breaches the aforesaid representations or undertakings which causes this Agreement to become invalid or the validity of this Agreement be prejudiced in other ways, or causes any loss to the other Party, the breaching Party shall be held liable for the losses of the non-breaching Party.

ARTICLE 7 INTELLECTURLA PROPERTIES AND CONFIDENTIALITY

7.1 Party A is solely and exclusively entitled to the rights and benefits with respect to any rights, titles, interests and intellectual properties developed by Party A or Party B that may arise from its performance of this Agreement, including without limitation to any copyrights, patents, expertise and business secrets.

7.2 Party B shall make reasonable efforts to ensure to keep confidential any or all of Party A's information identified as "Confidential" or known to be confidential to Party B ("Confidential Information"). Without prior written consent from Party A, Party B shall not disclose any Confidential Information to any third party. Once this Agreement is terminated, Party B shall return to Party A upon A's request or destroy any file, material or software bearing the confidential information, and delete such confidential information from any related storage device, and shall cease using such confidential information.

The Parties agree that this Article 7 will survive any change, rescission or termination of this Agreement.

ARTICLE 8 LIABILITY FOR BREACH

8.1 If either Party is in breach of this Agreement, it shall be held liable for any loss incurred by the non-breaching Party.

8.2 Breach of this Agreement may not be waived unless by the non-breaching Party in writing. Any failure or delay to exercise any of its rights or remedies under this Agreement by either Party will not operate as its waiver of such right or remedy. Partial exercise of any right or remedy by either Party shall not impair its exercise of any other rights or remedies.

8.3 The validity of this term shall survive the termination or cancellation of this Agreement.

ARTICLE 9 RESCISSION OF AGREEMENT

9.1 If either Party commits serious breach of this Agreement, and further fails to cure such breach within thirty (30) days upon receiving the notice about the occurrence and existence of the breach from the non-breaching Party, the other Party shall be entitled to rescind this Agreement by giving a notice to the breaching Party. During the term hereof, Party A has the right to terminate this Agreement by giving a thirty (30)-day written notice to Party B at anytime.

9.2 In the event that this Agreement is terminated due to the reasons attributable to Party B, Party A shall be entitled to be indemnified the damages so caused by the termination of this Agreement and to obtain the compensation for the services it provides as of the termination hereof.

9.3 The rescission of this Agreement shall not impair the right of the affected Party to claim damages.

ARTICLE 10 FORCE MAJEURE

10.1 In the event that either Party cannot continue the performance of its any or all obligations hereunder due to any unforeseeable or unavoidable event or activity, any Party hereto may cease the performance of its obligations hereunder which cannot be performed due to the impact of such event of Force Majeure during such period of non-performance, provided that the affected Party shall make every possible effort to minimize the losses as soon as practical. The affected Party seeking the waiver of performance of its obligations provided under this Agreement or any term hereof shall timely notify the other Party of such waiver as well as the measures to be taken to perform such obligations.

ARTICLE 11 NOTICE AND DELIVERY

11.1 Any notice, consent, agreement or any communication in any other form made in accordance with or in accordance with this Agreement shall be provided in writing.

11.2 Unless otherwise provided hereunder, the notice or any other communication delivered in person shall be deemed received when delivered. The notice or any other communication sent by pre-paid mail shall be deemed received forty-eight (48) hours upon posting. The notice or any other communication sent by telex or facsimile shall be deemed received when sending out. Those sent by telegraph shall be deemed received twenty-four (24) hours upon sending.

ARTICLE 12 DISPUTE RESOLUTION

12.1 Any dispute arising from the performance of this Agreement or in connection with this Agreement shall be resolved by the Parties through friendly negotiations and, if the negotiations fail, shall be submitted to China International Trade and Economic Arbitration Commission for arbitration according to its then effective rules. The arbitration shall be conducted in Shenzhen. The arbitral award is final and binding upon both Parties.

12.2 Dispute mentioned in this Article 12 refers to the dispute between both Parties regarding whether this Agreement is duly concluded, the time of execution of this Agreement, interpretation hereof, performance hereof, liability for breach, and the change, assignment, rescission or termination of this Agreement.

ARTICLE 13 EFFECTIVENESS AND MISCELLANEOUS

13.1 The Parties may enter into a supplement through friendly negotiations regarding any issue not contemplated herein. Any amendment or supplemental to this Agreement shall be made in writing.

13.2 The intellectual property rights arising from the provision of consulting and training servicess by the technical staff seconded by Party A to Party B shall be owned by Party A.

13.3 Unless otherwise provided herein, the "day" referred to herein shall mean one calendar day, and the "business day" referred to herein shall mean the day on which the commercial banks in China open for doing business.

13.4 The terms of confidentiality, dispute resolution and liability for breach herein shall survive the rescission or termination of this Agreement.

13.5 Neither Party may assign any or all of its rights or obligations hereunder to any third party without the other Party's prior written consent.

13.6 The invalidity of any term herein shall not impair the validity of any other irrelevant terms herein.

13.7 This Agreement is made in two (2) original copies, each Party holding one (1) copy. The two (2) copies have the same legal effect.

(Remainder of this page intentionally left blank.)

(Execution Page)

Party A: Giganology (Shenzhen) Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

[Schedule]

1. The Parties agree that Party B shall pay service fee to Party A as consideration of the technical consulting and training provided by Party A as follows:

   (1) Basic Annual Fee

   Party B shall pay Party A Renminbi [ ] Yuan (RMB[ ]) each year as the basic annual fee for the training servicess hereunder, which shall be paid in four installments evenly in four quarters. Party B shall transfer Renminbi [ ] Yuan (RMB[ ]) to the bank account designated by Party A within fifteen (15) business days commencing from the first day of each quarter.

   (2) Floating Fee

   In addition to the above mentioned basic annual fee, Party B shall pay Party A a floating fee annually based on the specific situation of the technical support and services provided. The amount of the floating fee for each quarter shall be determined by the Parties after considering:

   (i) Quantity and qualification of the employees used by Party A for purpose of provision of consulting and training services to Party B in such quarter;

   (ii) Time consumed by employees of Party A for purpose of provision of consulting and training services to Party B in such quarter;

   (iii) Contents and value of the consulting and training services provided by Party A in such quarter; and

   (iv) Revenue of Party B.

2. Party B shall provide Party A with all necessary financial materials for calculating the floating fee for each quarter within fifteen (15) days from the end of the quarter, and shall pay the floating fee to Party A within thirty (30) days from the end of each quarter. If Party A raises any issue in the financial materials provided by Party B, Party A may appoint a reputable independent accountant to audit such financial materials. Party B shall provide cooperation for conducting the audit, provided that the audit shall be conducted during normal business time and shall not interfere Party B's normal business operation.

3. If Party A believes that adjustment of the amount of service fee set forth in this Schedule is needed as a result of the change of circumstances, then Party B shall negotiate with Party A with active efforts and in good faith within seven (7) business days upon the issue of written notice for fee adjustment by Party A, so as to decide the new service fee payment standard or system.

Supplemental Agreement to Exclusive Technical Consulting and Training Agreement

This SUPPLEMENTAL AGREEMENT TO EXCLUSIVE TECHNICAL CONSULTING AND TRAINING AGREEMENT (this "**Supplemental Agreement**"), dated November 15, 2006, is made in Shenzhen by and between:

Party A: Giganology (Shenzhen) Ltd., a wholly foreign owned enterprise established and existing in accordance with laws of the People's Republic of China, with legal address located at 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC;

And,

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd., a limited liability company established and existing in accordance with laws of the People's Republic of China, with legal address located at 11th Floor East, Shuguang Plaza, Ke Ji Nan Shi Er Road, Nanshan District, Shenzhen, Guangdong, PRC;

(Collectively, the "**Parties**")

WHEREAS:

1. Party A and Party B have entered into a certain Exclusive Technical Consulting and Training Agreement dated September 16, 2005 (the "**Technical Consulting and Training Agreement**").

2. Through friendly negotiations and adhering to principles of equality and mutual benefit, Party A and Party B agree to enter into this Supplemental Agreement to amend and supplement the Technical Consulting and Training Agreement.

The Parties hereby agree as follows:

1. Article 12.1 of the Technical Consulting and Training Agreement shall be deleted and replaced in its entirety with the following:

   "12.1 Any dispute arising from the execution, performance, termination or validity of this Agreement or in connection with this Agreement shall be resolved by both Parties through friendly negotiations and, if negations fail, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding. The arbitration shall be conducted in Shenzhen. There will be one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to above mentioned rules and proceeding. The arbitral award is final and binding upon the Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party. During the period from the submission of dispute for arbitration to the rendering of arbitral award, both Parties shall continue to perform their obligations hereunder without prejudice to the final judgment made based on the aforesaid arbitral award."

2. The Schedule to the Technical Consulting and Training Agreement shall be all deleted, and replaced in its entirety with the following:

   "Schedule

   Party A and Party B agree that, Party B shall, according to the following provisions, pay Party A the service fee as consideration of the technical consulting and training servicess provided by Party A to Party B hereunder:

   (1) Party B shall pay twenty percent (20%) ("Percentage") of its pre-tax operating profit ("Income") as the technical service fee to Party A ("Service Fee") during the term hereof. Both Parties agree to review and adjust the above mentioned Percentage every six months according to the business operation and income of Party B, to make it consistently reflect the commercial value of the technical services and actual circumstance. The Parties agree to make a confirmation letter regarding the adjusted Percentage, which shall be supplemental terms of this Agreement, and shall be deemed as an integral part of this Agreement.

(2) Party B shall make one-off payment of the Service Fee to Party A each month ("Payment Period"). Within seven (7) business days following the end of each Payment Period, Party B shall provide a written report to Party A, specifying the duly calculated Income of Party B during the Payment Period and the corresponding amount of Service fee to be paid.

(3) Party B shall make payment to Party A within seven (7) business days upon its receipt of the Service fee payment notice from Party A. All the amount payable by Party B shall be made in RMB to the bank account notified by Party A to Party B in writing from time to time.

If Party B fails to pay any amount due and payable hereunder, Party B shall pay Party A default interest for its overdue payment of such amount. The default interest rate shall be the lending interest rate of the Shenzhen Branch of Bank of China for the same period. The calculation period starts from the date on which the amount is due and payable and ends on the date of its actual payment.

(4) Party B shall provide Party A with an audited true and correct statement regarding Party B's Income and the payable amount of the Service fee of the previous calendar year within sixty (60) days following the end of the previous calendar year. In the event that there is any inconsistency between such audited statement and the written report mentioned in above paragraph (2), then the Service fee shall be adjusted in the next Payment Period.

(5) Throughout the term hereof, Party A has the right to send its employees, or engage a registered accountant at its own cost, to audit Party B's books and records, including without limitation the financial statements relating to the Income of Party B for the Payment Periods. Party B shall provide to Party A's appointed employees or engaged registered accountant with all related materials, books, records, data and information, and shall provide necessary facility and support to such employee or accountant. The audit report prepared by Party A's appointed employees or engaged accountant ("Audit Report") shall be final and conclusive unless Party B raises any issue regarding such Audit Report within seven (7) days. Party A has the right to give Party B at anytime a payment notice regarding the outstanding amount of Service fee specified in the Audit Report. Party B shall make corresponding payment for it in accordance with the above paragraph (3) within seven (7) business days following the receipt of the payment notice.

3. This Supplemental Agreement shall become effective upon being signed by both Parties. As a supplement to the Technical Consulting and Training Agreement, this Supplemental

Agreement shall have the same legal effect with the Technical Consulting and Training Agreement. If there is any inconsistency between this Supplemental Agreement and the Technical Consulting and Training Agreement, this Supplemental Agreement shall prevail. The Technical Consulting and Training Agreement shall be referred to and complied with where there is no any inconsistency.

4. Any dispute arising from the execution, exercise, termination or validity of this Agreement or in connection with this Agreement shall be resolved by both Parties through friendly negotiations, failing which, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding. The arbitration shall be conducted in Shenzhen. There is one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to abovementioned rules and proceeding. The arbitral award is final and binding upon both Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party. During the period from the submission of dispute for arbitration to the rendering of arbitral award, both Parties shall continue to perform their obligations hereunder without prejudice to the final judgment made based on the aforesaid arbitral award.

5. This Supplemental Agreement has two (2) original copies, each Party holding one (1) copy. The two (2) copies have the same legal effect.

(Remainder of this page intentionally left blank.)

(Execution Page)

Party A: Giganology (Shenzhen) Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

Party B: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Authorized Representative

(Affixed with common seal of the company)

Second Supplemental Agreement to Exclusive Technology Consulting and Training Agreement

This Second Exclusive Technology Consulting And Training Agreement (this "**Supplemental Agreement**"), dated March 10, 2014, is made in Shenzhen by and between:

Party A: **Giganology (Shenzhen) Ltd.**, a wholly foreign owned enterprise established under laws of the PRC, with registered address at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC;

And

Party B: **Shenzhen Xunlei Networking Technologies Co., Ltd.**, a limited liability company established under laws of the PRC, with registered address at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the "**Parties**")

WHEREAS:

(1) The Parties have entered into an Exclusive Technology Consulting and Training Agreement on September 16, 2005 and a Supplemental Agreement to the Exclusive Technology Consulting and Training Agreement on November 15, 2006 (Collectively, the "**Original Exclusive Technology Consulting and Training Agreement**");

(2) The Parties through friendly negotiation and based on the principle of equality and mutual benefit, agree to enter into this Supplemental Agreement to amend and supplement the Original Exclusive Technology Consulting and Training Agreement.

The Parties hereby agree:

1. To delete and replace Section 9.1 of the Original Exclusive Technology Consulting and Training Agreement with the following provision:

If either Party commits a material breach under this Agreement, and further fails to cure such a breach within thirty (30) days upon receiving the notice from the non-breaching Party about the occurrence and existence of the breach , the other Party shall be entitled to rescind this Agreement by giving a notice to the breaching Party. During the term hereof, Party A has the right to terminate this Agreement by giving a thirty (30)-day written notice to Party B at any time.

2. Unless otherwise stated in this Supplemental Agreement, the terms applied in this Supplemental Agreement have the same meaning as given to them in the Original Exclusive Technology Consulting and Training Agreement.

3. This Supplemental Agreement becomes effective upon its execution by the Parties at a date

first written above. This Supplemental Agreement is a supplement to the provisions in the Original Exclusive Technology Consulting and Training Agreement and shall have the same legal effect as the Original Exclusive Technology Consulting and Training Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Exclusive Technology Consulting and Training Agreement.

4. This Supplemental Agreement is executed in Chinese in two (2) counterpart with the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

(Execution Page)

Party A: /s/ Giganology (Shenzhen) Ltd.

Party B: /s/ Shenzhen Xunlei Networking Technologies Co., Ltd.

Exhibit 10.14

This is a translation of the original text in Chinese

Proprietary Technology License Contract

This Proprietary Technology License Contract (this "**Agreement**") dated March 1, 2012, is made by and between:

(1) **Giganology (Shenzhen) Ltd.** a wholly foreign owned enterprise established under laws of the PRC, with registered address located at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC. (the "**Licensor**"); and

(2) **Shenzhen Xunlei Networking Technologies Co., Ltd.**a limited liability company established and existing under laws of the PRC, with registered address located at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC. ("**Licensee**").

(Each a "**Party**" and collectively, the "**Parties**")

WHEREAS:

(1) The Parties have entered into a software and proprietary technology license contract on November 15, 2006 (the "**Original License Agreement**") and the Parties agree to modify and amend such agreement to replace the Original License Agreement.

(2) The Licensor is the lawful and beneficiary owner of certain proprietary technology as set out in the Schedule to this Agreement and/or owns legal and effective right to use, and the license to use (as the case may be) such proprietary technology.

(3) The Licensee intends to acquire a non-exclusive license in accordance with terms and conditions herein, to utilize such proprietary technology.

NOW, THEREFORE, the Parties agree as follows:

1. Definitions

The following terms shall have the meanings given below unless otherwise specified herein:

1.1 "**Designated Region**" means mainland China, excluding Hong Kong, Macau and Taiwan Special Administrative Regions for purpose of this Agreement;

1.2 "**Business**" means the Internet content provider services engaged by the Licensee in accordance with value-added services and telecommunication business operation license issued the Licensee has obtained.

1.3 "**Business Day**" means the day on which the commercial banks in Shenzhen normally open for doing business.

1.4 "**Work Site**" means Shenzhen, the People's Republic of China ("**PRC**"), the place where the Licensee uses the Proprietary Technology to provide Internet content provider services to the public.

1.5 "**Proprietary Technology**" means the proprietary technology previously and currently held by the Licensor as set out in the Schedule to this Agreement and the software, computer program, technical knowledge, data, index, tables and charts, design and any other Technical Materials to be developed and owned by the Licensee from time to time hereafter, or held by the Licensee through legal authorization or acquisition, and delivered by the Licensor to the Licensee on or after the date hereof.

1.6 "**Technical Materials**" means all the documents, books, records, data and information in relation to the Proprietary Technology.

1.7 "**Improvement**" means all the improvement, upgrade, development, renew or amendment made by the Licensor or the Licensee with respect to the Proprietary Technology during the term hereof.

2. Scope of License

2.1 During the term hereof, the Licensor agrees to grant to the Licensee, and the Licensee agrees to acquire a non-exclusive and non-relicensable license ("**License**"), in order to install, store, upload, execute and display the Proprietary Technology and the Improvement (collectively, "**Use**"). The Use is only limited within the scope of Business engaged by the Licensee inside the Designated Region. Unless expressly provided herein, no any other license is given in a expressly or implied way under this Agreement.

2.2 Unless approved by the Licensor in writing in advance, the Licensee shall not sell, transfer, assign or sub-license, or use the Proprietary Technology and shall not use or improve the Proprietary Technology in any way not allowed herein. The Licensee shall not entirely or partially assign its rights and obligations hereunder, or create any security interest over its rights hereunder.

2.3 The Licensee should not use the Proprietary Technology and the Improvement

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under the following circumstances:

(1) at any time, for any other purpose, outside the Designated Region, or beyond its Business scope; and/or

(2) after this Agreement expires or terminates; and/or

(3) in any other way not specified herein.

2.4 Unless otherwise expressly provided herein, and except for the License granted in accordance with the Article 2.1 herein, this Agreement does not grant any title to or any other rights associated with the Proprietary Technology and the Improvement. Such title and rights are ultimately owned by the Licensor.

3. License Fee and Payment Method

3.1 As the consideration of use of the License granted by the Licensor to the Licensee, the Licensee hereby agree to pay the license fee to the Licensor ("**License Fee**"), and the License Fee consists of the annual royalties.

3.2 The Licensee shall make an annual payment of forty percent (40%) ("**Rate**") of its pre-tax operating profit ("**Income**") to the Licensor as the License Fee for use of the Proprietary Technology ("**Royalty**").

3.3 The Licensee shall make one-off payment of the Royalty to the Licensor each quarter ("**Payment Period**"). Within seven (7) business days following the end of each Payment Period, the Licensee shall provide a written report to the Licensor, specifying the duly calculated Income of the Licensee during the Payment Period and the corresponding amount of Royalty to be paid.

3.4 The Licensee shall make payment to the Licensor within seven (7) business days upon its receipt of the Royalty payment notice from the Licensor with respect to related Payment Period. All the amount payable by the Licensee shall be made in RMB to the bank account notified by the Licensor to the Licensee in writing from time to time.

If the Licensee fails to pay any amount due and payable hereunder, the Licensee shall pay the Licensor default interest for its overdue payment of such amount. The default interest rate shall be the lending interest rate of the Bank of China for the same period. The calculation period starts from the date on which the amount is due and payable and ends on the date of its actual payment.

3.5 The Licensee shall provide the Licensor with an audited authentic and correct statement regarding the Licensee's Income and the payable amount of the

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Royalty of the previous calendar year within sixty (60) days following the end of the previous calendar year. In the event that there is any inconsistency between such audited statement and the written report mentioned in above Article 3.3, then the Royalty shall be adjusted in the next Payment Period.

3.6 The Licensee shall establish and maintain a separate accounting book for the use of Proprietary Technology and the Improvement. Throughout the term hereof, the Licensor has the right to send its employees, or engage a registered accountant at its own cost, to audit the Licensee's books and records, including without limitation the income statements of the Licensee for the Payment Periods. The Licensee shall provide to the Licensor's appointed employees or engaged registered accountant with all related materials, books, records, data and information, and shall provide necessary facility and support to such employees or accountant. The audit report prepared by the Licensor's appointed employees or engaged accountant ("**Audit Report**") shall be final and conclusive unless the Licensee raises any issue regarding such Audit Report within seven (7) days following its receipt of such Audit Report. The Licensor has the right to give the Licensee at anytime a payment notice regarding the outstanding amount of Royalty specified in the Audit Report. The Licensee shall make corresponding payment for it in accordance with the above Article 3.4 within seven (7) business days following the receipt of the payment notice.

4. Licensor's Warranties

4.1 As the consideration of grant of the License by the Licensor to the Licensee, the Licensee hereby warrants and undertakes to the Licensor that during the term hereof, without the prior written consent form the Licensor, the Licensee will not:

(1) use its own resources, or outsource or purchase any recourse from any party other than the Licensor, for provision of technical services;

(2) enter into any agreement, or make any arrangement, or become liable to any third party;

(3) be engaged in any business competitive with the business the Licensor is engaged in (including with limitation the technical services provided by the Licensor);

(4) engage or intend to engage any employee of the Licensor or its affiliate;

(5) adopt or amend its budget or operation plan; however, the Licensee shall provide its budget and operation plan draft for each fiscal year at least sixty (60) days before the beginning of each fiscal year to the Licensor for

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the Licensor's approval; or

(6) enter into any agreement with any third party for any matter same with or similar to the subject matter hereof.

4.2 As the consideration of grant of the License by the Licensor to the Licensee, the Licensee hereby warrants to the Licensor that during the term hereof:

(1) the Licensee will obtain from or renew with related governmental and administrative authorities any related approval, consent, license, registration and permit necessary for its establishment and valid existing (including without limitation the establishment approval certificate and business license), or any approval, consent, license, registration and permit in relation to the existing and operation of the value-added telecommunication permit, value-added telecommunication business or any other Internet content provider business, and maintain the validity of above mentioned approval, consent, license, registration and permit.

(2) the Licensee will not cease or change the current scope of Business, or be engaged in or incur any business or expenses beyond the approved and valid budget and operation plan, or cease the value-added telecommunication business;

(3) the Licensee with not change the nature of Internet content provider business it is currently engaged in; or

(4) the Licensee will operate Business lawfully, and will not engage in any business in violation of related laws.

5. Delivery of Technical Materials

The Licensor shall deliver to the Licensee the technical materials related to the Proprietary Technology and the Improvement through the medium and method accepted to both Parties.

6. Visit to Licensee's Work Site

Notwithstanding any provision in this Agreement or any other agreement, the Licensor is entitled to visit the Licensee's Work Site during the term hereof.

7. Improvement to Proprietary Technology

The Licensor or the person designated by it has the title to any Improvement to the Proprietary Technology made by the Licensor and/or the Licensee based on

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such Proprietary Technology, notwithstanding such Improvement can or cannot be independently registered as a copyright, patent or any intellectual property in any other form in accordance with any laws of intellectual property within any jurisdiction. For avoidance of any doubt, unless consented by the Licensor in writing, the Licensee is not entitled to transfer, assign or license the above-mentioned Improvement.

8. Intellectual Property Rights of Licensor

8.1 The Licensee acknowledges that, the Licensor or the person designated by it owns the absolute title to the goodwill, intellectual property and other rights of and related to the Proprietary Technology and the Improvement, no matter if it into existence before or after the execution of this Agreement. And both Parties hereby agree that, such above-mentioned rights shall be owned by the Licensor or its designated person all the time and for all purposes.

8.2 In any circumstances, the Licensee shall not file an application for registration anywhere in the world as the owner of the Proprietary Technology and the Improvement. On the other hand, the Licensee shall make every possible effort to provide necessary assistance in the event that the Licensor or its designated person intends to file an application for the registration of the Proprietary Technology or the Improvement somewhere in the world. If the provisions or limitations of law make the Licensee become the owner of the Proprietary Technology and the Improvement, then the Licensee shall at the Licensor's request and at its own cost, transfer the registration and all the other rights of the Proprietary Technology and the Improvement to the Licensor or its designated person, at a nominal price of Renminbi 1.00 Yuan (RMB 1.00).

8.3 The Licensee confirms all the software copyrights and patents it holds and applied were developed and registered based on the Proprietary Technology licensed under this Agreement, and the Licensee shall transfer all the software copyrights and patents according to Section 8.2 upon the request from the Licensor.

9. Confidentiality

9.1 All the Proprietary Technology and the Improvement and all the technical materials and other information related thereto delivered to the Licensee from time to time are the property of the Licensor or its designated person for all the time. The Licensee undertakes to the Licensor and its designated person:

(1) it will use the Proprietary Technology or any Improvement thereof, and any related Technical Materials and other related information only inside Designated Region, and will not make any other use thereof for any

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purpose not contemplated herein; and

(2) without the prior written consent from the Licensor, it will not disclose the Proprietary Technology and the Improvement, or any Technical Materials and other information related thereto, to any person, enterprise or company upon the execution hereof, except the disclosure made to the principal employees, staff, directors and management staff strictly adhering to the "need-to-know" principle; and it will cause such principal employees, staff, directors and management be strictly bound by the confidentiality obligations, and it is liable to the Licensor for compliance of the confidentiality obligation by the above mentioned persons.

9.2 The Licensee shall establish and maintain proper security measures and procedures, in order to safely store the Proprietary Technology and the Improvement, as well as related Technical Materials; and shall ensure that any unauthorized person cannot gain access to any such Proprietary Technology and the Improvement, as well as related Technical Materials.

9.3 The Licensor has the right to visit and inspect the Licensee's Work Site to ensure that the Licensee is in compliance with this Article.

9.4 Notwithstanding the provision of above Article 9.1, the confidential obligation shall not apply to:

(1) any information obtained from the other Party, which has become available to the public not due to the willful misconduct or negligence of this Party or any of its agents, consultants, directors, officers, employees or representatives;

(2) any disclosure made at requirement of applicable laws or any other competent governmental authorities or agencies, or in accordance with regulations or rules of relevant administrative and regulatory authorities; and

(3) any disclosure made by either Party to its banks, financial counsels, legal counsels or any other counsels for the purpose of this Agreement.

9.5 The confidentiality obligations set forth in this Article survive the termination of this Agreement for unlimited period of time, unless any confidential information becomes available to the public in accordance with the above mentioned provisions.

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10. Claim

10.1 The Licensee shall be solely liable for any claim, lawsuit or administrative litigation arising from the improper manipulation or use of the Proprietary Technology and the Improvement by the Licensee.

10.2 In the event that the Licensee discovers that any person is illegally using the Proprietary Technology and the Improvement inside the region where the Licensee is granted the License herein, the Licensee shall notify the Licensor of it immediately. The Licensee shall at the Licensor's request, provide reasonable and sufficient assistance and cooperation to the Licensor with respect to any lawsuit, claim or any other legal proceeding filed or to be filed regarding the Proprietary Technology and the Improvement.

11. Early Termination

11.1 Early termination of this Agreement is permitted in any of the following circumstances:

(1) agreed by both Parties in writing;

(2) by the Licensor in the event that the Licensee commits a material breach of this Agreement and fails to cure such default within thirty (30) days after the written notice of requirement for cure of default from the Licensor; or

(3) by the Licensor in the event that the Licensee commenced any liquidation proceeding, or any successor or similar officially appointed person is designated for all or substantial or major part of the business, properties or assets of the Licensee.

11.2 The termination of this Agreement in accordance with this Article does not impair the accumulative rights and obligations of both Parties prior to the termination of this Agreement.

11.3 In the event that this Agreement is terminated for any reason, then:

(1) the License for Use granted in accordance with the Article 2 hereof shall terminate with immediate effect;

(2) the Licensee shall immediately cease the Use of the Proprietary Technology and the Improvement, as well as all related intellectual property;

(3) the Licensee shall immediately return the Proprietary Technology and the Improvement, and the Technical Materials and other information delivered to it to the Licensor;

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(4) the Licensee shall immediately transfer any software copyrights and patents registered under its own name and involving the Proprietary Technology to the Licensor according to this Agreement and other relevant agreements; and

(5) the Licensor is entitled to deregister the registration of this Agreement with related Chinese competent authorities (i.e., National Copyright Administration of PRC). And the Licensee shall at the Licensor's request, assist the Licensor with the deregistration and other necessary formalities, to eliminate the Licensee's right to use the Software and Proprietary Technology and the Improvement.

12. Indemnification

12.1 The Licensee shall indemnify the Licensor for any direct or indirect losses, expenses and costs (including without limitation any legal fee) incurred by the Licensor caused by any claim raised by any person for the execution and performance of this Agreement, unless such claim is attributable to the willful misconduct, default or material negligence of the Licensor.

12.2 The Licensor is not liable to the Licensee for any losses, damage, expenses and costs incurred by the Licensee caused by the existence of this Agreement or any other reason, unless such losses, damage, expenses or costs are caused by the willful misconduct, default or material negligence of the Licensor, however, provided that, in any circumstance, the Licensor shall not be held liable for any indirect losses caused to the Licensee by the breach of this Agreement.

12.3 The liability for breach assumed by the Licensor shall not exceed the amount of Royalty the Licensee shall pay to the Licensor hereunder for the year in which such liability comes into existence.

13. Entire Agreement

This Agreement constitutes the entire agreement reached by the Parties with respect to the subject matter of this Agreement, and replaces and terminates all the preceding oral and written discussions, negotiations, notices, memorandums of understanding, documents, and agreements, including the Original License Agreement among the Parties regarding the subject matter of this Agreement. The Parties agree that this Agreement should not be amended unless being consented by the Parties in writing.

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14. Assignment

Without the written consent by the other Party, neither Party should assign any of its rights and obligations hereunder to any third party. Any intention to affect the transfer of any right, obligation, or liability hereunder is invalid without obtaining the above mentioned consent.

15. Further Warranties

Each Party hereto shall sign, and take all necessary measures within its scope of power to cause any other persons, companies or subsidiaries (if necessary) to sign, any further document, agreement and deed, and take any other act, necessary for making all the terms of this Agreement fully effective.

16. Severability and Enforceability

16.1 If one or multiple terms hereof is announced or determined by any competent authority to be illegal or invalid, or becomes unenforceable in accordance with any applicable law in any jurisdiction, then,

(1) such term shall be deemed to be isolated from the remaining terms hereof, and the remaining terms hereof continue to be valid;

(2) without prejudice to the capacity of filing claim before competent authorities, such invalid or unenforceable terms shall be eliminated from this Agreement, provided that, if the elimination of such terms have substantially affected or changed the commercial basis of this Agreement, the Parties shall faithfully agree to replace such invalid or unenforceable terms with new terms. The newly added terms shall be valid and enforceable, and shall be able to express the meanings which the original invalid and unenforceable terms are trying to express.

16.2 If any applicable law fully or partially prohibits or limits the performance of this Agreement, or in any way affect the performance by any Party hereto of its rights hereunder, then the Parties agree they will sign an additional agreement including commercial terms similar to those herein, to ensure the full performance of rights and obligations hereunder.

17. Costs and Expenses

The Licensee shall bear all the costs and expenses incurred by both Parties for the preparation of, negotiation about and execution of this Agreement.

18. Notices

18.1 Any notice given by one Party to the other Party shall be delivered in person, by

facsimile, prepaid registered mail, or publicly recognized courier to the following addresses or facsimile numbers, which may be changed from time to time. The initial address and facsimile number of each Party are set forth as follows:

Licensor	:	
Facsimile	:	
Address	:	
Attention	:	Zou Shenglong
Licensee	:	Shenzhen Xunlei Networking Technologies Co., Ltd.
Facsimile	:	
Address	:	
Attention	:	Zou Shenglong

18.2 Any such notice or communication is deemed given when::

(1) when delivered if in person; or

(2) on the fifth (5th) Business Day after being posted if by prepaid mail; or

(3) if delivered by facsimile, when the sender receives the facsimile report, showing such notice or communication has been entirely sent to the receiver's facsimile machine or any other similar receiving machine; or

(4) on the third (3rd) business day after the courier receives the notice or communications.

For purpose of evidencing certain notices or communications have been given, the sending Party needs to prove that such notices or communications have been delivered in person, or the envelope embedded with such notices or communications have been correctly put address on and posted as prepaid mail, or the facsimile report shows that the facsimile has been successfully transmitted, or the package with such notices or communications in has been correctly specified address and delivered to courier.

19. Waiver

Any failure or delay to exercise any of its rights or remedies under this Agreement by either Party will not operate as its waiver of such right or remedy. Single or partial exercise of any right or remedy by either Party shall not exclude its exercise of any other rights or remedies. The rights described hereunder is accumulative, and does not exclude the rights or remedies provided by laws.

20. Governing Law and Jurisdiction

20.1 This Agreement is governed by and interpreted in accordance with laws of the PRC.

20.2 Any dispute arising from the execution, performance, termination or validity of this Agreement or in connection with this Agreement shall be resolved by both Parties through friendly negotiations and, if negations fail, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("**CIETAC South China Sub-commission**") for arbitration according to its then effective rules and proceeding. The arbitration shall be conducted in Shenzhen. There will be one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to above mentioned rules and proceeding. The arbitral award is final and binding upon the Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party. During the period from the submission of dispute for arbitration to the rendering of arbitral award, both Parties shall continue to perform their obligations hereunder without prejudice to the final judgment made based on the aforesaid arbitral award.

21. Counterpart

This Agreement may be signed in multiple counterparts. Each singed counterpart shall be deemed as a original copy of this Agreement. All the counterparts constitute identical documents.

22. Miscellaneous

22.1 This Agreement becomes effective from the date first written above upon execution. The Parties agree and confirm the terms and conditions of this Agreement effect from November 15, 2006. This Agreement replaces the Original License Agreement upon the effectiveness of this Agreement.

22.2 Unless this Agreement terminates in advance according to this Agreement, the term of validity of this Agreement is ten (10) years. Prior to the expiration of this Agreement, subject to the written confirmation of the Licensor, this Agreement may be renewed. The term of renewal is ten (10) years or a term as agreed by the Parties. The Licensee is not entitled to confirm the renewal of this Agreement.

22.3 This Agreement is written in Chinese in two (2) original counterparts with same legal effect, each Party holding one (1) counterpart.

22.4 All the issues not contemplated herein shall be determined by the Parties through negotiations.

[The reminder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Licensor: Giganology (Shenzhen) Ltd.

By: /s/ Zou Shenglong
Legal/Authorized representative (Signature and Seal)
[Affixed with company seal]

Licensee: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Zou Shenglong
Legal/Authorized representative (Signature and Seal)
[Affixed with company seal]

Schedule 1

Exhibit 10.15

This is a translation of the original text in Chinese

Intellectual Properties Purchase Option Agreement

This Intellectual Properties Purchase Option Agreement (this "Agreement") is entered into on March 1, 2012 in Shenzhen, by and between:

Party A: Shenzhen Xunlei Networking Technologies Co., Ltd.

Legal Address: 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

Party B: Giganology (Shenzhen) Ltd.

Legal Address: Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the "Parties")

Whereas:

1. Party A and Party B have entered into, on September 16, 2005, an Exclusive Technology Consulting and Training Agreement and an Exclusive Technology Support and Services Agreement, and have entered into, on November 15, 2006, a Supplemental Agreement to the Exclusive Technology Consulting and Training Agreement, a Supplemental Agreement to the Exclusive Technology Support and Services Agreement, a Trademark and Domain Name Purchase Option Agreement and a Software Proprietary Technology License Contract and entered into, on January 2, 2011, a Supplemental Agreement to the Trademark and Domain Name Purchase Option Agreement (together with the Trademark and Domain Name Purchase Option Agreement, the "Original Purchase Option Agreement").

2. Party A has the title or the application rights to the trademarks, domain names, copyrights and patents as set forth in the Schedule to this Agreement.

3. To ensure the due performance of the abovementioned contracts and agreements as well as the good cooperative relationship between the Parties, Party A intends to grant Party B an option to purchase the Intellectual Properties (defined below) from Party A, each subject to the terms and conditions of this Agreement.

The Parties hereby agree:

1. **Grant of Call Option**

Party A hereby grants Party B an irrevocable and exclusive call option (the "Option"), whereby Party B and/or any person nominated by Party B may purchase at any time during the Term of the Option (as defined below) the Trademarks, Domain Names from Party A the registered trademarks, domain names, copyrights and patents as set forth in the Schedule to this Agreement and all trademarks, domain names, copyrights and patents applied for registration after Party A's execution of this Agreement, (collectively, "Intellectual Properties"), subject to the terms and conditions of this Agreement.

2. **Term of Option**

Party B and/or any person nominated by Party B may exercise the Option within a term of ten (10) years from the date upon which this Agreement becomes effective (the "Term of the Option"). The Parties hereby agree that as long as the Intellectual Properties are not transferred to Party B and/or any person nominated by Party B and Party A is in existence, the Term of the Option will be automatically extended for another ten (10) years.

3. **Option Price**

Party B will pay Party A at the time of Party B's exercising of the Option RMB1.00 or the minimum consideration as permitted by the law then effective (the "Option Price"), which price includes (i) the price for grant of the Option from Party A to Party B under Article 1 of this Agreement; and (ii) the price to purchase the Intellectual Properties by Party B exercising the Option.

4. **Exercise of Option**

4.1 The Parties agree, subject to the permission by the PRC laws, Party B and/or any person nominated by Party B may exercise the all or any part of the Option at any time during the Term of the Option.

4.2 Party B may transfer the Option or create any security interest in favor of any third party upon the Option, each without prior consent of Party A.

4.3 Upon its exercising all or any part of the Option, Party B and/or any person nominated by Party B will issue a written notice to Party A setting forth the Intellectual Properties underlying the Option so exercised (the "Exercise Notice").

4.4 Upon receipt of the Exercise Notice, Party A will take all actions and sign all documents necessary to transfer the relevant Intellectual Properties to Party B

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and/or any person nominated by Party B, as well as to effect requisite re-registration procedures with competent intellectual property administrative agencies.

5. **Representations and Warranties**

Party A hereby represents and warrants to Party B as follows:

5.1 Unless with prior written consent from Party B, it is the legal and beneficial owner of the Intellectual Properties throughout the Term of the Option;

5.2 There is no security or any other third-party interests created by it upon the Intellectual Properties;

5.3 It grants the Option on exclusive basis and, without prior written consent from Party B, will not enter into any negotiation or agreement with any other party in respect of the transfer of the Intellectual Properties during the Term of the Option;

5.4 It will use the Intellectual Properties legally and duly during the Term of the Option. During the term of this Agreement, it will not make any impairment to the validity or ownership of the Intellectual Properties, or take any action that may possibly contribute to or cause the de-registration of the Intellectual Properties;

5.5 It will apply to the authorities in charge in a timely manner for the registration of all the intellectual properties that is related to its operation and it will ensure the intellectual properties that is registered or newly applied for registration do not infringe third party rights; in addition, Party A will actively and effectively defend any third party's act or claim that infringes its own Intellectual Properties;

5.6 None of its execution and performance of this Agreement will conflict with or breach any agreements to which it is a party or any Chinese laws and regulations;

5.7 It will make active efforts to assist Party B in processing any and all procedures necessary to receive approval or complete re-registration for the exercise of the Option;

5.8 It will make active efforts to cooperate with Party B such that Party B will obtain all the sole and exclusive purchase rights of the ownership and the application rights of the intellectual properties of Party A's relevant subsidiaries and Party B to enter into the agreements in the form that is

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substantially the same as this Agreement with Party A's relevant subsidiaries.

5.9 It will be in compliance with Chinese laws and regulations throughout the Term of the Option;

5.10 It will maintain its legal and valid existence and operations during the Term of the Option; and

5.11 During the term of this Option, it will provide all documents and information requested by Party B and allow access to its business premises at any time by any employees or representatives of Party B.

6. **Confidentiality**

6.1 Each Party will, and will procure any of its agents, management or employees to, have the obligation to keep in confidence any and all information it receives from the other Party (the "Confidential Information"), and will not disclose any such information to any other party unless with consent of the other Party or as required by the order of any court, government or regulatory authority having jurisdiction.

6.2 Notwithstanding the provisions under Section 6.1, the non-disclosure obligation provided hereunder is not applicable to any information which:

(a) Is available to the public not by any willful misconduct, neglect or omission of the receiving Party or any of its agents, consultants, directors, officials, employees or representatives;

(b) Is disclosed under requirements of applicable laws, or regulations or rules from competent government, statutory or regulatory agencies; and

(c) Is disclosed by any Party to any of its banks, financial advisors, consultants, counsels or other advisors for purpose of this Agreement.

6.3 Each of the Parties will take reasonable measures to ensure the Confidential Information is made available to its employees and directors only on as-need basis and such employees and directors are subject to similar non-disclosure obligations for the benefit of the Parties.

6.4 The non-disclosure obligations under this Article 6 will survive the termination of this Agreement for unlimited time, unless any Confidential Information becomes available to the public as aforesaid.

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7. **Events of Default**

If Party A breaches any provision of this Agreement, it will be liable for any and all losses, damages, costs or expenses incurred by Party B.

8. **Termination**

This Agreement may be terminated:

(1) Upon expiration of the Term of the Option and Party B agrees to waive any extension thereof;

(2) If all of the Party A's equity interests have been transferred to Party B and/or any of its nominees; or

(3) Upon agreement of the Parties in writing.

9. **Entire Agreement**

This Agreement together with the schedules attached hereto constitute all agreements of the Parties on the subject matter of this Agreement, replacing and terminating any and all oral and written discussions, negotiations, notices, memorandums, documents and agreements made by the Parties on such subject matter, including the Original Purchase Option Agreement. This Agreement may not be amended without consent of the Parties in writing.

10. **Assignment**

10.1 Unless otherwise expressly provided under this Agreement, without the prior written consent of the other Party, neither Party may assign any of its rights and obligations under this Agreement to any third party. Any attempt to assign any of its rights, obligations or liabilities under this Agreement by either Party without prior consent from the other Party is null and void.

10.2 Notwithstanding the aforesaid, subject to all Parties' consent, Party B may assign its rights and obligations to a third party without Party A's written consent. Party A shall execute a necessary supplemental agreement with the assignee according to Party B's request.

11. **Further Warranties**

Each of the Parties will, and will procure any other persons, companies or branches (if necessary) to, sign any other documents, agreements and deeds, and do any other actions and things within its powers, that are necessary to

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make the provisions of this Agreement have full effect.

12. **Severability and Enforceability**

12.1 If one or more provisions under this Agreement is declared or held illegal or invalid by any competent authority officially or otherwise, or unenforceable under applicable laws of any jurisdiction, then:

(1) This provision will be deemed severable from the remainder of this Agreement which will continue to have effect;

(2) Without prejudice to the right of appealing to competent authority in respect of the status of such provision, such invalid and unenforceable provision will be excluded from this Agreement; *provided*, *however*, that if such exclusion will materially affect or change the commercial basis of this Agreement, the Parties will agree in good faith to replace the invalid or unenforceable provision with a new provision; provided, further, that such new provision will be effective, enforceable, and is capable to achieve the object most approximate to that of the invalid or unenforceable provision.

12.2 If any applicable law prevents or restricts performance of all or any part of this Agreement, or affect any rights of any Party under this Agreement, the Parties agree to ensure full entitlement and performance of the rights and obligations under this Agreement by entering into another agreement containing commercials terms similar to those under this Agreement.

13. **Notices**

13.1 All the notices given by each Party to the other Party under this Agreement shall be delivered to the following addresses of the other Party in person, or by facsimile, pre-paid registered mail or recognized courier. Such addresses or facsimile numbers may be changed from time to time. The original address and facsimile number of each Party is:

Party A: Shenzhen Xunlei Networking Technologies Co., Ltd.
Telephone:
Facsimile:
Address: 7 and 8 Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

Party B: Giganology (Shenzhen) Ltd.
Telephone:
Facsimile:
Address: Room 802, Building 11, Shenzhen Software Park, Central District of

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High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC

13.2 All notices and communications will be deemed given:

(1) If by person, on the day it is delivered; or

(2) If by pre-paid post, on the fifth (5) business day after it is mailed; or

(3) If by facsimile, on the receipt of the reporting confirming successful transmission; or

(4) If by express courier, on the third business day after it is deposited with the courier.

The notices or communications will be deemed given if there is evidence that it is delivered by person, or by a mail with the correct mailing address and postage prepaid, or by facsimile which is confirmed successful, or by courier when the package including the notice or communication is correctly addressed and deposited with the courier.

14. **Waiver**

Failure or delay to enforce any of its powers or remedies by any Party under this Agreement will not operate as its waiver of such powers or remedies. Partial or single exercise of such powers or remedies will not prevent its other or further exercise of such powers or remedies. The powers under this Agreement are accumulative and non-exclusive of any powers or remedies available under laws.

15. **Governing Laws and Jurisdiction**

15.1 This Agreement is governed by and construed in accordance with the Chinese laws.

15.2 Any dispute arising from the execution, performance, termination or validity of this Agreement or in connection with this Agreement shall be resolved by both Parties through friendly negotiations and, if negations fail, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding. The arbitration shall be conducted in Shenzhen. There will be one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to above mentioned rules and proceeding. The arbitral award is final and binding upon the Parties. Unless otherwise provided by the arbitral award, the losing Party

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shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party. During the period from the submission of dispute for arbitration to the rendering of arbitral award, both Parties shall continue to perform their obligations hereunder without prejudice to the final judgment made based on the aforesaid arbitral award.

16. **Counterpart**

This Agreement may be signed in multiple counterparts. Each signed counterpart shall be deemed as a original copy of this Agreement. Each and all of the counterparts shall be deemed as identical legal documents.

17. **Miscellaneous**

17.1 This Agreement is signed and become effective on the date first written above. The Parties agree and confirm the terms and conditions of this Agreement be effective from November 15, 2006. This Agreement shall replace the Original Purchase Option Agreement upon the effectiveness of this Agreement.

17.2 This Agreement will be effective for ten (10) years from the date upon which this Agreement becomes effective. The Parties hereby agree that as long as the Intellectual Properties as specified in this Agreement are not transferred to Party B and/or any person nominated by Party B and Party A is in existence, this Agreement will be automatically extended for another ten (10) years.

17.3 This Agreement is written in Chinese in two original copies with same legal effect, each Party holding one copy.

17.4 Any matter that is not provided under this Agreement will be separately negotiated by the Parties.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

Party A: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Zou Shenglong
Legal/Authorized representative (Affixed with the common seal)
[Affixed with company seal]

Party B: Giganology (Shenzhen) Ltd.

By: /s/ Zou Shenglong
Legal/Authorized representative (Affixed with the common seal)
[Affixed with company seal]

Schedule 1 Trademarks

Schedule 2: Domain

Schedule 3: Copyrights

Schedule 4: Patents

Supplemental Agreement to Intellectual Properties Purchase Option Agreement

This Supplemental Agreement to Intellectual Properties Purchase Option Agreement (this "**Supplemental Agreement**"), dated March 10, 2014, is made in Shenzhen by and between:

Party A: Shenzhen Xunlei Networking Technologies Co., Ltd.

Legal Address: 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

Party B: Giganology (Shenzhen) Ltd.

Legal Address: Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.

(Collectively, the "**Parties**")

WHEREAS:

(1) The Parties have entered into an Intellectual Properties Purchase Option Agreement on March 1, 2012 (the "**Original Intellectual Property Purchase Option Agreement**");

(2) The Parties through friendly negotiation and based on the principle of equality and mutual benefit, agree to enter into this Supplemental Agreement to amend and supplement the Original Intellectual Properties Purchase Option Agreement.

The Parties hereby agree:

1. To delete and replace Section 1 of the Original Intellectual Properties Purchase Option Agreement with the following provision:

1. Grant of Purchase Option

Party A hereby grants Party B an irrevocable and exclusive call option (the "**Option**"), whereby Party B and/or any person nominated by Party B may purchase at any time during the Term of the Option (as defined below) from Party A the trade name, proprietary technology held by Party A, the registered trademarks, domain names, copyrights and patents held by Party A as set forth in the Schedule to this Agreement and all trademarks, domain names, copyrights and patents that will be submitted for registration after Party A's execution of this Agreement, (collectively, "**Intellectual Properties**"), subject to the terms and conditions of this Agreement.

2. Unless otherwise stated in this Supplemental Agreement, the terms applied in

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this Supplemental Agreement have the same meaning as given to them in the Original Intellectual Properties Purchase Option Agreement.

3. This Supplemental Agreement becomes effective upon its execution by the Parties on the date first written above. This Supplemental Agreement is a supplement to the provisions in the Original Intellectual Properties Purchase Option Agreement and shall have the same legal effect as the Original Intellectual Property Purchase Option Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Intellectual Property Purchase Option Agreement.

4. This Supplemental Agreement is executed in Chinese in two (2) counterparts with the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

(Execution Page)

Party A: /s/ Giganology (Shenzhen) Ltd.

Party B: /s/ Shenzhen Xunlei Networking Technologies Co., Ltd.

Exhibit 10.16

This is a translation of the original text in Chinese

Loan Agreement

This LOAN AGREEMENT (this "**Agreement**"), dated December 22, 2010, is made in Shenzhen by and among:

(1) Zou Shenglong, a resident of the People's Republic of China (the "**PRC**") with ID No. ####;

(2) Cheng Hao, a PRC resident with ID No. ####;

(3) Wang Fang, a PRC resident with ID No. ####;

(4) Shi Jianming, a PRC resident with ID No. ####;

(5) Guangzhou Shulian Information Investment Co., Ltd., a domestic company with limited liabilities incorporated under the PRC laws, with legal address at [Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC];

(Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming, and Guangzhou Shulian Information Investment Co., Ltd., individually, the "**Borrower**"; collectively, the "**Borrowers**").

And

(6) Giganology (Shenzhen) Ltd., a wholly foreign owned enterprise established under laws of the PRC, with registered address at 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC. (the "**Lender**")

(Each of the Borrower and the Lender, the "**Party**"; Collectively, the "**Parties**")

WHEREAS

(A) Shenzhen Xunlei Networking Technologies Co., Ltd. ("**Shenzhen Xunlei**"), a limited liability company established under laws of the PRC, with registered address at 7th and 8th Floors, 11th Building, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, the PRC. It has a registered capital of RMB 10 million, and its current registered shareholders consist of Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd.

(B) The Lender has made oral agreement with each of the Borrowers in March 2006 according to which the Lender agreed to make lending at a total amount equal to the Loan (as defined hereinafter) to each of the Borrowers for the sole purpose of increasing the capital contribution from each of the Borrowers to Shenzhen Xunlei. However, no payment of such lending has been made to each of the Borrowers due to reasons of the Lender, and each of the Borrowers has increased its capital contribution to Shenzhen Xunlei from their own funds. Shenzhen Xunlei increased its registered capital to RMB 10 million from RMB 1 million in June 2006. None of the Parties has made any agreement in writing in respect of the matters previously described under this Paragraph (B). For the purpose of confirming such matters as well as defining the rights and obligations among the Parties, the Parties hereby agree and confirm as follows:

1. DEFINITIONS

1.1 In this Agreement:

"Debt" means any amount outstanding under the Loan;

"Effective Date" means the date on which this Agreement is duly signed by the Parties;

"Loan" means the loan denominated in RMB extended to the Borrower from the Lender;

"PRC" means the People's Republic of China, excluding Hong Kong, Macau Special Administrative Regions and Taiwan for purpose of this Agreement; and

"These Rights" have the meaning ascribed to it under Section 8.5.

1.2 In this Agreement, reference to:

"Section" means any section of this Agreement, unless otherwise required under its context;

"Taxes" include any taxes, charges, duties and similar levies (including without limitation any penalty or interest arising from failure to or delay in payment of such taxes); and

Each of the Borrower and the Lender will include its permitted successors and assigns for its own benefits.

1.3 Unless otherwise provided, reference to this Agreement or any other agreement or document will its amendment, modification, replacement or supplement from time to time.

1.4 Headings are inserted for convenience only.

1.5 Unless otherwise required under the context, singular forms include plural forms, and vice versa.

2. AMOUNT AND INTEREST RATE OF THE LOAN

2.1 It is confirmed that the Lender will provide to the Borrowers the Loan in an aggregate amount of RMB 9 million, of which:

An amount equal to RMB 2.52 million will be provided to Zou Shenglong;

An amount equal to RMB 2.25 million will be provided to Cheng Hao;

An amount equal to RMB 0.18 million will be provided to Wang Fang;

An amount equal to RMB 2.25 million will be provided to Shi Jianming; and

An amount equal to RMB 1.8 million will be provided to Guangzhou Shulian Information Investment Co., Ltd.

2.2 The Loan will have an interest rate of zero, which means no interest is be accruable and payable upon the Loan.

3. REPAYMENT

3.1 The Loan will have a term of two years commencing from the date of this Agreement. It is agreed that, unless otherwise instructed by the Lender, the Loan is automatically extendable for one year upon each of its expiration until the Loan is repaid in its entirety by the Borrowers under this Agreement. During the term of this Agreement or any of its extension, the Lender may at its absolute discretion require repayment of any part or all of the Debt from any of the Borrowers at any time.

3.2 Unless otherwise agreed by the Parties, the Loan will not be deemed in full repayment by the Borrowers until and unless each of the Borrowers transfers all of its shares in Shenzhen Xunlei to the Lender or any third party nominated by the Lender at the request of the Lender.

3.3 Without prior written consent from the Lender, none of the Borrowers may make early repayment of any of the Loan by cash or in any other non-equity form after it draws down any amount of the Loan.

3.4 Without written consent of the Lender, none of the Borrowers may transfer its shares in Shenzhen Xunlei to any third party or make any other disposal of such shares, including without limitation the creation of any pledge thereupon.

4. TAXES

The Lender will pay any and all Taxes relating to the Loan.

5. CONFIDENTIALITY

5.1 Each of the Borrowers is obliged to keep in confidence (i) the execution, performance and the provisions of this Agreement, and (ii) any business secrets, proprietary information and customer information to its knowledge or it receives from the Lender in connection with the execution and performance of this Agreement (collectively, the "**Confidential Information**"), either before or after the termination of this Agreement. The Borrowers may not use the Confidential Information for any purpose other than performing any of its obligations under this Agreement. Without prior consent of the Lender, none of the Borrowers may disclose any Confidential Information to any third party and, if it fails to do so, will be held liable for breach of this Section 5.1 as well as any loss incurred by the Lender arising from such breach.

5.2 Upon termination of this Agreement, each of the Borrowers will return, destroy or otherwise dispose any and all documents, materials and software incorporating the Confidential Information at the request of the Lender.

5.3 Notwithstanding anything to the contrary under this Agreement, the provisions under this Section 5 will survive termination or expiration of this Agreement.

6. NOTICES

6.1 Any notices, requests, demands and other communications required under or in connection with this Agreement will be made in writing.

6.2 Any of such notices or communications will be deemed given to the addressee, if by facsimile or telex, when it is sent; if by hand, upon its delivery; if by mail, five days after it is deposited with the mail service provider.

7. BREACH LIABILITY

7.1 Each of the Borrowers warrants that it will indemnify and hold harmless the Lender against any actions, expenses, claims, costs, damages, demands, charges, liabilities, losses and proceedings arising from breach of any of obligations under this Agreement by such Borrower.

7.2 Notwithstanding anything to the contrary under this Agreement, the provisions under this Section 7 will survive termination or expiration of this Agreement.

8. MISCELLANEOUS

8.1 This Agreement is made in Chinese in six original copies, with each Party holding one copy.

8.2 The execution, validity, performance, amendment, interpretation and termination of this Agreement will be govern by the PRC laws.

8.3 Any dispute arising from or in connection with this Agreement shall be resolved by the Parties through friendly negotiations and, if negations fail within 30 days upon occurrence of the dispute, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission for arbitration according to its then effective rules in Shenzhen. The arbitral award is final and binding upon the Parties.

8.4 Any rights, powers and remedies available to each of the Parties under any provision of this Agreement will not exclude any other rights, powers and remedies available to such Party under laws or any other provisions of this Agreement, and the exercise of any of its rights, powers and remedies by any Party will not prevent its exercise of any other rights, powers and remedies.

8.5 Failure or delay to exercise any of its rights, powers or remedies under this Agreement ("**These Rights**") by either Party will not operate as its waiver of These Rights. Single or partial exercise of These Rights by any Party shall not prevent its exercise of These Rights by any other means or its exercise of any These Rights.

8.6 Headings in this Agreement are inserted for convenience only and will not operate as or affect interpretation of this Agreement.

8.7 Each provision under this Agreement is severable and independent from any other provisions hereunder. If any one or more provisions under this Agreement is held invalid, illegal or unenforceable, it will not affect the validity, legality and enforceability of the remainder of this Agreement.

8.8 Any amendment or supplement to this Agreement will be null and void unless it is in written agreement duly signed by the Parties.

8.9 Without prior written consent from the Lender, none of the Borrowers may transfer any of its rights and obligations under this Agreement to any third party. The Lender may transfer any of its rights and obligations under this Agreement to any third party nominated by it with a notice to the other Parties.

8.10 This Agreement will bind upon any permitted successor of any Party.

[Remainder left Blank]

(Signature page)

By: /s/ Zou Shenglong

By: /s/ Cheng Hao

By: /s/ Wang Fang

By: /s/ Shi Jianming

By: /s/ Guangzhou Shulian Information Investment Co., Ltd.

(Affixed with common seal of the company)

By: /s/ Giganology (Shenzhen) Ltd.

(Affixed with common seal of the company)

Supplemental Agreement to the Loan Agreement

This supplemental agreement to the loan agreement (this "**Supplemental Agreement**"), dated March 1, 2012, is made in Shenzhen by and between:

1. **Zou Shenglong**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

2. **Cheng Hao**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

3. **Wang Fang**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

4. **Shi Jianming**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

5. **Guangzhou Shulian Information Investment Co., Ltd. (**"Party E"), business license No. ####, with registered address located at Room A226, Chuangshi Building, No. 329 Qingnian Road, Guanghzou Economy & Technology Development Zone, Guangdong, PRC; and

(Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd., individually, the "**Borrower**"; collectively, the "**Borrowers**")

6. **Giganology (Shenzhen) Ltd.**, a wholly foreign owned enterprise established under laws of the PRC, with registered address at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC. (the "**Lender**").

(Each of the Borrower and the Lender, the "**Party**"; Collectively, the "**Parties**".)

WHEREAS:

(1) Shenzhen Xunlei Networking Technologies Co., Ltd. ("**Shenzhen Xunlei**"), a limited liability company established under laws of the PRC, with registered address at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC. It has a registered capital of RMB 30 million. Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd. are the current shareholders of Shenzhen Xunlei.

(2) The Parties have entered into a loan agreement on December 22, 2010 (the

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"**Original Loan Agreement**");

(3) The Parties through friendly negotiation and based on the principle of equality and mutual benefit, agree to enter into this Supplemental Agreement to amend and supplement the Original Loan Agreement.

The Parties hereby agree:

1. To supplement Section 3 "REPAYMENT" of the Original Agreement by adding the following provisions:

"3.5 Notwithstanding otherwise provided in this Agreement, the Lender is entitled to accelerate the loan under this Agreement and request the Borrowers to repay the loan according to this Agreement by giving a written notice to the Borrower or their successors upon the occurrence of any of the following

(1) the Borrowers die or have lost or been limited with their civil capacity;

(2) the Borrowers are prosecuted or are under labor reeducation;

(3) the Borrower receives a claim for compensation over RMB 100,000 from any third party and after notice by the Borrower to the Lender, the Lender reasonably believes that the Borrower may not be able to compensate;

(4) the Borrowers fail to comply with or perform any of their commitments or obligations under this Agreement (or any other agreements entered into between the Borrowers and the Lender) and fail to remedy their breach within 30 business days.

Except for item (1) above, the Borrowers shall repay the loan in accordance with the Lender's request upon the date of deemed effective delivery of the Lender's notice.

3.6 The Parties hereby agree, if the price of Shenzhen Xunlei's shares transferred from the Borrowers to the Lender and/or a third party designated by the Lender according to Article 3.2 of this Agreement is higher than the loan principal provided by the Lender to the Borrowers, the Borrowers shall refund the premium to the Lender as the interest of the loan and the cost for use of funds."

2. To supplement Section 7 "EVENTS OF DEFAULT" of the Original Agreement by adding the following provisions:

"7.3 If the Borrowers breach any of their commitments or obligations under

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this Agreement or any other agreements entered into by the Borrowers and the Lender, the Lender shall additionally charge interest (calculating based on the highest interest rate permissible under PRC laws) of the loan under this Agreement counting from the date the Borrowers apply this loan towards the registered capital of Shenzhen Xunlei (the date of capital verification)."

3. Unless otherwise stated in this Supplemental Agreement, the terms applied in this Supplemental Agreement have the same meaning as given to them in the Original Loan Agreement.

4. This Supplemental Agreement becomes effective upon its execution by the Parties. This Supplemental Agreement is a supplement to the provisions in the Original Loan Agreement and shall have the same legal effect as the Original Loan Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Loan Agreement.

5. This Supplemental Agreement is executed in Chinese in six (6) counterparts with the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

[Signature page to the Supplemental Agreement to the Loan Agreement]

Zou Shenglong

By: /s/ Zou Shenglong

Cheng Hao

By: /s/ Cheng Hao

Wang Fang

By: /s/ Wang Fang

Shi Jianming

By: /s/ Shi Jianming

Guangzhou Shulian Information Investment Co., Ltd.
(Seal)

By: /s/
Name:
Title:
[Affixed with company seal]

Giganology (Shenzhen) Ltd.
(Seal)

By: /s/ Zou Shenglong
Name:
Title:

Supplemental Agreement to the Loan Agreement

This supplemental agreement to the loan agreement (this "**Supplemental Agreement**"), dated March 10, 2014, is made in Shenzhen by and among:

1. **Zou Shenglong**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

2. **Cheng Hao**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

3. **Wang Fang**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

4. **Shi Jianming**, a citizen of the People's Republic of China (the "**PRC**") with ID No. ####;

5. **Guangzhou Shulian Information Investment Co., Ltd.** ("Party E"), business license No. ####, with registered address located at Room A226, Chuangshi Building, No. 329 Qingnian Road, Guanghzou Economy & Technology Development Zone, Guangdong, PRC; and

(Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd., individually, the "**Borrower**"; collectively, the "**Borrowers**")

6. **Giganology (Shenzhen) Ltd.**, a wholly foreign owned enterprise established under laws of the PRC, with registered address at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC. (the "**Lender**").

(Each of the Borrower and the Lender, the "**Party**"; Collectively, the "**Parties**".)

WHEREAS:

(1) Shenzhen Xunlei Networking Technologies Co., Ltd. ("**Shenzhen Xunlei**"), a limited liability company established under laws of the PRC, with registered address at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC. It has a registered capital of RMB 30 million. Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd. are the current shareholders of Shenzhen Xunlei.

(2) The Parties have entered into a Loan Agreement on December 22, 2010 and a

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Supplemental Agreement to the Loan Agreement on March 1, 2012 (Collectively, the "**Original Loan Agreement**");

(3) The Parties through friendly negotiation and based on the principle of equality and mutual benefit, agree to enter into this Supplemental Agreement to amend and supplement the Original Loan Agreement.

The Parties hereby agree:

1. To delete and replace Section 3.5 under Section 3 "REPAYMENT" in the Original Loan Agreement with the following provisions:

"3.5 Notwithstanding otherwise provided in this Agreement, the Lender is entitled to accelerate the loan under this Agreement and request the Borrowers to repay the loan according to this Agreement by giving a written notice to the Borrower or their successors upon the occurrence of any of the following:

(1) the Borrowers die or have lost or been limited with their civil capacity;

(2) the Borrowers are prosecuted or are under labor reeducation;

(3) the Borrowers receive a claim for compensation over RMB 100,000 from any third party and after a notice by the Borrowers to the Lender, the Lender reasonably believes that the Borrowers may not be able to compensate;

(4) The Borrowers are subject to bankruptcy/liquidation proceedings or a change of control, etc.;

(5) the Borrowers fail to comply with or perform any of their commitments or obligations under this Agreement (or any other agreements entered into between him and the Lender) and fail to remedy their breach within 30 business days.

Except for item (1) above, the Borrowers shall repay the loan in accordance with the Lender's request upon the date of deemed effective delivery of the Lender's notice.

2. Unless otherwise stated in this Supplemental Agreement, the terms applied in this Supplemental Agreement have the same meaning as given to them in the Original Loan Agreement.

3. This Supplemental Agreement becomes effective upon its execution by the Parties on the date first written above. This Supplemental Agreement is a

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supplement to the provisions in the Original Loan Agreement and shall have the same legal effect as the Original Loan Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Loan Agreement.

4. This Supplemental Agreement is executed in Chinese in two (2) counterparts with the same legal effect, each Party holding one counterpart.

[Remainder of this page intentionally left blank]

[Signature page to the Second Supplemental Agreement to the Loan Agreement]

/s/ **Zou Shenglong**

/s/ **Cheng Hao**

/s/ **Wang Fang**

/s/ **Shi Jianming**

/s/ **Guangzhou Shulian Information Investment Co., Ltd.**
(Seal)

/s/ **Giganology (Shenzhen) Ltd.**
(Seal)

Exhibit 10.17

This is a translation of the original text in Chinese

Loan Agreement

This LOAN AGREEMENT (this "**Agreement**"), dated May 10, 2011, is made in Shenzhen by and among:

(1) Zou Shenglong, a resident of the People's Republic of China (the "**PRC**") with ID No. #### (the "**Borrower**"); and

(2) Giganology (Shenzhen) Ltd., a wholly foreign owned enterprise established under laws of the PRC, with registered address at 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC. (the "**Lender**")

(Each of the Borrower and the Lender, the "**Party**"; Collectively, the "**Parties**".)

WHEREAS

(A) Shenzhen Xunlei Networking Technologies Co., Ltd. ("**Shenzhen Xunlei**"), a limited liability company established under laws of the PRC, with registered address at 7th and 8th Floors, 11th Building, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, the PRC. It has a registered capital of RMB 10 million. The borrower is a current registered shareholder of Shenzhen Xunlei and holds 28% equity interest in Shenzhen Xunlei.

(B) Shenzhen Xunlei will increase its registered share capital by RMB 20 million from RMB 10 million to RMB 30 million. The borrower will use the Loan (as defined hereinafter) under this Agreement to subscribe all the newly increased share capital of Shenzhen Xunlei.

(C) For the purpose of defining the rights and obligations among the Parties, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 In this Agreement:

"Debt" means any amount outstanding under the Loan;

"Effective Date" means the date on which this Agreement is duly signed by the Parties;

"Loan" means the loan denominated in RMB extended to the Borrower from the Lender;

"PRC" means the People's Republic of China, excluding Hong Kong, Macau Special Administrative Regions and Taiwan for purpose of this Agreement; and

"These Rights" have the meaning ascribed to it under Section 8.5.

1.2 In this Agreement, reference to:

"Section" means any section of this Agreement, unless otherwise required under its context;

"Taxes" include any taxes, charges, duties and similar levies (including without limitation any penalty or interest arising from failure to or delay in payment of such taxes); and

Each of the Borrower and the Lender will include its permitted successors and assignees for its own benefits.

1.3 Unless otherwise provided, reference to this Agreement or any other agreement or document will its amendment, modification, replacement or supplement from time to time.

1.4 Headings are inserted for convenience only.

1.5 Unless otherwise required under the context, singular forms include plural forms, and vice versa.

2. AMOUNT AND INTEREST RATE OF THE LOAN

2.1 It is confirmed that the Lender will provide to the Borrower the Loan in an aggregate amount of RMB 20 million.

2.2 The Loan will have an interest rate of zero, which means no interest is be accruable and payable upon the Loan.

3. REPAYMENT

3.1 The Loan will have a term of two years commencing from the date of this Agreement. It is agreed that, unless otherwise instructed by the Lender, the Loan is automatically extendable for one year upon each of its expiration until the Loan is repaid in its entirety by the Borrower under this Agreement. During the term of this Agreement or any of its extension, the Lender may at its absolute discretion require repayment of any part or all of the Debt from the Borrower at any time.

3.2 Unless otherwise agreed by the Parties, the Loan will not be deemed in full repayment by the Borrower until and unless the Borrower transfers all of its shares in Shenzhen Xunlei to the Lender or any third party nominated by the Lender at the request of the Lender.

3.3 Without prior written consent from the Lender, the Borrower shall not make early repayment of the Loan by cash or in any other non-equity form after it draws down any amount of the Loan.

3.4 Without written consent of the Lender, the Borrower shall transfer its shares in Shenzhen Xunlei to any third party or make any other disposal of such shares, including without limitation the creation of any pledge thereupon.

4. TAXES

The Lender will pay any and all Taxes relating to the Loan.

5. CONFIDENTIALITY

5.1 The Borrower is obliged to keep in confidence (i) the execution, performance and the provisions of this Agreement, and (ii) any business secrets, proprietary information and customer information in connection with the Lender (collectively, the "**Confidential Information**") to its knowledge or it receives as a result of the execution and performance of this Agreement, either before or after the termination of this Agreement. The Borrower may not use the Confidential Information for any purpose other than performing any of its obligations under this Agreement. Without prior written consent of the Lender, the Borrower may not disclose any Confidential Information to any third party and, if it fails to do so, will

be held liable for breach of this Section 5.1 as well as any loss incurred by the Lender arising from such breach.

5.2 Upon termination of this Agreement, the Borrower will return, destroy or otherwise dispose any and all documents, materials and software incorporating the Confidential Information at the request of the Lender.

5.3 Notwithstanding anything to the contrary under this Agreement, the provisions under this Section 5 will survive termination or expiration of this Agreement.

6. NOTICES

6.1 Any notices, requests, demands and other communications required under or in connection with this Agreement will be made in writing.

6.2 Any of such notices or communications will be deemed given to the addressee, if by facsimile or telex, when it is sent; if by hand, upon its delivery; if by mail, five days after it is deposited with the mail service provider.

7. BREACH LIABILITY

7.1 The Borrower warrants that it will indemnify and hold harmless the Lender against any actions, expenses, claims, costs, damages, demands, charges, liabilities, losses and proceedings arising from breach of any of obligations under this Agreement by the Borrower.

7.2 Notwithstanding anything to the contrary under this Agreement, the provisions under this Section 7 will survive termination or expiration of this Agreement.

8. MISCELLANEOUS

8.1 This Agreement is made in Chinese in six original copies, with each Party holding one copy.

8.2 The execution, validity, performance, amendment, interpretation and termination of this Agreement will be govern by the PRC laws.

8.3 Any dispute arising from or in connection with this Agreement shall be resolved by the Parties through friendly negotiations and, if negations fail within 30 days upon occurrence of the dispute, shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission for arbitration according to its then effective rules in Shenzhen. The arbitral award is final and binding upon the Parties.

8.4 Any rights, powers and remedies available to each of the Parties under any provision of this Agreement will not exclude any other rights, powers and remedies available to such Party under laws or any other provisions of this Agreement, and the exercise of any of its rights, powers and remedies by any Party will not prevent its exercise of any other rights, powers and remedies.

8.5 Failure or delay to exercise any of its rights, powers or remedies under this Agreement ("**These Rights**") by either Party will not operate as its waiver of These Rights. Single or partial exercise of These Rights by any Party shall not prevent its exercise of These Rights by any other means or its exercise of any These Rights.

8.6 Headings in this Agreement are inserted for convenience only and will not operate as or affect interpretation of this Agreement.

8.7 Each provision under this Agreement is severable and independent from any other provisions hereunder. If any one or more provisions under this Agreement is held invalid, illegal or unenforceable, it will not affect the validity, legality and enforceability of the remainder of this Agreement.

8.8 Any amendment or supplement to this Agreement will be null and void unless it is in written agreement duly signed by the Parties.

8.9 Without prior written consent from the Lender, the Borrower may not transfer any of its rights and obligations under this Agreement to any third party. The Lender may transfer any of its rights and obligations under this Agreement to any third party nominated by it with a notice to the other Parties.

8.10 This Agreement will bind upon any permitted successor of any Party.

[Remainder left Blank]

(Signature page)

By: /s/ Zou Shenglong

By: /s/ Giganology (Shenzhen) Ltd.

(Affixed with common seal of the company)

Supplemental Agreement to the Loan Agreement

This supplemental agreement to the loan agreement (this "**Supplemental Agreement**"), dated March 1, 2012, is made in Shenzhen by and between:

1. **Zou Shenglong**, a citizen of the People's Republic of China (the "**PRC**") with ID No. #### (the "**Borrower**"); and

2. **Giganology (Shenzhen) Ltd.**, a wholly foreign owned enterprise established under laws of the PRC, with registered address at Room 802, Building 11, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC. (the "**Lender**")

(Each of the Borrower and the Lender, the "**Party**"; Collectively, the "**Parties**".)

WHEREAS:

(1) Shenzhen Xunlei Networking Technologies Co., Ltd. ("**Shenzhen Xunlei**"), a limited liability company established under laws of the PRC, with registered address at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC. It has a registered capital of RMB 30 million. Zou Shenglong, Cheng Hao, Wang Fang, Shi Jianming and Guangzhou Shulian Information Investment Co., Ltd. are the current shareholders of Shenzhen Xunlei.

(2) The Parties have entered into a loan agreement on May 10, 2011 (the "**Original Loan Agreement**");

(3) The Parties through friendly negotiation and based on the principle of equality and mutual benefit, agree to enter into this Supplemental Agreement to amend and supplement the Original Loan Agreement.

The Parties hereby agree:

1. To supplement Section 3 of the Original Agreement by adding the following provisions:

"3.5 Notwithstanding otherwise provided in this Agreement, the Lender is entitled to accelerate the loan under this Agreement and request the Borrower to repay the loan according to this Agreement by giving a written notice to the Borrower or its successor upon the occurrence of any of the following

(1) the Borrower have lost or been limited with his civil capacity;

(2) the Borrower is prosecuted or is under labor reeducation;

(3) the Borrower receives a claim for compensation over RMB 100,000 from any third party and after notice by the Borrower to the Lender, the Lender reasonably believes that the Borrower may not be able to compensate;

(4) the Borrower fails to comply with or preform any of his commitments or obligations under this Agreement (or any other agreements entered into between him and the Lender) and fails to remedy his breach within 30 business days.

Except for item (1) above, the Borrower shall repay the loan in accordance with the Lender's request upon the date of deemed effective delivery of the Lender's notice.

3.6 The Parties hereby agree, if the price of Shenzhen Xunlei's shares transferred from the Borrower to the Lender and/or a third party designated by the Lender according to Article 3.2 of this Agreement is higher than the loan principal provided by the Lender to the Borrower, the Borrower shall refund the premium to the Lender as the interest of the loan and the cost for use of funds."

2. To supplement Section 7 "EVENTS OF DEFAULT" of the Original Agreement by adding the following provisions:

"7.3 If the Borrower breaches any of his commitments or obligations under this Agreement or any other agreements entered into by the Borrower and the Lender, the Lender shall additionally charge interest (calculating based on the highest interest rate permissible under PRC laws) of the loan under this Agreement counting from the date the Borrower applies this loan towards the registered capital of Shenzhen Xunlei (the date of capital verification)."

3. Unless otherwise stated in this Supplemental Agreement, the terms applied in this Supplemental Agreement have the same meaning as given to them in the Original Loan Agreement.

4. This Supplemental Agreement becomes effective upon its execution by the Parties. This Supplemental Agreement is a supplement to the provisions in the Original Loan Agreement and shall have the same legal effect as the Original Loan Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Original Loan Agreement.

5. This Supplemental Agreement is executed in Chinese in 2 counterparts with the same legal effect, each Party holding one countepart.

[Remainder of this page intentionally left blank]

[Signature page to the Supplemental Agreement to the Loan Agreement]

Zou Shenglong

By: /s/ Zou Shenglong

Giganology (Shenzhen) Ltd.
(Seal)

By: /s/ Zou Shenglong
Name:
Title:
[Affixed with company seal]

This is a translation of the original text in Chinese

Equity Interests Disposal Agreement

This EQUITY INTERESTS DISPOSAL AGREEMENT (this "Agreement"), dated November 15, 2006, is made in Shenzhen by and among:

Party A: Giganology (Shenzhen) Ltd.

Legal Address: 11th Floor, Shuguang Plaza, South District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC;

And

Party B:

(1) **Zou Shenglong**, PRC resident ID number ####, with home address located at ####;

(2) **Cheng Hao**, PRC resident ID number ####, with home address located at ####;

(3) **Wang Fang**, PRC resident ID number ####, with home address located at ####;

(4) **Shi Jianming**, PRC resident ID number ####, with home address located at ####; and

(5) **Guangzhou Shulian Information Investment Co., Ltd.**, business license No. 4401082000765, with registered address located at Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC;

And

Party C: Shenzhen Xunlei Networking Technologies Co., Ltd.

Legal Address: 11th Floor East, Shuguang Plaza, Ke Ji Nan Shi Er Road, Nanshan District, Shenzhen, Guangdong, PRC

(Collectively, the "**Parties**")

WHEREAS:

1. Party A is a duly registered and established wholly foreign owned enterprise in the People's Republic of China (the "PRC");

2. Party C is a limited liability company registered and established in the PRC;

3. Party A and Party B have entered into a certain call option agreement dated December 25, 2005, which agreement has been amended by a supplemental agreement dated March 21, 2006 (the "**Original Call Option Agreement**");

4. On the date of this Agreement, Party A and Party C have entered into certain agreements comprising of the Software and Proprietary Technology License Agreement, the Supplement to the Exclusive Technology Support and Services Agreement, and the Supplement to the Exclusive

Technology Consulting and Training Agreement. To ensure performance of each of these agreements as well as the Exclusive Technology Support and Services Agreement and the Exclusive Technology Consulting and Training Agreement, each made by Party A and Party C on September 16, 2005, and with consideration of the technical support to Party C from Party A as well as good cooperation among the Parties, the Parties agree as follows to amend and replace the Original Call Option Agreement.

1. GRANT OF OPTION

1.1 Grant

Party B hereby grants Party A an irrevocable and exclusive call option (the "**Option**"), whereby Party A and/or any person nominated by Party A may purchase any and all interests, benefits and rights held by each of Party B in the registered capital of Party C (the "**Equity Interests**") at any time during the Term of the Option (as defined below) subject to the terms and conditions of this Agreement.

1.2 Term

This Agreement becomes effective upon signature of the Parties on the date first written above, and will have a term of ten years (the "**Term of the Option**"). Upon request of Party A, the Parties may extend the term of this Agreement prior to its expiration, enter into a separate equity interest disposal agreement or continue performing this Agreement, each as requested by Party A.

2. EXERCISE OF OPTION AND CLOSING

2.1 Exercise time

2.1.1 Party B unanimously agrees that subject to permission of the PRC laws and regulations, Party A may exercise all or any part of the Option at any time during the Term of the Option.

2.1.2 Party B unanimously agrees that Party A may exercise the Option for unlimited times, until it has purchased all Equity Interests of Party C.

2.1.3 Party B unanimously agrees that Party A may nominate any third party as its representative to exercise the Option, provided that such designation shall be made known to the granting Party by Party A with a prior written notice.

2.2 Disposal of exercise price

Party A will pay to each of Party B a price of RMB 1 yuan or the minimum price permitted by then applicable laws (the "**Option Price**") on the date of this Agreement, which Option Price includes (1) the price for granting the Option to Party B from Party A under Section 1.1 of this Agreement; and (2) the price to purchase Equity Interests by exercising the Option by Party A and/or its nominee. Party B hereby acknowledges that it has received the Option Price on the date of this Agreement, and confirms that none of Party A or any of Party A's nominees is required to pay any additional price or amount for its exercise of all or any part of the Option.

2.3 Transfer

Party B unanimously agree that the all or any part of the Option may be transferred to any third party from Party A without prior consent from Party B, provided that such third party will exercise the Option subject to the terms and conditions of this Agreement as if it is a party hereto and will also assume the rights and obligations of Party A under this Agreement.

2.4 Exercise notice

If Party A elects to exercise the Option, it will notify Party B in writing no less than ten (10) business days before the Closing Date (as defined below), which notice will expressly state the following:

2.4.1 Assuming the Option is exercised, the valid closing date of the Equity Interests (the "Closing Date");

2.4.2 Assuming the Option is exercised, the name of the persons who will be recorded as the holder of the Equity Interests;

2.4.3 Amount and percentage of Equity Interests purchased from each Granting Party;

2.4.4 Exercise price and the method of payment; and

2.4.5 In case Party A nominates a third party to exercise the Option, the form of a power of attorney to such effect.

The Parties agree that Party A may nominate any third party and exercise the Option and registration rights in the name of such third party at its discretion.

2.5 Transfer of Equity Interests

Upon exercise of the Option by Party A, Party B will within ten (10) business days upon receipt of the exercise notice provided under Section 2.4:

2.5.1 Cause prompt convention of a shareholders meeting by Party C, upon which meeting a resolution shall be adopted approving the granting Party to transfer Equity Interests to Party A and/or any third party nominated by Party A;

2.5.2 Enter into a transfer agreement with Party A (or a third party nominated by Party A, if applicable) in the form attached in Schedule I; and

2.5.3 Each sign any other contracts, agreements or documents, obtain any other government approvals and consents, and take any other actions necessary to transfer without any security interest the ownership of the Equity Interests purchased under this Agreement to Party A and/or any third party nominated by Party A, and to cause Party A and/or any third party nominated by Party A as the duly registered holder of such Equity Interests. Each of Party B will also provide to Party A or any third party nominated by Party A the most recent business license, articles of association, approval certificate (if applicable) and any other relevant documents issued by or filed with the competent Chinese authorities, which documents shall reflect the change of the shareholding structure, board composition and legal representative of Party C.

3. REPRESENTATIONS AND WARRANTIES

3.1 Party B jointly and severally represents and warrants as follows:

3.1.1 It has the full rights and authorities to sign and perform this Agreement;

3.1.2 Its execution, delivery and performance of this Agreement is in no violation of any laws, regulations and other agreements by which it is bound and requires no approval or authority from any government authority;

3.1.3 There exists no litigations, arbitrations, or any other judicial or administrative proceedings which is pending or likely to materially affect the performance of this Agreement;

3.1.4 It has made full disclosure to Party A of any circumstance which may have adverse impact upon the performance of this Agreement;

3.1.5 It is not declared bankruptcy and is financially sound;

3.1.6 The Equity Interests held by it is without any pledge, security, liability or any other third party encumbrance, free from any claim from any third party;

3.1.7 It will not create any pledge, liability or any other third party encumbrance upon the Equity Interests held by it, and will not dispose any of such Equity Interests to any person other than Party A or Party A's nominees by way of transfer, gift, pledge or otherwise;

3.1.8 Its grant of the Option to Party A is on exclusive basis, and it will not grant the Option or any similar rights to any person other than Party A or Party A's nominees;

3.1.9 During the term of this Agreement, it will ensure the business operations of Party C is in compliance with laws, regulations, rules and any other administrative measures and guidelines issued by government authorities, and there is no violation of any such laws, regulations, rules, administrative measures or guidelines which may have material adverse effect on the business operations or assets of Party C;

3.1.10 It will maintain Party C as a going concern in accordance with good financial and commercial standards and practices, make best efforts to maintain the validity the licenses, permits and approvals necessary for business operations of Party C, and ensure none of such licenses, permits and approvals will be cancelled, revoked or void;

3.1.11 Upon request from Party A, it will provide operating and financial information of Party C to Party A;

3.1.12 Before Party A (or its nominees) exercises the Option to obtain all Equity Interests of Party C, unless with written consent from Party A or its parent (or any nominees of Party A), Party C may not:

(a) Sell, transfer, secure or otherwise dispose any assets, businesses or revenue, or permit creation of any other security interest thereupon, other than those made during the normal or ordinary course of business or having received express written consent from Party A;

(b) Enter into any transaction which may have material adverse effect upon its assets, liabilities, operations, equity interests and any other entitlements, other than those made during the normal or ordinary course of business, or having received express consent from Party A;

(c) Distribute any dividend or bonus to any shareholder by any means;

(d) Incur, succeed, guarantee or allow the existence of any debts, other than those (i) incurred during the normal or ordinary course of business rather than by borrowing; and (ii) having been disclosed to and received prior express consent from Party A;

(e) Adopt any resolution to increase or reduce its registered capital, or otherwise change the structure of its registered capital;

(f) Make any supplement, modification or amendment to its articles of association;

(g) Make any merger, consolidation, acquisition or investment;

(h) Terminate or cause the management to terminate any material contract with a value equal to or exceeding US$50,000; and

(i) Appoint any director, supervisor or senior management; or remove any director, supervisor or senior management which has been appointed by shareholders.

3.1.13 Before Party A (or its nominees) exercises the Option to obtain all Equity Interests or assets of Party C, unless with express written consent from Party A or its parent (or any nominees of Party A), none of Party B may jointly or individually:

(a) Make any supplement, modification or amendment to any charter documents of Party C, provided that such supplement, modification or amendment will materially adversely affect any assets, liabilities, operations, Equity Interests or any other entitlements of Party C (other than making proportional increase of capital contribution required by laws), or may affect this Agreement or the performance of any other agreements to which Party A, Party B or Party C is a party;

(b) Cause Party C to enter into any transaction which will materially adversely affect any assets, liabilities, operations, Equity Interests or any other entitlements of Party C, other than those made during the normal or ordinary course of business, or having received express consent from Party A;

(c) Cause the adoption of any resolution approving distribution of any dividends or bonuses at the shareholders meeting of Party C;

(d) From the date of this Agreement, sell, transfer, secure or otherwise dispose any legal or beneficial interest in the Equity Interests of Party C, or allow creation of any other security interests thereupon;

(e) Cause approval to sell, transfer, secure or otherwise dispose any legal or beneficial interest in the Equity Interests of Party C at its shareholders meeting, or allow creation of any other security interests thereupon;

(f) Cause approval of Party C to merge or consolidate with, or acquire or invest in any person, or effect any restructuring at its shareholders meeting; and

(g) Make voluntary dissolution, liquidation or wind-up of Party C.

3.1.14 Before Party A (or its nominees) exercises the Option to obtain all Equity Interests or assets of Party C, each of Party B undertakes to:

(a) Notify Party A immediately in writing of any existing or potential suits, arbitrations or administrative proceedings involving the Equity Interests owned by it, or any circumstance which may have adverse effect upon such Equity Interests;

(b) Cause approval of the transfer of the Equity Interests purchased under this Agreement at the shareholders meeting of Party C, cause Party C to change its articles of association reflecting the transfer of the Equity Interests from Party B to Party A and/or any third party nominated by Party A as well as any other changes contemplated under this Agreement, and immediately apply to competent authorities in the PRC for approval (if required by laws) or registration of the articles of association, and cause Party C to appoint by way of resolution of its shareholders meeting any person designated by Party A and/or any third party nominated by Party A as new director or legal representative;

(c) Sign any documents, take any actions, make any claims or defenses which are necessary or appropriate to maintain its legal and valid ownership of the Equity Interests held by it;

(d) Upon request from Party A, immediately and unconditionally transfer its Equity Interests to any third party nominated by Party A, and waive its right of first refusal in connection with the transfer of Equity Interests by any other existing shareholders; and

(e) Be in strict compliance with this Agreement and any other agreements to which each of Party B and/or Party A is a party, perform all of the obligations under these agreements, and refrain from any action/omission which may affect validity and enforceability of these agreements.

3.2 Covenants

Each of Party B jointly and severally covenants to Party A that Party B will bear any and all expenses arising from the transfer of the Equity Interests and effect any and all procedures necessary for Party A and/or any third party nominated by Party A to become shareholders of Party C, which procedures include without limitation assisting Party A in obtaining requisite approvals from government authorities for the transfer of Equity Interests, and submitting to applicable industrial and commercial authorities the documents including the Equity Share transfer agreement and resolutions of the shareholders meeting with the purpose to amending articles of association, shareholders register and any other charter documents.

3.3 Each of Party B hereby represents and warrants jointly and severally to Party A that as of the date of this Agreement and each Closing Date:

3.3.1 It has the powers and capacities to execute, deliver and perform this Agreement and any agreements to be signed for the transfer of any Equity Interests contemplated under this Agreement (each, a "Transfer Agreement"). This Agreement and each Transfer Agreement, once executed, constitute its legal, valid and binding obligations and may be enforceable against it in accordance with the terms thereof;

3.3.2 None of the execution, delivery and performance of this Agreement or any Transfer Agreement will: (i) cause breach of any applicable PRC laws or regulations; (ii) conflict with its articles of association or any other organizational documents; (iii) cause breach of any agreement or instrument to which it is a party or it is subject, or constitute violation of any such agreement or instrument; (iv) cause breach of any conditions upon which any of its licenses or approvals will be granted and/or maintained; or (v) cause suspension, cancellation or creation of any conditions upon any licenses or approvals to be granted to it;

3.3.3 It has good and marketable ownership of all Equity Interests of Party C and has not created any security interest thereupon;

3.3.4 Party C has no outstanding debts except those (i) incurred during its ordinary course of business, and (ii) having been disclosed to and received express written consent from Party A;

3.3.5 Party C is in compliance with all laws and regulations applicable to the purchase of equity interests and assets; and

3.3.6 There is no existing, outstanding or potential litigations, arbitrations or administrative proceedings involving the Equity Interests, Party C or any assets of Party C.

4. TAXES

Each Party will be responsible for any and all of its own taxes arising from performance of this Agreement.

5. BREACH

5.1 If Party B or Party C breaches this Agreement or any of its representations or warranties under this Agreement, Party A may send a written notice requesting the breaching Party to remedy such breach within ten days upon receipt of such notice by the breach Party, to take actions for effective and timely avoidance of any damages, and to continue performance of this Agreement. If any damages occur, the breaching Party will indemnify Party A for any and all benefits to which Party A is entitled from due performance of this Agreement.

5.2 If Party B or Party C fails to remedy its breach within ten days upon its receipt of the notice under Section 5.1, Party A may claim indemnification from the breaching Party for any expenses, liabilities or losses (including without limitation any penalty interest, interest loss or legal expenses) incurred by Party A as a result of such breach. Meanwhile Party A has the right to enforce the Equity Transfer Agreement attached hereto by transferring the Equity Interests held by Party B to Party A and/or any third party nominated by Party A.

6. GOVERNING LAW AND DISPUTE RESOLUTION

6.1 Governing law

This Agreement, including without limitation its execution, performance, validity and interpretation, is governed by the laws of the PRC.

6.2 Friendly negotiations

Any dispute arising from interpretation or performance of this Agreement will be settled through friendly negotiations between the Parties or mediations of any third party intermediary. If such negotiations or mediations fail, such dispute will be submitted to an arbitration authority for arbitration within 30 days from date of relevant discussion.

6.3 Arbitration

Any dispute arising from this Agreement shall be submitted to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration according to its then effective rules and proceeding in Shenzhen. There will be one arbitrator who shall be appointed by the CIETAC South China Sub-commission according to above mentioned rules and proceeding. The arbitral award is final and binding upon the Parties. Unless otherwise provided by the arbitral award, the losing Party shall assume all the costs and expenses of arbitration and reimburse all the costs and expenses of arbitration incurred by the winning Party. If either Party needs to file a lawsuit for enforcement of the arbitral award, the losing Party shall reimburse the other Party for all reasonable expenses and legal fee so incurred by the other Party.

7. CONFIDENTIALITY

7.1 Confidential information

The existence of and the terms and conditions provided under this Agreement and any schedule attached hereto shall be in confidence and may not be disclosed to any third party without prior written consent of the Parties. This Section 7.1 will survive the termination of this Agreement.

7.2 Exceptions

Disclosure of any confidential information required by laws, court judgments, arbitrary awards or government orders will not operate as breach of Section 7.1.

8. MISCELLANEOUS

8.1 Entire agreements

The Parties hereby confirm that this Agreement is made on the basis of equality and mutual benefit, and is fair and reasonable. This Agreement constitutes all agreements of the Parties on the subject matter provided hereunder and will prevail if there is any discrepancy between this Agreement and any previous discussions, negotiations and agreements. This Agreement may not be amended unless in writing by the Parties. Any schedule attached hereto is an integral part of and has the same legal effect with this Agreement.

8.2 Notices

8.2.1 All the notices given by each Party for purpose of performance its rights or obligations hereunder shall be made in writing, and shall be delivered to the addresses of related Party or other Parties specified below in person, by registered mail, pre-paid post, recognized courier, or facsimile.

Party A: Giganology (Shenzhen) Ltd.

Address: ####

Facsimile: ####

Telephone: ####

Attention: Zou Shenglong

Party B:

(1) Zou Shenglong

Address: ####

Facsimile: ####

Telephone: ####

(2) Cheng Hao

Address:

Facsimile: ####

Telephone: ####

(3) Wang Fang

Address: ####

Facsimile: ####

Telephone: 13802265001

(4) Shi Jianming

Address: 204 Wukang Road, Xuhui District, Shanghai, PRC

Facsimile: ****

Telephone: ****

(5) Guangzhou Shulian Information Investment Co., Ltd.

Address:

Facsimile: ****

Telephone: ****

Party C: Shenzhen Xunlei Networking Technologies Co., Ltd.

Address: ****

Facsimile: ****

Telephone: ****

Attention: Zou Shenglong

8.2.2 All notices and communications will be deemed delivered:

8.2.2.1 If by facsimile, on the day shown on the confirmation sheet or, if it is delivered after 5pm of any business day or during any non-business day, on the business day immediately after such day shown on the confirmation sheet;

8.2.2.2 If by person (including express courier), on the day of its receipt evidenced by signature of the receiver; and

8.2.2.3 If by registered mail, on the 15th day after the day shown on the return slip of such mail.

8.2.3 Binding effect

This Agreement has binding effect upon each of the Parties.

8.3 Languages

This Agreement is made in seven counterparts in Chinese, with each Party holding one counterpart.

8.4 Day and business day

For purpose of this Agreement, a “day” means a calendar day, and a “business day” means any day failing on Monday through Friday.

8.5 Headings

Headings in this Agreement are for convenience only and will not affect interpretation of this Agreement.

8.6 Supplemental provisions

Party B is jointly and severally responsible for any of its obligations, covenants and liabilities to Party A. Insofar as Party A is concerned, breach of any such obligations, covenants and liabilities by any of Party B constitutes automatic breach of Party B as a whole.

8.7 Other matters

Any matter that is not provided under this Agreement will be revolved by the Parties in accordance with the PRC laws.

8.8 Effectiveness

This Agreement is signed and become effective on the date first written above.

(*SIGNATURE PAGE, NO TEXT*)

Party A: Giganology (Shenzhen) Ltd.

By: /s/ Zou Shenglong

Title: Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Party B:

By: /s/ Zou Shenglong

Name: Zou Shenglong

(Signature/Seal)

By: /s/ Cheng Hao

Name: Cheng Hao

(Signature/Seal)

By: /s/ Wang Fang

Name: Wang Fang

(Signature/Seal)

By: /s/ Shi Jianming

Name: Shi Jianming

(Signature/Seal)

Guangzhou Shulian Information Investment Co., Ltd.

By: /s/ Authorized Signatory

Title: Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Party C: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: /s/ Zou Shenglong

Title: Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Schedule I

EQUITY INTERESTS TRANSFER AGREEMENT

This EQUITY INTERESTS TRANSFER AGREEMENT (this "Agreement"), dated , is made in Shenzhen by and among:

Party A:

Legal address:

And

Party B:

(1) **Zou Shenglong**, PRC resident ID number ####, with home address located at ####;

(2) **Cheng Hao**, PRC resident ID number ####, with home address located at ####;

(3) **Wang Fang**, PRC resident ID number ####, with home address located at ####;

(4) **Shi Jianming**, PRC resident ID number ####, with home address located at ####; and

(5) **Guangzhou Shulian Information Investment Co., Ltd.**, business license No. 4401082000765, with registered address located at Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC;

And

Party C: Shenzhen Xunlei Networking Technologies Co., Ltd.

Legal Address: 11th Floor East, Shuguang Plaza, Ke Ji Nan Shi Er Road, Nanshan District, Shenzhen, Guangdong, PRC

In this Agreement, Party A, Party B and Party C is referred to as, individually, a "**Party**"; collectively, the "**Parties**".

WHEREAS:

1. Party C is a domestic company registered in Shenzhen, the PRC. Party B currently holds 100% registered capital of Party C and any and all rights, benefits and interests attached thereto (the "**Equity Interests**"). Each of Party B has a percentage in the registered capital of Party C as follows:

Name of shareholders	Shareholding percentage
Zou Shenglong	28%
Cheng Hao	25%
Wang Fang	2%
Shi Jianming	25%
Guangzhou Shulian Information Investment Co., Ltd.	20%

2. Party B agrees to transfer and Giganology (Shenzhen) Ltd. ("**Giganology**") agrees to accept, each subject to the terms and conditions under the Equity Interests Disposal Agreement dated November 15, 2006, by and among Party B, Giganology and/or any third party nominated by Giganology, all or any part of the Equity Interests held by Party B upon the exercise of relevant option by Giganology or such nominated third party (the "**Equity Interests Transfer**").

NOW, THEREFORE, the Parties agree as follows:

1. EQUITY INTERESTS TRANSFER

1.1 Party B agrees to transfer and Party A agrees to accept all Equity Interests held by Party B. Upon completion of such transfer, Party A will own 100% equity interests in Party C.

1.2 Party B agrees to make Equity Interests Transfer and further agrees to sign any documents, including the resolutions at shareholders meeting and the waiver of its right of first refusal in respect of the Equity Interests Transfer, and to assist in effecting any other procedures, necessary for the Equity Interests Transfer.

1.3 Party B and Party C will be jointly and severally responsible to take any actions necessary to effect the Equity Interests Transfer to Party A from Party B, including without limitation signing this Agreement and adopting resolutions at shareholders meeting and amendment to its articles of association. Party B and Party C will also be jointly and severally responsible to complete any and all procedures necessary to make Party A the registered holder of the Equity Interests required for government approval or commercial and industrial registration within ten business days upon the issue of an option exercise notice by Party A under the Equity Interests Disposal Agreement.

2. REPRESENTATIONS AND WARRANTIES

2.1 Each of the Parties severally represents and warrants as follows:

2.1.1 It is a company duly incorporated and validly existing or an individual with full civil capabilities, and has the complete powers and capabilities to execute, deliver and perform this Agreement and any other agreements contemplated under this Agreement;

2.1.2 It has taken or will take requisite actions to properly and duly authorizing the execution, delivery and performance of this Agreement and nay other agreements contemplated hereunder, and none of such execution, delivery and performance is in violation of any applicable laws, regulations or government orders, or any legal rights and interests of any third party.

2.2 Party B and Party C jointly and severally represent and warrant to Party A as follows:

2.2.1 Party B is the legal and valid owner of 100% equity interests of Party C, and the obtaining and owning such equity interests by Party B is not in violation of any laws, regulations or government orders, or any legal rights and interests of any third party;

2.2.2 Party C is a company with limited liabilities duly incorporated and validly existing under the Chinese laws, and has complete powers and capabilities to own, dispose and operate its assets and businesses and to conduct its existing or planned operations. Party C has received and completed any and all licenses, certificates or any other government approvals, consents, filings or registrations necessary to conduct all activities set forth under its business license.

2.2.3 There is no violation by Party B of any applicable laws, regulations or government orders since its incorporation;

2.2.4 There is no security interest or any other third-party interest upon the equity interests of Party C held by Party B;

2.2.5 There is no omission of any document or information regarding Party C which, if it is provided to Party A, may affect the decision of Party A to enter into this Agreement;

2.2.6 Before completion of the Equity Interests Transfer, it will not make any action or omission authorizing or causing the issue of or the commitment to issue any new equity interest beyond the equity interests outstanding as of the date of this Agreement, or make any change to the registered capital or shareholding structure of Party C.

3. EFFECTIVENESS AND TERM

This Agreement is signed and become effective on the date first written above.

4. DISPUTE RESOLUTION

Any dispute arising from the interpretation and performance of this Agreement be resolved by the Parties through good-faith negotiations and, if the negations fail to resolve such dispute within 30 days upon request of such negotiations from one Party, may be submitted by any Party to China International Trade and Economic Arbitration Commission South China Sub-commission ("CIETAC South China Sub-commission") for arbitration in Shenzhen in accordance with its arbitration rules then effect. The arbitration will be made in Chinese. The arbitral award is final and binding upon the Parties.

5. GOVERNING LAW

The execution, validity, performance, interpretation and enforceability of this Agreement is governed by the PRC laws.

6. AMENDMENT AND SUPPLEMENT

This Agreement may be amended and supplemented by each of the Parties in writing. Once duly signed by each of the Parties, any amendment or supplement to this Agreement will form an integral part of and have the same legal effect with this Agreement.

7. SEVERABILITY

If any provision under this Agreement is held invalid or unenforceable due to its conflict with any applicable laws, such provision will be invalid or unenforceable only to the extent of the jurisdiction of such applicable laws and will not affect the validity of the remainder of this Agreement.

8. SCHEDULES

Any schedule attached to this Agreement is integral part of and has the same legal effect with this Agreement.

9. MISCELLANEOUS

This Agreement is made in Chinese in seven counterparts, with each Party holding one counterpart.

(*SIGNATURE PAGE, NO TEXT*)

Party A:

By: _____

Title: Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Party B:

By: _____

Name: Zou Shenglong

By: _____

Name: Cheng Hao

By: _____

Name: Wang Fang

By: _____

Name: Shi Jianming

Guangzhou Shulian Information Investment Co., Ltd.

By: _____

(Affixed with common seal of the company)

Party C: Shenzhen Xunlei Networking Technologies Co., Ltd.

By: _____

(Affixed with common seal of the company)

Supplemental Agreement to Equity Interests Disposal Agreement

This SUPPLEMENTAL AGREEMENT TO EQUITY INTERESTS DISPOSAL AGREEMENT (this "Supplemental Agreement"), dated May 10, 2011, is made in Shenzhen by and among:

Party A: Giganology (Shenzhen) Ltd. ("Giganology"), a wholly foreign owned enterprise established and existing under laws of the PRC, with the legal Address located at Room 802, 11th Building, Shenzhen Software Park, Central District of High-tech Park, Nanshan District, Shenzhen, Guangdong, PRC.

Party B:

(1) **Zou Shenglong**, a PRC resident with ID number ####;

(2) **Cheng Hao**, a PRC resident with ID number ####;

(3) **Shi Jianming**, a PRC resident with ID number ####;

(4) **Guangzhou Shulian Information Investment Co., Ltd.**, a domestic limited liability company established under laws of the PRC with registered address located at Room 404, 1069 Xiagang Avenue, Guanghzou Economy & Technology Development Zone, Guangdong, PRC;

(5) **Wang Fang**, PRC resident ID number ####, with home address located at Staff Apartment Building, Dayu Trading Company, Zhenxing Road, Shenzhen, Guangdong, PRC;

(Collectively, the "**Parties**")

WHEREAS:

(A) Parties A, B, C, D and E entered into the Equity Interests Disposal Agreement (the "Equity Interests Disposal Agreement") on November 15, 2006.

(B) The registered share capital of Shenzhen Xunlei Network Technologies Co., Ltd. ("Shenzhen Xunlei, Party C") increased from RMB 10,000,000 to RMB 30,000,000. The increased RMB 20,000,000 was subscribed by Mr. Zou Shenglong.

(C) Through friendly negotiation, according to the principles of equality and reciprocity, the Parties hereby agree to enter into this Supplementary Agreement to amend and supplement the Equity Interests Disposal Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. The provisions under "Whereas" in the Schedule I (Equity Interests Transfer Agreement) to the Equity Interests Disposal Agreement shall be deleted and replaced with the below:

"Whereas

1. Party C is a domestic company registered in Shenzhen, the PRC. Party B currently holds 100% registered capital of Party C and any and all rights, benefits and interests attached thereto (the "Equity Interests"). Each of Party B has a percentage in the registered capital of Party C as follows:

Shareholder's Name	Amount of Contribution (RMB)	Shareholding Percentage
Zou Shenglong	22,800,000	76%
Cheng Hao	2,500,000	8.3%
Shi Jianming	2,500,000	8.3%
Guangzhou Shulian Information Investment Co., Ltd.	2,000,000	6.7%
Wang Fang	200,000	0.7%
Total	**30,000,000**	**100%**

2. Party B agrees to transfer and Giganology (Shenzhen) Ltd. ("Giganology") or the third party nominated by Giganology agrees to accept, each subject to the terms and conditions under the Equity Interests Disposal Agreement dated November 15, 2006 and the Supplemental Agreement to Equity Interests Disposal Agreement dated May 10, 2011, by and among Party B, Giganology and Party C, all or any part of the Equity Interests held by Party B upon the exercise of relevant option by Giganology or such nominated third party (the "Equity Interests Transfer").

2. This Supplemental Agreement becomes effective upon its execution by the Parties. This Supplemental Agreement is a supplement to the provisions in the Equity Interests Disposal Agreement and shall have the same legal effect as the Equity Interests Disposal Agreement. This Supplemental Agreement shall prevail should there be any conflict with the Equity Interests Disposal Agreement.

3. This Supplemental Agreement is executed in Chinese in six copies with the same legal effect, each Party holding one copy.

[Remainder of this page intentionally left blank]

[Execution page of the Supplemental Agreement to the Equity Interests Disposal Agreement]

Zou Shenglong

By: /s/ Zou Shenglong

Cheng Hao

By: /s/ Cheng Hao

Shi Jianming

By: /s/ Shi Jianming

Guangzhou Shulian Information Investment Co., Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company)

Wang Fang

By: /s/ Wang Fang

Giganology (Shenzhen) Ltd.

By: /s/ Legal Representative/Authorized Representative

(Affixed with common seal of the company

Technology Development and Software License Framework Agreement

This technology development and software license framework agreement (this "**Agreement**") is entered into on December 24, 2013 in Shenzhen, Guangdong of People's Republic of China ("**PRC**", for the purpose of this Agreement, does not include the Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) by and between:

(1) Xunlei Computer (Shenzhen) Co., Ltd. (the "**Party A**"), a company established and validly existing under the laws of the PRC with its registered address at Room 801, 8th floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen; and

(2) Shenzhen Xunlei Networking Technologies Co., Ltd. (the "**Party B**"), a limited liability company established and validly existing under laws of the PRC, with registered address located at 7th and 8th Floor, Building 11, Shenzhen Software Park, Ke Ji Zhong Er Road, Nanshan District, Shenzhen, Guangdong, PRC.

(In this Agreement, each Party A and Party B, a "**Party**" and collectively, the "**Parties**")

WHEREAS:

1. Party A is a wholly foreign owned enterprise established under the laws of the PRC, possessing the resource and qualification for technology development and software license service.

2. Party B is a domestic owned limited liability company established and registered in the PRC. It needs technology development and software license services provided by a professional technology company during its operation.

3. The Parties have entered into each of the agreements as set forth in Schedule 1 to this Agreement with regard to technology development and software license. To further enhance the cooperation of the Parties in this respect, the Parties propose to enter into this Agreement to set down the principles of agreement on the relevant matters.

Therefore, the Parties agree:

1. Technology development

1.1. As requested by Party B, Party A will research and develop the relevant technologies in accordance with Party B's business needs. Party B shall actively cooperate with Party A to facilitate the aforesaid work.

1.2. Party A shall complete the research and development on the relevant technologies within the period as agreed and the work product shall meet the standard as provided by Party B.

1.3. The technology achievements developed by Party A, including the intellectual properties such as patent and copyright shall be owned by Party A. Without the prior written consent of Party A, Party B is not entitled to apply for or by any means license the patent or copyright etc. to a third party.

1.4. During the valid term of this Agreement, with respect to each specific technology development project, the Parties will separately enter into a Technology Development (Services) Agreement to stipulate provisions including the specific project requirement, development progress, provision of the data, budget and compensation for the development project, events of default, etc. The execution and provisions of such Technology Development (Services) Agreement will be subject to the provisions of this Agreement.

1.5. The Parties hereby confirm that each of the Technology Development (Services) Agreement as set forth in the Schedule 1 to this Agreement was executed for the purpose of the performance of this Agreement and is in accordance with the purpose of this Agreement and subject to the provisions of this Agreement.

2. Software License

2.1. As requested by Party B, Party A will license to Party B a non-exclusive and limited right to use specified software.

2.2. Party A guarantees the legality of the software to be licensed and that the software does not infringe on the copyright or business secrets of any third party.

2.3. Party B will reasonably use the licensed software and strictly abide by the agreed scope of license, mode of use and time of use.

2.4. Within the valid term of this Agreement, with respect to the license of each specific software, the Parties will separately enter into a Software License Agreement to stipulate provisions, including specific scope of license, mode of use, term of license, fees of use, rights and obligations and events of default, etc.. The execution and provisions of the Software License Agreement will be subject to the provisions of this Agreement.

2.5. The Parties hereby confirm, each of the Software License Agreement as set forth in the Schedule 1 to this Agreement was executed for the purpose of the performance of this Agreement and is in accordance with the purpose of this Agreement and subject to the provisions of this Agreement.

3. Term of Validity

This Agreement becomes effective upon the execution by the Parties. Unless the Parties terminate this Agreement in writing before its expiration, the term of validity of this Agreement is two years.

4. Representations and Warranties

The Parties hereby represents and warrants to each other the followings:

(1) The Party is duly established under the laws of its place of incorporation and is validly existing.

(2) The Party has the legal right, power and authorization to execute this Agreement and fully perform its obligations under this agreement. The Party has executed and delivered this Agreement. Upon the execution by the other Party, this Agreement constitutes effective and binding obligations on the Party and is enforceable against that Party according to the provisions thereunder.

(3) The Party does not have to file or give notice to any government authority or any other person regarding the execution, delivery and performance of this Agreement, and the Party does not need to obtain any license, permit, consent, authorization, qualification, order or any other approval from any government authority or any other person.

(4) The execution and delivery of this Agreement, the completion of the transactions contemplated under this Agreement and the performance and compliance of the terms and conditions of this Agreement by the Party (i) do not violate any law or regulation, or any judicial or administrative order, verdict, ruling or decree which shall be complied by or binding on this Party, and (ii) do not result in any violation or non-performance of any agreement, contract, document or commitment which the Party is a party to or is bound by.

5. Events of default

5.1. In the event of breaches of any provision under this Agreement by any Party,

the Party shall compensate the ensuing loss suffered by the other Party , including but not limited to the legal fees, traveling expenses and other expenses paid by the non-breaching party for the transactions contemplated under this Agreement.

6. Governing Law and Dispute Resolution

6.1. The conclusion, validity, construction, execution and dispute resolution of this Agreement are protected by the PRC laws and are governed by the PRC laws.

6.2. Any dispute, argument or claim arising from the performance, construction, breach, termination or validity of or in connection with this Agreement shall first be resolved by both Parties through friendly negotiations and, if the dispute fails to be resolved in fifteen (15) days from the start date of the negotiation, it shall be submitted for arbitration notice given by one party to another.

The parties agree to submit the dispute to Shenzhen Court of International Arbitration (the "**Arbitration Committee**") for arbitration according to its then effective rules (the "**Arbitration Rules**") in Shenzhen. The arbitration shall be conducted in Chinese. The tribunal will comprise three (3) arbitrators, where each party in dispute is entitled to appoint one (1) arbitrator with the third arbitrator appointed by the first two arbitrators. If the first two arbitrators cannot reach an agreement with respect to the appointment of the third arbitrator, the Arbitration Committee will decide the chief arbitrator according to the Arbitration Rules.

The arbitral award is final and binding upon the Parties. The prevailing party may apply to the court having jurisdiction for the enforcement of the arbitration award and the losing party will bear the relevant cost and expenses.

7. Confidentiality

Each party understands and confirms that any oral or written information obtained or exchanged by or between the Parties and their respective related parties is confidential and exclusive information (the "**Confidential Information**"). Each Party shall and shall procure its representatives (including but not limited to senior management, directors, employees, shareholders, agents or related parties) to keep confidential any Confidential Information obtained through participation in the transactions contemplated by this Agreement and shall not disclose such Confidential Information to any third party without the prior written consent of the information provider, save for the following exceptions: (i) the information is public available or has been made public available (the publication was not caused by public disclosure by the information receiver without due authorization); or (ii) the applicable laws or

regulations require the disclosure of such information (in which case, the party having the obligation of disclosure shall, within a reasonable period before the disclosure, consult with the other party with respect to the disclosure and seek possible confidential treatment for the confidential information to be disclosed based on the request by the other party).

8. Miscellaneous

8.1. In light of the provisions under this Agreement and subject to the conditions of this Agreement, the Parties agree to reasonably take action or procure to take action, make or procure to make, the execution of further documents, and assist and cooperate with the other party to complete requisite, appropriate or advisable matters under the applicable laws, and to make the transactions contemplated under this Agreement and other documents to be completed and effected in the most speedy way by other means. In addtion, the Parties agree to cause the rights and obligations to be performed to the satisfaction of any reasonable request of the Parties in accordance with this Agreement and any other related documents.

8.2. Any failure or delay to exercise any of its rights under this Agreement by either Party will not be deemed as its waiver of such right. A single or partial exercise of any right by either Party shall not exclude its future exercise of this right.

8.3. Unless otherwise provided in this Agreement, none of the Parties shall assign this Agreement or the entire or partial of its rights and obligations under this Agreement without prior written consent by the other party.

8.4. Any of the provisions under this Agreement can only be amended or modified with the written consent by both Parties.

8.5. This Agreement is in Chinese in duplicate, with each Party holding one copy with the same legal effect.

[Reminder of this page intentionally left blank]

Xunlei Computer (Shenzhen) Co., Ltd.

(Seal)

By: /s/ Seal of Xunlei Computer (Shenzhen) Co., Ltd.
Title: Legal representative

Shenzhen Xunlei Networking Technologies Co., Ltd.

(Seal)

By: /s/ Seal of Shenzhen Xunlei Networking Technologies Co., Ltd.
Title: Legal representative

[Signature page to the Technology Development and Software License Framework Agreement]

Schedule 1 List of Agreements

1. A Technology Development (Services) Agreement with respect to mobile application distribution platform entered into in April 2013 by Shenzhen Xunlei Networking Technologies Co., Ltd. and Xunlei Computer (Shenzhen) Co., Ltd. (No. XL-ZH-(2013)146);

2. A Technology Development (Services) Agreement with respect to cross-device content sharing platform entered into in April 2013 by Shenzhen Xunlei Networking Technologies Co., Ltd. and Xunlei Computer (Shenzhen) Co., Ltd. (No. XL-ZH-(2013)147);

3. A Technology Development (Services) Agreement with respect to mobile Xunlei high-speed download engine and referral system entered into in April 2013 by Shenzhen Xunlei Networking Technologies Co., Ltd. and Xunlei Computer (Shenzhen) Co., Ltd. (No. XL-ZH-(2013)150);

4. A Mobile Xunlei Software License Agreement entered into in January 1, 2013 by Shenzhen Xunlei Networking Technologies Co., Ltd. and Xunlei Computer (Shenzhen) Co., Ltd. (No. XL-ZH-(2013)148);