

## Risk Factors Comparison 2025-03-03 to 2024-03-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Risks Related to Our Business and Industry • Uncertainties in economic conditions and their impact on the ecommerce industry, particularly for large parcel merchandise, could adversely impact our operating results. • Our historical growth rates and performance may not be sustainable or indicative of our future growth and financial results. We cannot guarantee that we will be able to maintain the growth rate we have experienced to date. • We may not realize the expected benefits of our acquisitions of Noble House and Wondersign due to potential risk and uncertainties. • System interruptions that impair access to our GigaCloud Marketplace, or other performance failures in our technology infrastructure, could damage our reputation and results of operations. • Our international operations are subject to a variety of legal, regulatory, political and economic risks. • If we fail to maintain and expand our relationships with third- party platforms and sellers and buyers in our marketplace, our revenues and results of operations will be harmed. • Risks associated with the manufacturers of the products we sell as our own inventory could materially and adversely affect our financial performance as well as our reputation and brand. • If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected. • We depend on our relationships with third parties, including third- party trucking and freight service companies, and changes in our relationships with these parties could adversely impact our revenues and profits. • We may not be successful in optimizing our ~~warehouses~~ **fulfillment centers** and fulfillment network. • Damage to our business reputation could have a material adverse effect on our growth strategy and our business, financial condition, results of operations and prospects. • Our efforts to launch new products or services may not be successful. • The COVID- 19 pandemic, and any future outbreaks or other public health emergencies, could materially affect our business, liquidity, financial condition and operating results.

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

Risks Related to Doing Business in China • We could be adversely affected by political tensions between the U. S. and the PRC. • Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial **condition conditions** and results of operations and may result in our inability to sustain our growth and expansion strategies. • There are uncertainties regarding the PRC legal system  ~~, including risks and uncertainties regarding the enforcement of laws, as well as the PRC’ s extension of authority into Hong Kong, and that rules and regulations in the PRC can change quickly with little advance notice. The PRC legal system is developing, and recently enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in the PRC or may be subject to interpretation by PRC regulatory agencies. Because the PRC laws, rules and regulations sometimes give the relevant regulator discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties. See “ Item 1A. Risk Factors — Risks Related to Doing Business in China — There are uncertainties regarding the PRC legal system.”~~ • We operate our GigaCloud Marketplace through our Hong Kong Subsidiary. ~~If the PRC government were to extend its oversight into companies in Hong Kong, our Hong Kong Subsidiary may be subject to additional regulations which could have a material effect on our business operations. In light of recent statements and regulatory actions by the PRC government related to the PRC’ s extension of authority into Hong Kong, there is risk that the PRC government may influence our operations in Hong Kong, as our operations in Hong Kong are subject to political and economic influence from the PRC government. Our Hong Kong Subsidiary may be subject to direct influence from the PRC government in the future due to changes in laws or other unforeseeable reasons. If our Hong Kong Subsidiary were to become subject to direct influence of the PRC government, our Hong Kong Subsidiary may be required to obtain licenses for the operation of our ecommerce platform GigaCloud Marketplace and be subject to regulations restricting or prohibiting foreign ownership. Such risks could impact our ability to conduct our business, accept foreign investments, remain listed on a U. S. exchange or list on any U. S. or other foreign exchange, result in a material change in our operations and /or the value of our Class A ordinary shares or could significantly limit or completely hinder our ability to offer or continue to offer Class A ordinary shares and /or other securities to investors and cause the value of our securities to significantly decline or be worthless. See “ Item 1A. Risk Factors — Risks Related to Doing Business in China — We operate our GigaCloud Marketplace through our Hong Kong Subsidiary. If the PRC government were to extend its oversight into companies in Hong Kong, our Hong Kong Subsidiary may be subject to additional regulations which could have a material effect on our business operations.”~~ • Implementation of the Law of the PRC on Safeguarding National Security in Hong Kong involves uncertainty, and the recent policy pronouncements by the PRC government regarding business activities of U. S.- listed PRC businesses may negatively impact GigaCloud Group’ s existing and future operations in Hong Kong. • Recent litigation and negative publicity surrounding companies listed in the U. S. with operations in the PRC may result in increased regulatory scrutiny of us and negatively impact the trading price of our Class A ordinary shares. • We are a holding company and we conduct our operations through our principal subsidiaries. Our corporate structure and operations in Hong Kong and mainland China involve liquidity risks to investors as our ability to make loans or additional capital contributions to our PRC Subsidiaries and Hong Kong Subsidiary may be restricted. See “ Item 1A. Risk Factors — Risks Related to Doing Business in China — PRC regulation of loans to, and direct investments in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us to make loans or additional capital contributions to our PRC Subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business. ” • ~~To the extent cash is generated in our PRC Subsidiaries and may need to be used to fund operations outside of mainland China, such funds may not be available due to limitations placed by the PRC government~~ **Governmental control of currency conversion may limit** . Furthermore, to the extent assets

(other than cash) in our business are located in the PRC or **our** held by a PRC entity, the assets may not be available to fund operations or for other use outside of the PRC due to the imposition of restrictions and limitations on the ability of us and our subsidiaries to **utilize** transfer assets by the PRC law. If certain PRC laws and regulations, including existing laws and regulations and those enacted or **our revenues** promulgated in the future were to become applicable to our Hong Kong Subsidiary in the future, and to the extent cash is generated in our Hong Kong Subsidiary, and to the extent assets (other than cash) in our business are located in Hong Kong or held by a Hong Kong entity and may need to be used to fund operations outside of Hong Kong, such funds or assets may not be available due to the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer funds or assets by the PRC law. Furthermore, there can be no assurance that the PRC law will not impose restrictions or limitations on GigaCloud Group's ability to transfer or distribute cash within its organization, which could result in an inability or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong and adversely affect its business. See "Item 1A. Risk Factors—Risks Related to Doing Business in China—Governmental control of currency conversion may limit our ability to utilize our revenues, transfer or distribute cash within our group effectively and affect the value of your investment."

**Risks Related to Our Class A Ordinary Shares**

- An active, liquid and orderly market for our Class A ordinary shares may not develop, and you may not be able to resell the shares at or above the purchase price.
- The trading price of our Class A ordinary shares could be highly volatile, and purchasers of our Class A ordinary shares could incur substantial losses.
- **As The requirements of being a public company domestic U. S. issuer, including** we are subject to U. S. securities law disclosure requirements that apply to a domestic U. S. issuer. We will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer, and accounting, reporting and other expenses in order to maintain **maintaining** a listing on a U. S. securities exchange **adequate internal control over our financial and management systems, may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members**.
- Our Class A ordinary shares may be prohibited from trading in the U. S. under the Holding Foreign Companies Accountable Act, or the HFCAA, in the future if the Public Company Accounting Oversight Board, or the PCAOB, is unable to inspect or investigate auditors located in China completely. The delisting of our Class A ordinary shares, or the threat of their being delisted, may materially and adversely affect the value of your investment.
- The PCAOB had historically been unable to inspect or investigate auditors located in China completely. Any future inability of the PCAOB to conduct inspections of our auditor may deprive our investors with the benefits of such inspections.
- Our dual-class voting structure 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 ordinary shares may view as beneficial.
- Our dual-class voting structure may render our Class A ordinary shares ineligible for inclusion in certain stock market indices, and thus adversely affect the trading price and liquidity of our Class A ordinary shares.

**PART I ITEM 1. Business Business Overview**

We are a pioneer of global end-to-end B2B ecommerce solutions for large parcel merchandise. Our B2B ecommerce platform, which we refer to as the "GigaCloud Marketplace," integrates everything from product discovery to payments to logistics tools into one easy-to-use platform. Our global marketplace seamlessly connects manufacturers, primarily in Asia, with resellers, primarily in the U. S., Asia and Europe, to execute cross-border transactions with confidence, speed and efficiency. We offer a truly comprehensive solution that transports products from ~~the manufacturer~~ **manufacturers' s-warehouse-warehouses** to end customers, all at one fixed price. We first launched our marketplace in January 2019 by focusing on the global furniture market and have since expanded into additional categories such as home appliances and fitness equipment. GigaCloud Marketplace is one of the fastest growing large parcel B2B marketplaces with over ~~\$ 414.1, 341.4 million, \$ 794.4 million and \$ 518.2 million~~, ~~\$ 518.2 million and \$ 794.4 million~~ of GMV transacted in our marketplace in ~~2021-2024~~, **2023 and 2022 and 2023**, respectively. In ~~October-2023~~, we completed the acquisition of ~~Noble House Home Furnishings LLC, or Noble House~~, a leading B2B distributor of indoor and outdoor home furnishings, for an aggregate consideration of approximately \$ 77.6 million, **and the**. ~~The Noble House acquisition was funded using cash on hand from operations. The acquisition added valuable assets, including but not limited to, inventory, warehouse leases, intangible assets including technology assets, and other assets which can be further utilized and to supplement our B2B ecommerce ecosystem. The acquisition of Noble House added six warehouses with approximately 2.4 million square feet of warehouse space to our warehousing network in the U. S., and one warehouse with approximately 0.1 million square feet of warehouse space in Canada. We also increased the number of product SKUs, particularly in outdoor furnishings, to our GigaCloud Marketplace through this acquisition. We plan to utilize Noble House's footprint to broaden our supplier base into India and expand our service end market into Canada, attracting more sellers and buyers to our Marketplace. We believe the Noble House acquisition would contribute additional sales channels and business relationships to further complement our B2B ecommerce ecosystem. In November 2023, we completed the acquisition of a 100% equity interest of Apexis, Inc., a Florida corporation dba Wondersign, or Wondersign, for an aggregate purchase price of approximately \$ 10.0 million. The Wondersign acquisition was funded using cash on hand from operations. Wondersign is a cloud-based interactive digital signage and e-catalog management SaaS company headquartered in Tampa, for Florida. Wondersign specializes in developing and maintaining the acclaimed "Catalog Kiosk" digital catalog software, empowering retailers to showcase an extensive range~~ **aggregate purchase price of approximately \$ 10** products and enhance the engagement with today's omni-channel shoppers. **0 million**. With its extensive retailer customer base, Wondersign has access to thousands of storefronts across the United States. We believe that acquiring Wondersign would contribute to our objective of transforming GigaCloud Marketplace into a user-friendly platform that seamlessly connects with customers, ensuring an exceptional experience for both platform participants and retail store patrons. We built the GigaCloud Marketplace to democratize access and distribution globally so that manufacturers, who are typically sellers in our marketplace, and online resellers, who are typically buyers in our marketplace, can transact without borders. Manufacturers view our marketplace as an essential sales channel to thousands of online resellers in the U. S., Asia and Europe. Our GigaCloud Marketplace enables manufacturers to deliver their products around the world.

Additionally, online resellers may lack the resources and infrastructure to manage a global supply chain and support international distribution. Our integrated ecommerce solutions allow online resellers to offer products and services comparable to those offered by large ecommerce platforms by giving them access to a large and growing catalog of products at wholesale prices, supported by industry-leading global fulfillment capabilities. To enhance our marketplace experience, we sell our own products, or 1P products, through the GigaCloud Marketplace and to and through third-party ecommerce websites, such as Rakuten in Japan, and Amazon, Walmart, Home Depot, Overstock and Wayfair in the U. S. and OTTO in Germany. These 1P revenues expand our market presence, reduce inventory and logistics risk for suppliers, create more products for buyers, drive volume-based cost efficiencies for sourcing products, provide us with proprietary data and increase the velocity of sales on our marketplace. With the acquisition of Noble House, we further diversified the 1P product variety and offerings for our buyers. 1P revenues **through derived from** the GigaCloud Marketplace and **to and through** third-party ecommerce websites represented **76.69.8%, 71.7% and 71.3%**, **71.3% and 71.7%** of total revenues in **2021-2024, 2023 and 2022 and 2023**, respectively. We have built a cross-border fulfillment network optimized for large parcel products. We operate **warehouses-fulfillment centers** in five countries in the U. S., Japan, the U. K., Germany and Canada, with the U. S. being our largest market. As of December 31, **2023-2024**, we **operate-operated 33-35** large-scale **warehouses-fulfillment centers** around the world totaling approximately **8-10, 2-3** million square feet of storage space, covering **seven-16** ports of destination **globally** with **approximately 17-over 30**, 000 annual containers, and have an extensive shipping and trucking network via partnerships with major shipping, trucking and freight service providers. By servicing the entire supply chain, we offer sellers and buyers in our marketplace enhanced visibility into product inventory, **reducing-reduced** turnover time and **decreased** transaction costs. On average, we are able to deliver products to end customers within one week of their order and at a fixed rate that is cheaper than standard rates from FedEx and UPS. We **have-utilize artificial intelligence, or AI**, software that generates seller ratings and credit profiles through volume data. Additionally, our AI optimizes routing by organizing incoming orders and rebalancing inventory levels within our **warehousing-fulfillment** network. Our software platform includes flexible trading tools with which sellers can set prices based on quantities, delivery dates and fulfillment methods, and buyers have the option to purchase merchandise individually or in bulk. We leverage our proprietary data and AI to accelerate the network effects in our marketplace. As our marketplace grows, we accumulate user and product data to develop analytical and predictive tools such as product sales forecasts. This information is valuable to our sellers as it allows them to efficiently manage inventory and pricing. As sellers succeed in our marketplace, more sellers join, which expands our merchandise offerings. Our broad merchandise selection, competitive pricing and virtual warehousing capabilities encourage buyers to join and transact in our marketplace. More buyer activity leads to more sellers, creating a virtuous cycle. **We monitor the following key financial** In 2021, we had 382 active 3P sellers and 3,566 active buyers in **operating metrics to evaluate the growth of** our GigaCloud Marketplace, **representing a year-measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. The financial impact from the acquisitions of Noble House and Wondersign has been reflected in our condensed consolidated financial results since the completion of the acquisitions in the fourth quarter of 2023. In the second quarter of 2024, we introduced Noble House-related SKUs to** over-year increase of 81.9% and 111.1%, respectively. In 2021, our users transacted \$ 414.2 million of GigaCloud Marketplace GMV with an average spend per buyer of \$ 116, which contributed to 150. This is a **one 117.4% year-time uplift** over-year increase in **our operating metrics. The operating impact from these acquisitions has been reflected in the operating metrics in our** GigaCloud Marketplace GMV since April 1, 2024. The following tables set forth our key financial **and a-operating metrics for the periods indicated:**

Year ended December 31, 2024	2023	2022	Key Financial Statement Metrics: (In thousands, except for per share data)
Total revenues	\$ 1,161,042	\$ 703,831	\$ 490,071
Gross profit	285,236	188,633	83,114
Operating income	130,622	110,078	35,023
Net income	125,808	94,108	23,972
Net income per ordinary share	— Basic \$ 3.06	\$ 2.31	\$ 0.60
Diluted	\$ 3.05	\$ 2.30	\$ 0.60

**Year ended December 31, 2024** **Year ended December 31, 2024** **Year ended December 31, 2024** **Non-over-year increase in average spend** **GAAP Financial Metrics (1): (In thousands, except for per share data) Adjusted EBITDA** buyer from 2020, respectively. Combined with off-platform e-commerce GMV of \$ 127.6 million, the total transactions that we facilitated aggregated a GMV of \$ 541.8 million in 2021. 3P Seller GigaCloud Marketplace GMV was \$ 156.9 million in 2021. **942** represented 37.9%, of total GigaCloud Marketplace GMV in 2021. In 2022, we had 560 active 3P sellers and 4,156 active buyers in our GigaCloud Marketplace, representing a year-over-year increase of 46.6% and 16.5%, respectively. In 2022, our users transacted \$ 518.2 million of GigaCloud Marketplace GMV with an average spend per buyer of \$ 124,692. This is a 25.1% year-over-year increase in GigaCloud Marketplace GMV and a 7.4% year-over-year increase in average spend per buyer from 2021, respectively. Combined with off-platform e-commerce GMV of \$ 117.8 million, the total transactions that we facilitated aggregated a GMV of \$ 636.0 million in 2022, representing a 17.4% increase in GMV year-over-year from 2021. 3P Seller GigaCloud Marketplace GMV was \$ 257.7 million in 2022, represented 49.7% of total GigaCloud Marketplace GMV in 2022. In 2023, we had 815 active 3P sellers and 5,010 active buyers in our GigaCloud Marketplace, representing a year-over-year increase of 45.5% and 20.5%, respectively. In 2023, our users transacted \$ 794.4 million of GigaCloud Marketplace GMV with an average spend per buyer of \$ 158,569. This is a 53.3% year-over-year increase in GigaCloud Marketplace GMV and a 27.2% year-over-year increase in average spend per buyer from 2022, respectively. Combined with off-platform e-commerce GMV of \$ 204.6 million, the total transactions that we facilitated aggregated a GMV of \$ 999.1 million in 2023, representing a 57.1% increase in GMV year-over-year from 2022. 3P Seller GigaCloud Marketplace GMV was \$ 426.3 million in 2023, represented 53.7% of total GigaCloud Marketplace GMV in 2023. We experienced significant growth over the last three years: • We generated total revenues of \$ 414.2 million in 2021, \$ 490.1 million in 2022 and \$ 703.8 million in 2023, representing a 18-**118.3%** growth from 2021, **307** and a 43.6% growth from 2022; • We generated gross profit of \$ 89.6 million in 2021, \$ 83.1 million in 2022 and \$ 188.6 million in 2023, representing 21.6%, 17.0% and 26.8% of total revenues, respectively; • Our net income was \$ 29.3 million in 2021, \$ 24.0 million in 2022 and \$ 94.1 million in 2023; and •

Our Adjusted EBITDA was \$ 48.0 million in 2021, \$ 41.8 million in 2022 and, **842 Adjusted EPS – diluted** \$ 118.3 million in 2023. **81 \$ 2.89 \$ 1.33** (1) See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operation — Non-GAAP Financial Measures” for information regarding our use of Adjusted EBITDA and **Adjusted EPS – diluted and** a reconciliation of net income to Adjusted EBITDA. The financial impact from the acquisitions of Noble House and **net income per ordinary share – diluted to Adjusted EPS – diluted** Wondersign was reflected in our financial results in the fourth quarter and full year of 2023. The operating impact from these acquisitions has not been reflected in the operating metrics in our GigaCloud Marketplace in this annual report. Below is a summary of our key financial and operating metrics for the periods indicated: Year ended December 31, GigaCloud Marketplace **Key Operating Metrics**:

	2021	2022	2023
GigaCloud Marketplace GMV (in \$ thousands)	\$ 414.1	\$ 192.3	\$ 341,385
Active 3P sellers	1,794	2,433	3,825
Active buyers	1,118	1,560	1,815
Spend per active buyer (in \$)	\$ 116,150	\$ 124,692	\$ 158,569
GigaCloud Marketplace GMV (in \$ thousands)	\$ 144	\$ 156	\$ 693,853
Active buyers	9,347	721	1,014
Spend per active buyer (in \$)	\$ 426	\$ 144	\$ 158,569

We are focused on facilitating B2B e-commerce transactions in our GigaCloud Marketplace. We generate revenues primarily through three revenue streams:

- GigaCloud 3P: generates service revenues, including platform commission, ocean transportation service, warehousing service, last-mile delivery service, packaging service, **drayage service** and others, by facilitating transactions between sellers and buyers in our marketplace.
- GigaCloud 1P: generates product revenues through the sale of our inventory in our marketplace.
- Off-platform Ecommerce: generates product revenues through the sale of our inventory to and through third-party ecommerce websites. GMV from GigaCloud 3P and GigaCloud 1P together make up our GigaCloud Marketplace GMV, and GMV from off-platform ecommerce and GigaCloud Marketplace GMV together make up our total GMV across the platforms. These three revenue streams complement each other to improve our value proposition to sellers and buyers in our GigaCloud Marketplace. Noble House primarily contributes product revenues to our off-platform ecommerce revenue streams, while Wondersign primarily contributes service revenues from its catalog subscription services, and other product revenues from the sales of its Catalog Kiosk display units. The GigaCloud Marketplace, our global B2B ecommerce platform, integrates everything from product discovery to payments to logistics tools into one easy-to-use platform. Sellers and buyers from our targeted markets around the world leverage our cross-border fulfillment network, which is optimized for large parcel products, in order to trade with each other while saving costs. Underpinned by a network of strategically placed **warehouses-fulfillment centers** and supply chain capabilities, our marketplace is designed to simplify and mitigate logistics and inventory requirements for both our sellers and buyers. Through GigaCloud 3P, we derive service revenues through the various activities of sellers and buyers in our GigaCloud Marketplace, which result in revenues from platform commission, ocean transportation service, warehousing service, last-mile delivery service, packaging **service, drayage** service and others. When a seller and buyer enter into a transaction in GigaCloud Marketplace, we generate revenues from platform commission by earning a percentage commission **depending based** on the transaction value. The standard commission ranges between 1% and 5% **depending on the size of the transaction**. We **Additionally, we** charge **a fulfillment fees-fee** for ocean transportation **other freight** services such as delivery of products via ocean and other modes of transportation; **warehousing**. We charge the sellers storage fees **based on** in connection with the storage number of days and the size of the products **that are stored** in our **warehouses-fulfillment centers**, and we charge last-mile delivery fees if the buyer **requires a flat fee for** last-mile delivery services **for delivery of products to end customers directly from our fulfillment centers, which varies by the weight of the products**. We charge drayage service fees in connection with transportation of **products from ports to warehouses at a flat fee**. We also charge packaging fees in connection with merchandise that we pack and ship. **In From time to time in 2021-2024, 2023 and 2022 and 2023, from time to time**, when we had excess fulfillment capacity, we utilized such excess fulfillment capacity and our extensive logistics network to offer third-party logistics services to customers to help fulfill their large parcel transportation needs. **Given the growth of our marketplace, moving forward, we expect to use our fulfillment capacity predominantly for GigaCloud Marketplace customers, only offering separate third-party logistics services to optimize utilization**. As we continue to grow our GigaCloud Marketplace, we expect to dedicate our logistics capacity to products sold **on in** our own marketplace, and will opportunistically provide third-party logistics services when there is excess capacity within our network. Through GigaCloud 1P, we further enhance our marketplace experience by selling our own inventory. Our 1P business creates **more additional** products for buyers, gives us insights into **seller sellers’** needs, provides us with proprietary data and increases the velocity of sales in our marketplace. **We Our GigaCloud 1P business generates- generate** revenues from **product the sales of products through selling our own inventory in our marketplace**. In addition to facilitating transactions in our GigaCloud Marketplace, we also procure highly rated products directly from manufacturers and sell them directly to and through third-party **ecommerce websites such as Wayfair, Walmart, Home Depot, Amazon, Target and Overstock, or to individual customers through third-party ecommerce** websites such as Rakuten, Amazon, Walmart, Wayfair, Home Depot and OTTO as part of our off-platform ecommerce business. Off-platform ecommerce sales deepen our relationships with **sellers-suppliers** and provide us with proprietary data. **Our Through** off-platform ecommerce **business, we generates- generate** revenues from product sales to both end customers and third-party ecommerce websites. Segment For the purpose of internal reporting and management’s operation review, we do not segregate our business by revenue stream or geography. Our management has determined that our company has one operating segment. See Note 2, Segment Reporting, in the notes to the consolidated financial statements included elsewhere in this annual report. Sellers and Buyers In **2021-2024, 2023 and 2022 and 2023**, GigaCloud Marketplace had **382-1, 111, 815 and 560 and 815** active 3P sellers, respectively, and **3-9, 566-306, 5, 010 and 4, 156 and 5, 010** active buyers, respectively. Sellers in our marketplace are typically manufacturers based in Asia, who **utilize** are able to leverage our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics **or fulfillment centers overseas**, as well as **decouple from intermediaries**. The buyers in our marketplace are typically resellers **based operating** in the U. S., Asia and

Europe that ~~who~~ procure **large parcel merchandise to** products at wholesale prices and subsequently ~~resell to end customers on third-party B2C platforms~~. We enter into open-ended framework agreements, terminable by notice from either party, with the manufacturers that act as 3P sellers in our GigaCloud Marketplace that entitle us to a commission on sales, as well as warehousing and logistics fees for storage and shipping across our network. The standard commission ranges between 1 % and 5 % depending on the size of the transaction. The buyers, or resellers, in our GigaCloud Marketplace must agree to our standard terms in order to maintain an account and place orders on our platform. We believe that as more manufacturers join our marketplace as sellers, more resellers will join our marketplace as buyers. Our GigaCloud IP and off-platform ecommerce business accelerate this virtuous cycle by adding sellers and buyers into our ecosystem. Our Value Proposition to Sellers We lower the barriers to entry for sellers in our marketplace so that they are able to quickly gain access to the key global markets in which we operate, including the U. S., the U. K., Germany, Japan and Canada. Sellers can directly connect with resellers in our marketplace and leverage our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics infrastructure. We manage the entire logistics process from the moment the product leaves the factory floor, and simplify the process by offering a flat rate program for shipping and handling. Leveraging our algorithm, we determine when and where to ship a product, reduce the amount of time a product is handled and select the most effective delivery mechanism for the product. Sellers are able to leverage our warehouse space, which we charge on a per cubic foot per day basis, in order to increase warehouse utilization rates and reduce cost. Our platform provides multiple channels through which sellers can sell their products, enhancing their inventory turnover rate and increasing their profitability. Many of the sellers operating in our GigaCloud Marketplace were originally suppliers of our inventory that later joined the GigaCloud Marketplace as 3P sellers. We also offer an on-site service for U. S. sellers who have their own ~~warehouses~~ **fulfillment centers** to sell in our GigaCloud Marketplace by directly delivering products to end customers using our logistics and transportation network without the need to relocate inventory from their own ~~warehouses~~ **fulfillment centers** to our ~~warehouses~~ **fulfillment centers**. Our on-site service provides an attractive way for U. S. sellers to distribute products, as well as driving the increases in both the number of sellers and our GigaCloud Marketplace GMV. In ~~October~~ **April 2022-2024**, we ~~unveiled~~ **launched a new service, " Branding-as-a-Service "** ~~our~~ **or private domain feature for " BaaS ", which selects and allows** sellers ~~on-in the~~ our B2B-GigaCloud Marketplace **to sell**. Users of GigaCloud Marketplace can now share their products **under one of the leading American furniture brands** with existing or potential customers via a personal GigaCloud web-hosted platform. As a value-added service, **Christopher Knight Home**, this private domain is designed to provide marketplace sellers **Sellers** the flexibility of sharing all their listings available in the GigaCloud Marketplace without customers viewing the products from other sellers. ~~Buyers (i. e., resellers)~~ **who are typically furniture suppliers or manufacturers**, will be required **able to sign up sell and distribute the approved product SKUs under the brand** for a **designated fee** GigaCloud Marketplace account in order to view the products and prices set by sellers on such private domain. However, buyers will not be able to see the product listings or prices offered by other sellers if buyers log into GigaCloud Marketplace under the account from the private domain. The private domain service provides an organized platform for sellers to integrate their distribution channels into one easy-to-use website. Our Value Proposition to Buyers Our marketplace offers one-stop-shop logistics solutions for a broad catalog of large parcel products sourced globally. We offer virtual warehousing and multiple fulfillment solutions including cloud courier, cloud wholesale fulfillment, white glove and drop shipping solutions, so that buyers do not need to manage physical order fulfillment. With ~~33-35~~ **large-scale warehouses fulfillment centers** strategically positioned in key markets around the world, we have the capability to reach over 90 % of customers in the lower 48 states in the U. S. within an average of three days of delivery time. Our solution effectively minimizes inventory risk for buyers and allows them to reach customers across geographies at an affordable price. We also provide buyers the option to pre-sell products through their own channels before placing an order in GigaCloud Marketplace. This significantly reduces buyers' working capital needs and allows them to scale more efficiently. Logistics Network and Value-added Services Warehousing Network We have set up our local infrastructure in the U. S. strategically such that we are close to ports and customers, shortening delivery time to the end customers. As of December 31, ~~2023~~ **2024**, we ~~have had~~ **four key operating centers in California, Georgia, New Jersey and Texas, covering 24 warehouses** ~~25~~ **fulfillment centers** and seven ports of destination in the U. S., totaling ~~over 7~~ **approximately 9.42** million square feet. ~~Among the warehouses in the U. S., six were acquired from Noble House, totaling approximately 2.4 million square feet.~~ Outside the U. S., we have two ~~warehouses fulfillment centers~~ and two ports of destination in the U. K., ~~two warehouse~~ **four fulfillment centers and four ports of destination in Germany, three fulfillment centers and one port of destination in Japan, and one fulfillment center** and two port of destination in Germany, four warehouses and one port of destination in Japan, and one warehouse and one port of destination in Canada through the Noble House acquisition, all together totaling over ~~0.1~~ **7.1** million square feet. On March 9, 2024, one of our warehouses in Japan, suffered damages due to a warehouse fire. While we are still evaluating the impact caused by the warehouse fire, we estimated approximately \$ 1.8 million in damages with respect to the cost of our inventory held at the warehouse. We have insurance coverage associated with the damages to the inventory and warehouse equipment. Furthermore, we have a total of four warehouses in Japan and we have shifted our warehouse operations in Japan to the other three warehouses to minimize any disruptions to our operations in Japan. We use AI and data analytics to determine optimal distribution of inventory among our ~~warehouses~~ **fulfillment centers** under a unified warehouse management system and provide a virtual warehousing solution for sellers and buyers in our marketplace. Our AI-powered warehousing management system solves ~~the~~ many practical problems faced by sellers and buyers in connection with complex, cross-border transactions involving large parcel goods. Transportation Network ~~We~~ **Upon delivery of goods from suppliers, we engage** our extensive shipping network consisting of major ocean transportation providers covering ~~13-16~~ **ports of destination globally** with ~~approximately 17~~ **over 30**, 000 annual containers, and a trucking network in partnership with major trucking and freight service providers. We also utilize shipping and delivery services from major ~~carrier~~ **carriers** such as FedEx, UPS and other service providers to supplement our transportation network and shipping requirements. We provide last-mile

delivery of bulk merchandise (over 150 pounds) and installation services to end customers, ~~which we self-operate~~. These services are available in nine metro markets ~~in~~ **across** the U. S., and we plan to expand coverage to other key metro markets. We also utilize a network of delivery providers for last-mile delivery throughout the U. S. and other markets. We enter into agreements with the trucking and freight service providers we partner with for terms of three to five years, during which they provide their services to us at certain tiered discounts depending on the volume we achieve, which we have the option of renegotiating if we exceed anticipated volumes.

**Sourcing Network** We have ~~149~~ **176** employees in mainland China, Vietnam and Malaysia who source products from manufacturers throughout Asia. This helps accelerate the supply ~~on~~ **in** our GigaCloud Marketplace and attract buyers that lack the network and sourcing capabilities that we have to our marketplace. In addition, we buy inventory from these suppliers for our off- platform ecommerce. As of December 31, ~~2023~~ **2024**, we sourced merchandise from more than ~~1,000~~ **500** suppliers for our GigaCloud IP and off- platform ecommerce. The chart below summarizes our sourcing network described above as of December 31, ~~2023~~ **2024**:

**Marketplace Transactions** Our GigaCloud Marketplace enables suppliers and buyers to transact with each other, including setting their own optional and customizable margin and rebate offerings. We charge a fee for each transaction in our GigaCloud Marketplace based on the transaction value and shipping fees. We also sell IP products directly ~~on~~ **in our** GigaCloud Marketplace.

**IP Pricing** For our IP sales, our pricing team approaches pricing scientifically and algorithmically, by applying data and analytics to set our pricing. We use data on competitive behavior, historical sales, seasonality and inventory levels to appropriately price our products. We also engage in market research and branding analysis, as well as ~~taking~~ **take** into account our estimated costs in order to control our margins. We believe our technological skills and capabilities enable us to offer competitive prices for our products.

**Payment** We provide our customers with a number of payment options including bank transfers, online payments with credit cards and debit cards issued by major banks, and payment through major third- party online payment platforms, such as ~~Alipay, Payoneer, WorldFirst, PingPong~~ and others. Our customers can also use account balances in our GigaCloud Marketplace accumulated from deposits or prior refunds to make future purchases.

**IP Inventory Management** We believe we have ~~one of the industry-leading large parcel inventory turnover rates for our own inventory of 77 days for 2023, 71 days for 2022 and 65 days in 2021. We use AI and data science to help with inventory management, including deciding when to place orders and in what quantities. Our IP products in 2023 included furniture, accounting for more than 92.0% of GigaCloud Marketplace GMV, fitness equipment, accounting for approximately 3.0% of GigaCloud Marketplace GMV, and various other products including outdoor garden equipment, luggage, pet products and others accounting for approximately 5.0% of GigaCloud Marketplace GMV.~~

**Warranties and Refunds** For IP products procured and sold in the GigaCloud Marketplace, we provide 90- day ~~to 2- years~~ warranties. For defective products sold in our GigaCloud Marketplace, our product managers determine refunds based on evidence provided by the ~~buyer~~ **buyers**, such as pictures, screenshots and emails. We initially provide eligible refunds to the buyer, then recover the amount refunded from the suppliers under our purchase agreements. ~~We~~ **Except for refund, we** do not offer exchange or return policies due to the nature of the large parcel merchandise sold in our marketplace.

**Precision Software Platform and Technology Infrastructure** We have an in- house team of over ~~260~~ **320** IT personnel. We also have personnel who worked to build our own GigaCloud Marketplace and AI algorithms from scratch, which gives us full control over our source code. We have developed our platform to be scalable as our business expands and interoperable with external systems through an open API. We also gather talents from various departments to perform our research and development functions, including engineering, programming, data analytics, and product development personnel responsible for the design, development, and testing of our GigaCloud Marketplace. As of December 31, ~~2023~~ **2024**, we ~~have had~~ **had** approximately ~~280~~ **293** employees who contributed to our research and development functions.

**AI Algorithm and Data Analysis** Our in- house ~~reinforcement-learning~~ algorithms are built to optimize our inventory management across our multiple ~~warehouses~~ **fulfillment centers** around the world, analyzing historical data to determine how to manage our inventory and even where to establish our next ~~warehouse~~ **fulfillment center**. Our algorithm also accounts for the fragility of certain types of inventory and reduces the number of times a product is moved. Each time a product is handled, there is an increased chance of damage, and our algorithm helps to reduce this inherent risk when handling inventory in the home furnishing industry. We also create sales analytics and provide them to our sellers for a fee. The services provide meaningful value to our sellers bringing products to new markets and support a high retention rate. Additionally, we leverage the data collected on each seller's inventory, sales history and performance to establish a credit profile under our supply chain financing program.

**Trading Platform** We have built a cross- border ecommerce trading platform based upon three layers — (i) our foundation layer, which consists of basic services such as single login system access, micro- service management system and data synchronization / back services, as well as a financial management module including financial statement, accounting and settlement systems, (ii) our service layer, which includes our stock management system, warehouse management system and bulk merchandise transportation system, and (iii) our application layer, which consists of a variety of customer- facing value- added features. Our foundation layer provides the basic security features for our logistics business by segregating basic functions as individual services in order to maximize our flexibility and scalability. Our service layer drives our day- to- day operations, including key support systems such as:

- our ERP Stock Management System, a system capable of gathering and processing orders and procurement and delivery management data to allow for real- time, dynamic stock management as well as technical support for the business development of ecommerce companies;
- our Warehouse Management System, a warehouse management system with server- side management software and mobile scanning application, used in day- to- day inventory management operations including storage, receiving and shipping of bulky goods;
- our Delivery Resource Plan System, a white glove order delivery system consolidating orders from various channels both domestically and abroad, and integrating with foreign logistics providers to provide a unified system in order to support our multiple logistics models such as drop shipping, door- to- door pickup, cloud delivery and Walmart- S2S, fulfilling the highest standards of overseas ecommerce logistics such as SFP and FBA Onsite; and
- our Giga Bulk Merchandise Transportation System, a system for real- time, dynamic management of inventory through order management, returns management, transfer

management and fleet distribution management. Key features of our application layer include our B2B Inbound Supply Chain Management Module, B2B trading platform (GigaCloud Marketplace), multi-channel global order management module and GigaCloud's B2B Peripheral System. The goal of these customer-facing applications is to mimic the real-life transactions that sellers and buyers are used to seeing. Our suite of applications **cover covers** a full range of capabilities, from sourcing management, inbound management, trade and settlement management, hybrid / complex trading management, search and recommendation management and financial reporting requirements. We offer a user-friendly platform for users to have a holistic view of their business from beginning to end. To support external service providers, we also adopt an open API to allow integration with all major software protocols. Network Infrastructure We designed our data and network infrastructure for scalability and reliability to support the rapid user base growth in our marketplace. As of December 31, **2023-2024**, we **have had** more than 320 servers hosted in five Internet data centers in the U. S., mainland China, Hong Kong, Japan and Europe, which contribute significantly to the scale and reliability of our services. Due to the use of cloud computing technology, the amount of bandwidth we lease is flexibly expandable to handle a surge in the number of concurrent users in the GigaCloud Marketplace at peak times. Sales and Marketing We are committed to building a leading global trade service provider, powering our B2B GigaCloud platform in providing online and offline integrated cross-border transaction and delivery services for furniture and large merchandise. We employ a variety of methods to promote our services and attract potential customers, merchants and other platform participants. After the acquisition of Wondersign, we offer digital catalog services for suppliers and sellers to display their full range of products in the traditional brick- and-mortar stores to enhance the sales services. As of December 31, **2023-2024**, we also **have had** a sales team consisting of **190-216** sales representatives in locations around the world who source products for our product sales as well as **bring brought** in resellers and manufacturers to our GigaCloud Marketplace. Customer Service and Support Our customer service team **consists-consisted** of **64-75** customer service representatives based in China and the U. S. as of December 31, **2023-2024**. Our representatives are available seven days a week by phone, email and live chat. By helping customers navigate our sites, answering their questions and completing their orders, this team helps us build trust with customers, build our brand awareness, enhance our reputation and drive sales. Seasonality See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation — Key Factors Affecting Our Results of Operations — Seasonality." Risk Management and Compliance Platform Monitoring Preserving the integrity of our GigaCloud Marketplace is a primary focus of our operations. We employ a dedicated team that monitors transactions in our marketplace to identify abnormal or fraudulent **activity-activities**, such as large deviations in pricing, abuse of our flat rate shipping policy and counterfeit products, as well as general complaints submitted in our marketplace. We limit the activities of sellers and buyers who have historically been involved in fraudulent transactions in our marketplace, and for particularly egregious violations, we reserve the right to refuse service and demand the removal of a seller's inventory where applicable. We also have dynamic password protection and real-time login activity monitoring to further authenticate sellers and buyers in our marketplace. We strictly enforce our anti-fraud and prevention of misuse measures. For example, we require our customers to provide identification documents such as identification cards and business licenses to authenticate their identity and require them to enter a passcode for the electronics to prevent fraud. We also do not show the prices of products sold in our marketplace without users registering and logging onto the system to ensure that only registered sellers and buyers transact in a fair and secure marketplace. Product Quality and Safety In addition to purchasing product liability insurance for our IP products, we have established a unified product inspection system for products sold in our IP business to ensure product quality and safety. **We also have specific quality control standards and procedures for sellers under our BaaS program.** Our inspection standards include packaging drop tests, box marking printing accuracy checks, product color checks, packaging and product dimensions, assembly, packaging details and packaging images. We also actively monitor the products listed in our GigaCloud Marketplace to proactively identify and remove suspicious listings or potentially counterfeit products. We take a broad range of measures to prevent counterfeit products in our marketplace to protect the sellers and buyers in our marketplace, including actively identifying and taking down counterfeit products and providing complaint channels for sellers and buyers to report infringement. If allegations of counterfeit goods or fraudulent transactions are verified, we may take various actions including immediate delisting of the relevant products, arranging for the seller to reimburse the buyer and imposing restrictions on the seller's ability to list new products or participate in promotional activities in our marketplace. We also cooperate with brands and judicial authorities in connection with investigations into **violations infringement** of intellectual property. While we maintain a "zero-tolerance" policy for counterfeit goods and fraudulent transactions in our marketplace, we also protect sellers in our marketplace from false allegations and fictitious complaints, with procedures in place to verify allegations and complaints, and we allow sellers who have been accused of selling counterfeit products or engaging in fraudulent transactions up to two days to refute allegations and provide evidence of the authenticity of their products and transactions. Data Privacy and Security We collect a vast amount of data that are related to our business. We are committed to protecting the privacy and security of such data. We have established and implemented a platform-wide policy on data collection, processing and usage. We have adopted data protection policies designed to help maintain the security of proprietary and sensitive data, and employed a data security team of engineers and technicians who support our efforts to protect such data. To help promote data security and mitigate the risk of data leakage, we require each department to assign a dedicated individual to oversee data protection and confidentiality, place restrictions on connecting internal local computers to external storage media and network sharing, implement certain measures with respect to the control of confidential information designed to prevent copying, transferring and third-party access without prior authorization, and implement certain standards for off-site data backup and retrieval. We have a data management department to supervise our data privacy and protection policies and procedures and investigate and address possible threats or weaknesses. For more information, see "Item 1A. Risk Factors — Risks Related to Our Business and Industry — Our failure or the failure of third-party service providers on which we rely to protect our marketplace, networks and systems against cybersecurity incidents, or otherwise to protect our confidential

information, could damage our reputation and substantially harm our business and operating results.” and “ Item 1A. Risk Factors — Risks Related to Our Business and Industry — We are subject to stringent and changing ~~privacy~~ laws, regulations and standards as well as contractual obligations related to data privacy and security **and AI**. Our actual or perceived failure to comply with such obligations could harm our reputation, subject us to significant fines and liability, or otherwise adversely affect our business or prospects. ” Competition In connection with our GigaCloud Marketplace, we compete with other ecommerce platforms on which sellers and buyers trade merchandise, particularly large parcel items. For 1P, the market for the online goods that we sell is highly competitive, fragmented and rapidly changing. We compete with other similar wholesalers. While ecommerce has been embraced by sellers and buyers around the world, the ecommerce market for large parcel items such as furniture and fitness equipment remains ~~under penetrated~~ **underpenetrated** due to the logistics challenges presented by large parcel items. Ecommerce poses high capital requirements for overhead expenditures to support business operations throughout the value chain, including the costs for establishing IT facilities, procuring products from upper- tier suppliers, renting and running ~~warehouses~~ **fulfillment centers**, acquiring new users, as well as related logistics costs for delivery of products. Carrying out ecommerce business involves multiple technology capabilities, including but not limited to cloud computing, big data analytics, and artificial intelligence to create competitive advantages in business operations. Intellectual Property Our intellectual property, including any trademarks, copyrights, trade dress, trade secrets and technologies, is an important part of our business. Our success depends in part on our ability to obtain and maintain intellectual property and proprietary protection for our technology, defend and enforce our intellectual property rights, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating valid and enforceable intellectual property and proprietary rights of others. To protect our intellectual property and proprietary information, we rely on a combination of trademark, copyright and trade secret laws and regulations, as well as contractual restrictions. We seek to protect our technology, in part, by requiring our employees, consultants, contractors and other third parties to execute confidentiality agreements and by implementing technological measures and other methods. We pursue the registration of our trademarks, including “ GIGACLOUD LOGISTICS **TECHNOLOGY** ” and “ 大健云仓 ” and certain variations thereon, copyrights and domain names in the U. S., China and certain foreign jurisdictions. We also acquired valuable intangible assets from the acquisitions of Noble House and Wondersign. ~~As of December 31, 2023, we own 28 registered U. S. trademarks, 47 registered PRC trademarks, six registered Hong Kong trademarks, 41 registered foreign trademarks and 83 U. S. and foreign copyright registrations, primarily covering the software we have designed.~~ We also rely on the protection of laws regarding unregistered copyrights for our software and certain other content we create. We will continue to evaluate the merits of applying for copyright registrations in the future. ~~We also own 84 registered domain names.~~ For more information, see “ Item 1A. Risk Factors — Risks Related to Our Business and Industry — We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position. ” Insurance We maintain certain insurance policies to safeguard us against risks and unexpected events, including property damage and fire damages, as well as certain liability insurance for our ~~warehouses~~ **fulfillment centers**, insurance coverage over goods in transit, employers’ insurance, product liability and commercial insurance. However, we do not maintain business interruption insurance, cybersecurity insurance or general third-party liability insurance, nor do we maintain key- man life insurance. We believe that we maintain insurance coverage in relation to our business that is customary for our industry. Government Regulations Our business is subject to foreign and domestic laws and regulations applicable to companies conducting business on the Internet. Jurisdictions vary as to how, or whether, existing laws governing areas such as personal privacy and data security, consumer protection or sales and other taxes, among other areas, apply to the Internet and ecommerce, and these laws are continually evolving. For example, certain applicable privacy laws and regulations require us to provide customers with our policies on sharing information with third parties and notice of any material changes to these policies. Related laws may govern the manner in which we collect, store, use, process, disclose or transfer sensitive information, or impose obligations on us in the event of a cybersecurity incident or inadvertent disclosure of such information. International jurisdictions impose different, and sometimes more stringent, consumer and privacy protections. Additionally, tax regulations in jurisdictions where we do not currently collect state or local taxes may subject us to the obligation to collect and remit such taxes, or to additional taxes, or to requirements intended to assist jurisdictions with their tax collection efforts. New legislation or regulations, the application of laws from jurisdictions whose laws do not currently apply to our business, or the application of existing laws and regulations to the Internet and ecommerce generally could result in significant additional taxes on our business. Further, we could be subject to fines or other payments for any past failures to comply with these requirements. The continued growth and demand for ecommerce are likely to result in more laws and regulations that impose additional compliance burdens on ecommerce companies. For more information, see “ Item 1A. Risk Factors — Risks Related to Our Business and Industry — Government regulation of the Internet and ecommerce in the U. S. and globally is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations. ” And “ Item 1A. Risk Factors — Risks Related to Our Business and Industry — We are subject to stringent and changing ~~privacy~~ laws, regulations and standards as well as contractual obligations related to data privacy and security **and AI**. Our actual or perceived failure to comply with such obligations could harm our reputation, subject us to significant fines and liability, or otherwise adversely affect our business or prospects. ” In addition, jurisdictions vary as to how, and whether, existing laws governing areas such as personal privacy and data security, consumer protection or sales and other taxes, among other areas, apply to the Internet and ecommerce, and these laws are continually evolving. For example, certain applicable privacy laws and regulations require us to provide customers with our policies on sharing information with third parties and advance notice of any changes to these policies. Related laws may govern the manner in which we collect, store, use, process, disclose or transfer sensitive information, or impose obligations on us in the event of a cybersecurity incident or inadvertent disclosure of such information. International jurisdictions impose different, and sometimes more stringent, consumer and privacy protections. In the European Union, or the EU, and the U. K., the General Data Protection

Regulation, or the EU GDPR, and the United Kingdom General Data Protection Regulation and Data Protection Act 2018 or collectively, the U. K. GDPR (the EU GDPR and U. K. GDPR together referred to as the GDPR), ~~imposes~~ **impose** stringent privacy, data protection and information security requirements, which include expanded requirements to disclose to data subjects how their personal data is used and increased rights for data subjects to access, control and delete their personal data. Furthermore, there are mandatory data breach notification requirements. Since we are under the supervision of relevant data protection authorities in both the European Economic Area, or EEA, and the U. K., we may be fined under both the EU GDPR and U. K. GDPR for the same breach. Penalties for certain breaches are up to the greater of € 20 million / GBP 17. 5 million or 4 % of global turnover for the preceding financial year. We are also subject to evolving EU and U. K. privacy laws on cookies, tracking technologies and e- marketing. Recent European court and regulator decisions are driving increased attention to cookies and similar tracking technologies. In the EU and U. K., informed consent is required for the placement of certain cookies or similar tracking technologies on an individual’ s device and for direct electronic marketing. Consent is tightly defined and includes a prohibition on pre- checked consents and a requirement to obtain separate consents for each type of cookie or similar technology. On November 16, 2022, the Digital Services Act, or the DSA, came into force in the EU. The majority of the substantive provisions of the DSA have taken effect on February 17, 2024. The DSA governs, among other things, the potential liability for illegal services or content on the platform, obligations around traceability of business users, and requires enhanced transparency measures, including in relation to any recommendation systems (including the main parameters used by such systems and any available options for recipients to modify or influence them). In particular, the obligations to diligence the services offered on the platform could require significant additional resource. Pursuant to applicable regulations, including the GDPR, we maintain policies concerning the collection, processing, use and retention of information, including personal data. In the U. S., we are subject to federal and state laws and regulations regarding privacy and information security. **For example California also enacted legislation**, the California Consumer Privacy Act **came**, ~~or the CCPA, which went into effect on January 1, 2020~~ **and was amended on November 3, 2020 by the California Privacy Rights Act (together, the “ CCPA ”)**, which affords consumers expanded privacy protections **and**. ~~The CCPA also provides for civil penalties for violations, as well as a private right of action for certain data breaches that may increase data breach litigation.~~ **The On November 3, 2020, California voters approved a new privacy law, the California Privacy Rights Act, or the CPRA, which significantly modifies the CCPA amendments also created**, including by expanding consumers’ rights with respect to certain personal information and ~~creating a new state agency to oversee implementation and enforcement efforts.~~ Since the enactment of the CCPA, ~~new~~ privacy and data security laws have been enacted or proposed in **several additional** ~~more than half of the~~ states in the U. S. and ~~in at the federal level~~ **U. S. Congress**, reflecting a trend toward more stringent privacy legislation in the U. S. In the PRC, the PRC government has started to tighten the regulation of the storage, sharing, use, disclosure and protection of personal information and general data and outbound data transfer. The Cybersecurity Law became effective in June 2017 and requires network operators to follow the principles of legitimacy in collecting and using personal information. The Data Security Law became effective in September 2021, which provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. Furthermore, the Personal Information Protection Law became effective in November 2021, which regulates data processing in China, and the protection of the privacy and personal information of Chinese citizens. We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection ~~and~~, information security, **and AI** in the U. S. and other jurisdictions, and we cannot determine the impact that such future laws, regulations and standards may have on our business. See also “ Item 1A. Risk Factors — Risks Related to Our Business and Industry — We are subject to stringent and changing ~~privacy~~ laws, regulations and standards as well as contractual obligations related to data privacy ~~and~~, security **and AI**. Our actual or perceived failure to comply with such obligations could harm our reputation, subject us to significant fines and liability, or otherwise adversely affect our business or prospects. ” Environmental Regulation Our operations are subject to various foreign, federal, state and local environmental, health and safety laws and regulations. Our failure to comply with current or future environmental, health or safety laws or to obtain and comply with permits required under such laws, could subject us to liability, damage our reputation and require costly investigative, remedial or corrective actions. We may in the future incur expenditures relating to compliance and risk mitigation efforts, releases of hazardous materials, investigative, remedial or corrective actions, claims by third parties and other environmental issues, and such expenditures, individually or in the aggregate, could be significant. Human Capital As of December 31, ~~2021~~ **2024**, ~~2022 and 2023~~, we had ~~680, 764 and 1, 362~~ **561** full- time equivalent employees **globally located in the United States**, respectively **China, Japan, Germany, the United Kingdom, Vietnam and Malaysia**. We consider our relationship with our employees to be good. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, and incentivizing our management team and our employees and consultants. The principal purpose of our share incentive plan is to promote our success and shareholder value by attracting, motivating and retaining selected employees and other eligible participants through the awards. ~~The following tables show a breakdown of our employees by department and by geographic location as of December 31, 2023:~~

Department	Employees
General and Administrative	158
Information Technology	264
Sales and Marketing	540
Operations	336
Customer Service	64
Total	1, 362

  

Geographic Location	Employees
U. S.	236
China	966
South- East Asia (1)	101
Others (2)	59
Total	1, 362

(1) Includes Vietnam and Malaysia. (2) Includes Canada, Germany, Japan and the U. K. Corporate Information We incorporated Oriental Standard Human Resources Holdings Limited, our holding company, as an exempt company in the Cayman Islands with limited liability on August 29, 2006. Effective February 28, 2021, our holding company’ s name was changed from Oriental Standard Human Resources Holdings Limited to GigaCloud Technology Inc. Our principal executive offices are located at 4388 Shirley Avenue, El Monte, CA 91731, USA. Our telephone number at this address is 626- 912- 8886. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at PO Box 309, Uglad House, Grand Cayman, KY1- 1104, Cayman Islands. Our corporate website is [https:// www. gigacloudtech. com /](https://www.gigacloudtech.com/). The information on our website should not be deemed to be part of this annual

report and is not incorporated by reference in this annual report or in any other filings we make with the SEC. Available Information We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Exchange Act. These include our annual reports on Form 10- K (and previously on Form 20- F), our quarterly reports on Form 10- Q, and our current reports on Form 8- K (and previously on Form 6- K), and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Exchange Act. We make this information available on or through our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. The SEC maintains a website at [www. sec. gov](http://www.sec.gov) that contains reports, proxy and information statements and other information regarding us that we filed electronically with the SEC. The information in or accessible through the SEC are not incorporated into, and are not considered part of, this annual report unless specified. Further, our references to the URLs for these websites are intended to be inactive textual references only.

**History and Development of the Company** On August 29, 2006, we incorporated Oriental Standard Human Resources Holdings Limited, our holding company, as an exempt company in the Cayman Islands with limited liability. We began our e-commerce business in Japan in 2010 through our wholly-owned subsidiary, GigaCloud Technology (Japan) Co. Ltd (formerly known as Oriental Standard Japan Co., Ltd). We expanded to the U. K. in 2013 through our former consolidated VIE, B. T. M TRAVEL AND TRADING LTD, and further expanded to the U. S. through our acquisition of COMPTREE INC. in 2014. COMPTREE INC. was renamed as GIGACLOUD TECHNOLOGY (USA) INC. in July 2021. In January 2019, we launched our e-commerce platform, GigaCloud Marketplace, through our Hong Kong Subsidiary, GigaCloud Technology (HongKong) Limited (formerly known as Giga-Cloud Logistics (Hong Kong) Limited). As our marketplace and our e-commerce business continue to grow, we believe it is important to have a name for our holding company that is more representative of our businesses. Effective February 28, 2021, our holding company's name was changed from Oriental Standard Human Resources Holdings Limited to GigaCloud Technology Inc. On August 22, 2022, we completed our initial public offering of 3,381,000 Class A ordinary shares, including the additional shares sold pursuant to the over-allotment option which we granted to the underwriter. On August 18, 2022, we listed our Class A ordinary shares on the Nasdaq Global Market under the symbol "GCT." In July 2023, we determined that we ceased to qualify as a "foreign private issuer" as of June 30, 2023, being the last business day of our most recently completed second fiscal quarter. Starting on January 1, 2024, we are subject to the same reporting and disclosure requirements applicable to domestic U. S. companies, and we will be required to file periodic reports and financial statements with the SEC on Form 10- K and Form 10- Q, as applicable, as well as filing current reports on Form 8- K. In October 2023, we completed the acquisition of Noble House, a leading B2B distributor of indoor and outdoor home furnishings, for an aggregate consideration of approximately \$ 77.6 million. GigaCloud Trading Inc. holds the assets acquired from the Noble House acquisition. In November 2023, we completed the acquisition of a 100 % equity interest of Wondersign, for an aggregate purchase price of approximately \$ 10.0 million. Wondersign is a cloud-based interactive digital signage and e-catalog management SaaS company headquartered in Tampa, Florida. Regarding our capital expenditure and the financing, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources—Capital Resources." Organizational Structure GigaCloud Technology Inc is a holding company incorporated in the Cayman Islands that does not have substantive operations. As of the date of this annual report, we conduct our business operations across 29 subsidiaries, among those, 16 of which are our principal subsidiaries. During the year ended December 31, 2023, we had four consolidated VIEs. We also have two equity incentive trusts which are treated as consolidated VIEs under U. S. GAAP. All of our consolidated VIEs contributed an aggregate of 10.7 %, 6.5 % and 4.1 % to our total assets as of December 31, 2021, 2022 and 2023, respectively. All of our consolidated VIEs contributed an aggregate of 11.5 %, 14.4 % and 10.6 % to our revenues in 2021, 2022 and 2023, respectively. As of the date of this annual report, we have completed our corporate restructure by acquiring 100 % equity interests in the VIEs, which then became our wholly owned subsidiaries. Our corporate structure currently does not contain any VIEs. The chart below shows our corporate structure and identifies our principal subsidiaries described above as of the date of this annual report: \_\_\_\_\_ (1) GigaCloud Trading Inc. holds the assets acquired and liabilities assumed from the Noble House acquisition.

**Item 1A. Risk Factors** Our operations and financial results are subject to various risks and uncertainties, including those described below. We caution you that the following important factors, among others, could cause our actual results to differ materially from those expressed in forward- looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors and oral statements. Any or all of our forward- looking statements in this annual report on Form 10- K and in any other public statements we make can be affected by known or unknown risks and uncertainties. Many factors mentioned in the discussion below will be important in determining future results. Consequently, no forward- looking statement can be guaranteed. Actual future results may differ materially from those anticipated in forward- looking statements. We undertake no obligation to update any forward- looking statements, whether as a result of new information, future events or otherwise. We undertake no obligation to update any forward- looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosure we make in our reports filed with the SEC. We generate a significant portion of our revenues by offering global end- to- end B2B e-commerce solutions for large parcel merchandise via our GigaCloud Marketplace and by selling our own inventory through the GigaCloud Marketplace, to and through off- platform e-commerce websites such as Rakuten in Japan, and Amazon, Walmart, Home Depot, Overstock and Wayfair in the U. S. and OTTO in Germany. –Our business and growth are therefore highly dependent on the viability and prospects of the e-commerce industry, particularly for the large parcel merchandise market. Any uncertainties relating to the growth, profitability and regulatory regime of the e-commerce industry for large parcel merchandise in the U. S. and other jurisdictions in which we operate could have a significant impact on us. The development of the e-commerce industry is affected by a number of factors, most of which are beyond our control. These factors include: • the consumption power and disposable income of e-commerce consumers, as well as changes in demographics and consumer tastes and preferences; • the availability, reliability and security of e-commerce platforms; • the selection, price and popularity of

products offered on ecommerce platforms; • the impact of the COVID- 19 pandemic, or other pandemics or epidemics, to our business operations and the economy in the U. S. and elsewhere generally; • the development of fulfillment, payment and other ancillary services associated with ecommerce; and • changes in laws and regulations, as well as government policies, that govern the ecommerce industry in the U. S. The ecommerce industry is highly sensitive to changes in macroeconomic conditions, and ecommerce spending tends to decline during recessionary periods. Many factors beyond our control, including inflation and deflation, fluctuations in currency exchange rates, volatility of stock and property markets, interest rates, tax rates and other government policies and changes in unemployment rates can adversely affect consumer confidence and spending behavior on ecommerce platforms, which could in turn materially and adversely affect our growth and profitability. In addition, unfavorable changes in politics, including military conflicts, political turmoil and social instability, may also adversely affect consumer confidence and spending, which could in turn negatively impact our growth and profitability. We have grown rapidly over the last few years. Our revenues increased **to \$ 1, 161. 0 million in 2024** from \$ 414-703. 2-8 million in ~~2021-2023~~ **to and** \$ 490. 1 million in 2022 ~~and further increased to \$ 703. 8 million in 2023~~. GigaCloud Marketplace GMV increased **to \$ 1, 341. 4 million in 2024** from \$ 414-794. 4 million in ~~2023~~ **and \$ 518. 2 million in 2021** to \$ 518. 2 million in 2022 ~~and further to \$ 794. 4 million in 2023~~. However, our historical performance may not be indicative of our future growth or financial results. We cannot assure you that we will be able to grow at the same rate as we did in the past, or avoid any decline in the future. Our growth may slow or become negative, and revenues may decline for a number of possible reasons, some of which are beyond our control, including decreasing consumer spending, increasing competition, declining growth of our overall market or industry, the emergence of alternative business models and changes in rules, regulations, government policies or general economic conditions. In addition, our B2B ecommerce platform, GigaCloud Marketplace, from which we have generated ~~69-64. 2-7%~~ **70. 9 % and** 76. 0 % ~~and 70. 9 %~~ of our total revenues in ~~2021-2024~~ **2024**, ~~2023 and~~ 2022 ~~and 2023~~, respectively, is a relatively new initiative and may not grow as quickly as we have anticipated. Our growth rate may also be slower than the previous years due to inflationary pressure and changes in the global economic conditions. It is difficult to evaluate our prospects, as we may not have sufficient experience in addressing the risks to which companies operating in rapidly evolving markets may be exposed. If our growth rate declines, our business, financial condition and results of operations may be materially and adversely affected. In October 2023, we completed the acquisition of Noble House which we are continuing to use, implement, and integrate with our existing business, and in November 2023, we also acquired all outstanding equity interest of Wondersign. Failure to successfully integrate our acquisitions in a timely manner may have a material adverse effect on our business, financial condition, results of operations and cash flows. The difficulties of combining acquired operations include, among other things: • implementing integration process and management systems to ensure management philosophies, group- wide strategies and evaluation benchmarks can be effectively carried out; • retaining new managerial and operational teams and customers and suppliers of acquired businesses; • consolidating corporate technological and administrative functions; • integrating internal control and other corporate governance matters; • diverting management’ s attention from other business concerns; • employee fatigue resulting from implementation efforts that could negatively impact our ability to hire or retain key personnel; • costs to defend claims against Noble House that we do not owe, but could be required to pay in order to defend and preserve our rights; • unexpected economic, political, or regulatory risks; or • any other unforeseen costs, expenses, losses, disruptions, delays, or negative impacts. We may not realize all of the anticipated benefits from our acquisitions, such as increased earnings, cost savings, and revenue enhancements, for various reasons, including difficulties integrating operations and personnel, higher and unexpected acquisition and operating costs, unknown liabilities, and fluctuations in markets. If benefits from our acquisitions do not meet the expectations of financial or industry analysts, we may also suffer a decline in the market price of our stock. The satisfactory performance, reliability and availability of our marketplace, software such as our ~~artificial intelligence software, or~~ AI software, data analytics tools, warehouse management system and other technology infrastructures are critical to our reputation and our ability to acquire and retain customers, as well as maintain adequate customer service levels. For example, if one of our data centers fails or suffers an interruption or degradation of services, we could lose customer data and miss order fulfillment deadlines, which could harm our business. Our systems and operations, including our ability to fulfill customer orders through our logistics network, are also vulnerable to damage, breakdown, breach or interruption from inclement weather, fire, flood, power loss, telecommunications failure, terrorist attacks, labor disputes, employee error or malfeasance, theft or misuse, cyber- attacks, denial- of- service attacks, computer viruses, ransomware or other malware, data loss, acts of war, break-ins, earthquake and similar events. In the event of a data center failure, the failover to a back- up could take substantial time, during which time our sites could be completely shut down. Further, our back- up services may not effectively process spikes in demand, may process transactions more slowly and may not support all of our sites’ functionality. We use complex AI software in our technology infrastructure, which we seek to continually update and improve. We may not always be successful in executing these upgrades and improvements, and the operation of our systems may be subject to failure. In particular, we may in the future experience slowdowns or interruptions in our marketplace or our warehouse management system when we are updating them, and new technologies or infrastructures may not be fully integrated with existing systems on a timely basis, or at all. Our revenues depend on the number of sellers and buyers who trade in our marketplace and the amount of GMV we can handle. Unavailability of our marketplace or our logistics algorithm would reduce the volume of GMV in our business operations. We may experience periodic system interruptions from time to time. In addition, continued growth in our transaction volume, as well as surges in online traffic and orders associated with promotional activities or seasonal trends in our marketplace or on third- party ecommerce platforms, place additional demands on our technology infrastructure and could cause or exacerbate slowdowns or interruptions. Any substantial increase in the volume of traffic or the number of orders placed in our marketplace or the third- party ecommerce platforms may require us to further expand and upgrade our logistics network, precision logistics algorithm, warehouse management system and technology infrastructure. There can be no assurance that we will be able to accurately project the rate or timing of increases, if any, in the use of our marketplace, the third- party

ecommerce platforms or expand and upgrade our systems and infrastructure to accommodate such increases on a timely basis. To remain competitive, we continue to enhance and improve the responsiveness, functionality and features of our marketplace, which is particularly challenging given the rapid rate at which new technologies, customer preferences and expectations and industry standards and practices are evolving in the ecommerce industry. Accordingly, we redesign and enhance various functions in our marketplace on a regular basis, and we may experience instability and performance issues as a result of these changes. Any slowdown, interruption or performance failure of our marketplace and the underlying technology and logistics infrastructure could harm our business, reputation and our ability to acquire, retain and serve our customers, which could materially and adversely affect our results of operations. We operate ~~warehouses~~ fulfillment centers in five countries in the U. S., Japan, the U. K., Germany and Canada, with the U. S. being our largest market. Our international activities are significant to our revenues and profits, and we plan to further expand internationally. In certain international market segments, we have relatively little operating experience and may not benefit from any first- to- market advantages. It is costly to establish, develop and maintain international operations, and promote our brand internationally. Our international operations may not become profitable on a sustained basis. In addition, our international sales and operations are subject to a number of risks, including:

- local economic, inflation and political conditions;
- government regulation (such as regulation of our product and service offerings and of competition);
- restrictive governmental actions (such as trade protection measures, including export duties and quotas and custom duties and tariffs);
- nationalization; and
- restrictions on foreign ownership;
- restrictions on sales or distribution of certain products or services and uncertainty regarding liability for products, services and content, including uncertainty as a result of less Internet- friendly legal systems, local laws, lack of legal precedent, and varying rules, regulations, and practices regarding the physical and digital distribution of media products and enforcement of intellectual property rights;
- business licensing or certification requirements;
- limitations on the repatriation and investment of funds and foreign currency exchange restrictions;
- limited fulfillment and technology infrastructure;
- impact of the COVID- 19 pandemic, or other pandemics or epidemics, on our business operations and the global economy;
- shorter payable and longer inventory and receivable cycles and the resultant negative impact on cash flow;
- laws and regulations regarding consumer and data protection, privacy, network security, encryption, payments, advertising, and restrictions on pricing or discounts;
- lower levels of use of the Internet;
- lower levels of consumer spending and fewer opportunities for growth in the markets where we operate;
- difficulty in staffing, developing and managing global operations as a result of distance, language and cultural differences;
- different employee / employer relationships and the existence of works councils and labor unions;
- differing labor regulations where labor laws may be more advantageous to employees as compared to the U. S. and the other jurisdictions we operate in;
- compliance with the U. S. Foreign Corrupt Practices Act and other applicable U. S. and foreign laws prohibiting corrupt payments to government officials and other third parties;
- laws and policies of the U. S. and other jurisdictions affecting trade, foreign investment, loans and taxes; and
- geopolitical events, including pandemic, war and terrorism.

As international physical, ecommerce, and omni- channel retail and other services grow, competition will intensify, including through adoption of evolving business models. Local companies may have a substantial competitive advantage because of their greater understanding of, and focus on, the local customer, as well as their more established local brand names. The inability to hire, train, retain and manage sufficient required personnel may limit our international growth. Our business operations have relied on certain third- party ecommerce platforms, such as Rakuten in Japan, and Amazon, Walmart, Home Depot, Overstock and Wayfair in the U. S. and OTTO in Germany., and we still expect to be significantly influenced by these third- party ecommerce platforms in the foreseeable future. Such third- party ecommerce platforms have significant influence over how transactions take place on their ecommerce platforms, including how purchase orders are fulfilled by indicating to consumers the preferred express delivery companies for orders placed. We may have to accommodate the demands and requirements from various third- party ecommerce platforms such as packing standards and the selection of specified shippers. Such demands and requirements may increase our costs or weaken our connection with our end customers. Furthermore, approximately 76.4-79.5%, 81-79.5% and 79-81.5% of our GMV was generated from our GigaCloud Marketplace in 2021-2024, 2023 and 2022 and 2023-, respectively. As a result, our ability to maintain relationships with and attract new third- party merchants, who are sellers and buyers trading on large parcel merchandise, to our marketplace is critical to our business operations and growth prospects. However, we may not be able to maintain our relationships with third- party ecommerce platforms or sellers and buyers due to a number of factors, some of which are beyond our control. For example, if the transaction volume or active users in our marketplace drop significantly, our third- party merchants may experience sales declines or shortage in products. As a result, they may not be able to generate profits or procure products as they expected, and thus choose not to renew their agreements with us. In addition, we may also be unable to continuously offer attractive terms or economic benefits to our sellers and buyers. As a result, our sellers and buyers may not be effectively motivated to sell or order more products or maintain relationships with us. Even if we are able to maintain our relationships with sellers and buyers and attract more sellers and buyers to our marketplace, we are subject to various risks in connection with third- party merchants. If any third- party seller does not control the quality of the products that it sells in our marketplace or delivers products that are defective or materially different from description, the reputation of our online marketplace could be materially and adversely affected and we could face claims to hold us liable for the losses. Moreover, despite our efforts to prevent it, some products sold by the sellers in our online marketplace may compete with the products we sell directly, which may cannibalize our sales under our self- operated business. In order for our online marketplace to be successful, we must continue to identify and attract sellers and buyers, and we may not be successful in this regard. The occurrence of any of the above could have a material and adverse effect on our business, financial condition and results of operations. We source products from third- party suppliers and manufacturers which we sell as our own inventory through GigaCloud Marketplace and also through off- platform ecommerce. We depend on our ability to provide our customers with a wide range of products from qualified suppliers in a timely and efficient manner. Political and economic instability, global or regional adverse conditions, such as pandemics or other disease outbreaks or natural disasters, the

financial stability of suppliers, suppliers' ability to meet our standards, labor problems experienced by suppliers, the availability or cost of raw materials, merchandise quality issues, currency exchange rates, trade tariff developments, transport availability and cost, including import-related taxes, transport security, inflation, and other factors relating to our suppliers are beyond our control. As an example, the COVID-19 pandemic could adversely impact supplier facilities and operations due to extended holidays, factory closures and risks of labor shortages, among other things, which may materially and adversely affect our business, financial condition and results of operations. Our agreements with most of our suppliers do not provide for the long-term availability of merchandise or the continuation of particular pricing practices, nor do they usually restrict such suppliers from selling products to other buyers. There can be no assurance that our current suppliers will continue to seek to sell us products on current terms or that we will be able to establish new or otherwise extend current supply relationships to ensure product acquisitions in a timely and efficient manner and on acceptable commercial terms. Our ability to develop and maintain relationships with reputable suppliers and offer high quality merchandise to our customers is critical to our success. If we are unable to develop and maintain relationships with suppliers that would allow us to offer a sufficient amount and variety of quality merchandise on acceptable commercial terms, our ability to satisfy our customers' needs, and therefore our long-term growth prospects, may be materially and adversely affected. Further, we rely on our suppliers' representations of product quality, safety and compliance with applicable laws and standards. If our suppliers or other vendors violate applicable laws, regulations or our supplier code of conduct, or implement practices regarded as unethical, unsafe or hazardous to the environment, it could damage our reputation and negatively affect our operating results. Further, concerns regarding the safety and quality of products provided by our suppliers could cause our customers to avoid purchasing those products from us, or avoid purchasing products from us altogether, even if the basis for the concern is outside of our control. As such, any issue, or perceived issue, regarding the quality and safety of any items we sell, regardless of the cause, could adversely affect our brand, reputation, operations and financial results. We also are unable to predict whether any of the countries in which our suppliers' products are currently manufactured or may be manufactured in the future will be subject to new, different or additional trade restrictions imposed by the U. S. or foreign governments or the likelihood, type or effect of any such restrictions. Any event causing a disruption or delay of imports from suppliers with international manufacturing operations, including the imposition of additional import restrictions, restrictions on the transfer of funds or increased tariffs or quotas, could increase the cost or reduce the supply of merchandise available to our customers and materially and adversely affect our financial performance as well as our reputation and brand. Furthermore, some or all of our suppliers' foreign operations may be adversely affected by political and financial instability, resulting in the disruption of trade from exporting countries, restrictions on the transfer of funds or other trade disruptions. In addition, our business with foreign suppliers, particularly with respect to our international sites, may be affected by changes in the value of the U. S. dollar relative to other foreign currencies. For example, any movement by any other foreign currency against the U. S. dollar may result in higher costs to us for those goods. Declines in foreign currencies and currency exchange rates might negatively affect the profitability and business prospects of one or more of our foreign suppliers. This, in turn, might cause such foreign suppliers to demand higher prices for merchandise in their effort to offset any lost profits associated with any currency devaluation, delay merchandise shipments or discontinue selling to us altogether, any of which could ultimately reduce our revenues or increase our costs. Our business model requires us to manage a large volume of inventory effectively. We procure products from third-party manufacturers and sell the products as our own inventory through our GigaCloud Marketplace and off-platform ecommerce. We depend on our demand forecasts for various kinds of products to make purchase decisions and to manage our inventory. Demand for products, however, can change significantly between the time inventory is ordered and the date by which we target to sell it. Demand may be affected by seasonality, new product launches, changes in product cycles and pricing, product defects, changes in consumer spending patterns, changes in consumer tastes with respect to our products and other factors, and our customers may not order products in the quantities that we expect. In addition, when we begin selling a new product, we may not be able to accurately forecast demand. The procurement of certain types of inventory may require significant lead time and prepayment, and they may not be returnable. If we are unable to anticipate or respond to changes in customer preferences or fail to bring products that satisfy new customer preferences to GigaCloud Marketplace and off-platform ecommerce in a timely manner, our results of operations, financial condition and liquidity could be adversely affected. Our inventories were \$ 81.172.45 million, \$ 132.2 million and \$ 78.3 million as of December 31, 2021, 2024, 2023 and 2022, respectively, and further increased to \$ 132.2 million as of December 31, 2023. Our annual inventory turnover days for our own inventory were 65 days in 2021, 71 days in 2022 and 77 days in 2023. Our inventory turnover days for a given period are equal to average balances of inventories calculated from the beginning and ending balances of the period divided by cost of product sales during the period and then multiplied by the number of days during the period. Shipping costs to procure our inventories, including ocean freight costs, are included in the balance of inventories and an increase in shipping costs may cause us to adjust our product prices upward, which may have affected consumer demand and further lengthened the inventory turnover days. We also acquired inventory from Noble House, which may further impact our inventory turnover days. If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. To reduce our inventory level, we usually choose to sell certain of our products at lower prices, which may lead to lower gross margins. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other important purposes. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply quality products in a timely manner, we may experience inventory shortages, which may result in missed sales, diminished brand loyalty and lost revenues, any of which could harm our business and reputation. We rely on third parties to operate certain elements of our business. For example, we rely on third-party national, regional and local trucking and freight service companies to deliver our large parcel merchandise. As a result, we may be subject to shipping delays or disruptions caused by inclement weather, natural

disasters, system interruptions and technology failures, political instability, military conflicts, labor activism, health epidemics or bioterrorism. For example, following the initial conflict between Israel and Hamas in the Middle East, the Houthi movement in Yemen, launched a number of attacks on marine vessels traversing the Red Sea causing significant operational disruptions for certain third- party business partners. The conflict is ongoing, and should it escalate or expand, it could result in delays, increased shipping and freight costs, and potential disruptions to the arrival of our products. We are also subject to risks of breakage or other damage during delivery by any of these third parties. We also use and rely on other services from third parties, such as telecommunications services, customs, consolidation and shipping services, as well as warranty, installation, assembly and design services. We may be unable to maintain these relationships, and these services may also be subject to outages and interruptions that are not within our control. Third parties may in the future determine they no longer wish to do business with us or may decide to take other actions that could harm our business. We may also determine that we no longer want to do business with them. If parcels are not delivered in a timely fashion or are damaged during the delivery process by these third parties, or if we are not able to provide adequate customer support or other services or offerings, our customers could become dissatisfied and cease using our cross- border fulfillment services or stop trading products through our marketplace, which would adversely affect our operating results. As of December 31, 2023-2024, we had 33-35 large scale warehouses-fulfillment centers spreading across the U. S., Japan, the U. K., Germany and Canada. Failures to adequately predict customer demand or otherwise optimize and operate our fulfillment network successfully from time to time result in excess or insufficient fulfillment capacity, increased costs and impairment charges, any of which could materially harm our business. As we continue to add warehouses-fulfillment centers and fulfillment capability, our fulfillment and logistics networks become increasingly complex and operating them becomes more challenging. There can be no assurance that we will be able to operate our networks effectively. **On March 9, 2024, one of our fulfillment centers in Japan, suffered damages due to a warehouse fire. The fire destroyed our inventories stored within the fulfillment center. We recognized losses of \$ 2. 0 million as a result of the fire. Based on the provisions of our insurance policies, the gross losses were reduced by the insurance proceeds received \$ 1. 9 million from our insurance carrier for the claim. We may incur additional costs in connection with the reconstruction efforts of the leased fulfillment center following the fire.** In addition, failure to optimize inventory in our fulfillment network increases our net shipping cost by requiring long- zone or partial shipments. We may be unable to adequately staff our warehousing network and customer service centers. As we maintain the inventory of other companies, the complexity of tracking inventory and operating our fulfillment network has further increased. Our failure to properly handle such inventory or the inability of the other businesses on whose behalf we perform inventory fulfillment services to accurately forecast product demand may result in our being unable to secure sufficient storage space or to optimize our warehouses-fulfillment centers and fulfillment network or cause other unexpected costs and other harm to our business and reputation. Maintaining and enhancing our reputation is critical to expanding our base of customers, including attracting third- party ecommerce platforms to use our third- party logistics services and the sellers and buyers to trade in our marketplace. Our ability to maintain and enhance our reputation depends largely on our ability to maintain customer confidence in our service offerings, including by delivering parcels on time and without damage to end customers. If end customers do not have a satisfactory experience with our logistics services, our customers may seek out alternative logistics services from our competitors. Alternatively, if our sellers and buyers are not satisfied with the product selection or service offerings in our marketplace, they may not return to our marketplace in the future, or at all. In addition, unfavorable publicity regarding, for example, reputational damage from short seller reports, our practices relating to privacy and data protection, product quality, delivery problems, competitive pressures, litigation or regulatory activity, could seriously harm our reputation. Such negative publicity also could have an adverse effect on the size, engagement and loyalty of our customer base and result in decreased total revenues, which could adversely affect our business, financial condition and results of operations. A significant portion of our customers' experience also depends on third parties outside of our control, including trucking and freight service companies and other third- party delivery agents. If these third parties do not meet our or our customers' expectations, our business reputation may suffer irreparable damage. Customer complaints or negative publicity about our marketplace, products, delivery times, company practices, employees, customer data handling and security practices or customer support, especially on social media websites and in our marketplace, could rapidly and severely diminish buyers' and sellers' use of our marketplace and third- party ecommerce platforms' confidence in us and result in harm to our reputation and brand. Our business success depends to some extent on our ability to expand our service offerings by launching new products and services and by expanding our existing offerings into new geographies. For example, we expanded into Germany for our third- party logistics services in 2018, and we launched GigaCloud Marketplace, our B2B marketplace, in 2019. In 2023, we completed two acquisitions as part of a strategic initiative for attracting more sellers and buyers on our GigaCloud Marketplace and expanding our solutions offerings. Launching new products and services or expanding internationally requires significant upfront investments, including investments in marketing, information technology, and additional personnel. Expanding our service offerings internationally is particularly challenging because it requires us to gain country- specific knowledge about consumers, regional competitors and local laws, purchase or lease warehouse, build local logistics capabilities and customize portions of our technology for local markets. We may not be able to generate satisfactory revenues from these efforts to offset these costs. Any lack of market acceptance of our efforts to launch new services or to expand our existing offerings could have a material adverse effect on our business, financial condition and results of operations. Further, as we continue to expand our fulfillment capability or add new businesses with different requirements, our logistics networks become increasingly complex and operating them becomes more challenging. There can be no assurance that we will be able to operate our networks effectively. We have also entered and may continue to enter into new markets in which we have limited or no experience, which may not be successful or appealing to our customers. These activities may present new and difficult technological and logistical challenges, and resulting service disruptions, failures or other quality issues may cause customer dissatisfaction and harm our reputation and brand. Further, our current and potential competitors in

new market segments may have greater brand recognition or financial resources, longer operating histories and larger customer bases than we do in these areas. As a result, we may not be successful enough in these newer areas to recoup our investments in them. If this occurs, our business, financial condition and results of operations may be materially and adversely affected. **The COVID-19 pandemic, and..... this “ Risk Factors ” section.** We are subject to risks related to online transactions and payment methods. We accept payments using a variety of methods, including credit card, debit card, third- party online payment platforms such as **Alipay, Payoneer, WorldFirst, PingPong** and others, credit accounts (including promotional financing) and customer invoicing. As we offer new payment options to our customers, we may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We are also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard and rules governing electronic fund transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. As our business changes, we may also be subject to different rules under existing standards, which may require new assessments that involve costs above what we currently pay for compliance. If we fail to comply with the rules or requirements of any provider of a payment method we accept, if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, we may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit card and debit card payments from customers or to facilitate other types of online payments. If any of these events were to occur, our business, financial condition and operating results could be materially and adversely affected. We occasionally receive orders placed with fraudulent credit card data. We may suffer losses as a result of orders placed with fraudulent credit card data even if the associated financial institution approved payment of the orders. Under current credit card practices, we may be liable for fraudulent credit card transactions. We may also suffer losses from other online transaction fraud, including fraudulent returns or chargebacks. If we are unable to detect or control credit card or transaction fraud, our liability for these transactions could harm our business, financial condition and operating results. ~~Our failure or the failure of third- party service providers on which we rely to protect our marketplace, networks and systems against cybersecurity incidents, or otherwise to protect our confidential information, could damage our reputation and substantially harm our business and operating results.~~ We have access to confidential information in our day- to- day operations. We collect, maintain, transmit and store data about our customers, employees, contractors, suppliers, vendors and others, including personal information of the senders and recipients of the parcels, sensitive data, as well as other confidential and business proprietary information and trade secrets. The proper use and protection of confidential information are essential to maintaining customer trust in us and our services. We are materially dependent upon our networks, information technology infrastructure and related technology systems to provide services to our customers and to manage our internal operations. Many of our customers require access to our services on a continuous basis and may be materially impaired by interruptions in our or our third- party service providers’ infrastructure. Our technology systems also process and store certain confidential information and data for the proper functioning of our network. Cybersecurity incidents and cyberattacks, including from diverse threat actors, such as state- sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as AI, social engineering / phishing, malware (including ransomware), malfeasance by insiders, human or technological error, on our system might result in a compromise to the technology that we use to protect confidential information. We may not be able to prevent third parties, especially hackers or other individuals or entities engaging in similar activities, from illegally obtaining confidential information in our possession. Such individuals or entities may engage in various other illegal activities using such information. Further, as parcels move through our network from pickup to delivery, a large number of personnel handles the flow of parcels and have access to significant amounts of confidential information. Some of these personnel may misappropriate the confidential information despite the security policies and measures we have implemented. In addition, most of the delivery and pickup personnel are not our employees, which makes it more difficult for us to implement sufficient and effective control over them. Additionally, other disruptions can occur, such as infrastructure gaps, hardware and software vulnerabilities, inadequate or missing security controls, exposed or unprotected customer data and the accidental or intentional disclosure of source code or other confidential information by former or current employees. Any such incidents could (i) interfere with the delivery of services to our customers, (ii) impede our customers’ ability to do business, (iii) compromise the security of infrastructure, systems and data, (iv) lead to the dissemination to third parties of proprietary information or sensitive, personal, or confidential data about us, our employees or our customers, including personal information of individuals involved with our customers and their end users and (v) impact our ability to do business in the ordinary course. If a breach or other security incident were to occur, it could expose us to increased risk of claims and liability, including litigation (such as class actions), regulatory enforcement, notification obligations and indemnity obligations, as well as loss of existing or potential customers, harm to our brand and reputation, increases in our security costs (including spending material resources to investigate or correct the breach or incident and to prevent future cybersecurity incidents), disruption of normal business operations, the impairment or loss of industry certifications and government sanctions (including debarment). Moreover, containing and remediating any IT system failure, cybersecurity attack or vulnerability may require significant investment of resources. Any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations. Similar security risks exist with respect to our third- party vendors that we rely on for aspects of our IT support services, pickup and delivery services, and administrative functions, including the systems owned, operated or controlled by other unaffiliated operators to the extent we rely on such other systems to deliver services to our customers. Our ability to monitor our third- party service providers’ data security is limited. As a result, we are subject to the risk that cyber- attacks on, or other cybersecurity incidents affecting, our third- party service providers may adversely affect our business even if an attack or breach does not directly impact our systems. It is also possible that security breaches sustained by, or other cybersecurity incidents affecting, our competitors could result in

negative publicity for our entire industry that indirectly harms our reputation and diminishes demand for our services. Practices regarding the collection, use, storage, transmission and security of personal information have recently come under increased public scrutiny. Any failure or perceived failure by us to prevent cybersecurity incidents or to comply with privacy policies or privacy-related legal obligations could cause our customers to lose trust in us and our services. Any perception that the confidentiality or privacy of information is unsafe or vulnerable when using our services could damage our reputation and substantially harm our business, financial condition and results of operations. The secure processing, storage, maintenance and transmission of critical customer and business information are vital to our operations and our business strategy. Although we devote significant resources to protecting such information and take what we believe to be reasonable and appropriate measures, including having a formal and dedicated IT department and limiting the amount of any data we store to non-sensitive customer information, such as zip codes and business addresses, to protect sensitive information from compromises such as unauthorized access, disclosure, or modification or lack of availability, our information technology and infrastructure may still be vulnerable to attacks by hackers or viruses or breached due to employee or human error, malfeasance or other disruptions. We may be exposed to significant monetary damages. Saved as the foregoing, we have not taken additional measures to mitigate the risks against cybersecurity in our supply chain based on third-party products, software, services and business. Further, a cybersecurity incident could require us to expend substantial additional resources relating to the security of our information systems and to provide required breach notifications to affected parties, diverting resources from other projects and disrupting our businesses. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information. Real or perceived errors, failures or bugs in our services, software or technology could adversely affect our business, financial condition and results of operations. Undetected real or perceived errors, failures, bugs or defects may be present or occur in the future in our solutions, software or technology or the technology or software we license from third parties, including open source software. Despite testing by us, real or perceived errors, failures, bugs or defects may not be found until our customers use our services. Real or perceived errors, failures, bugs or defects in our solutions could result in negative publicity, loss of or delay in market acceptance of our services and harm to our reputation and brand, weakening of our competitive position, claims by customers for losses sustained by them or failure to meet the stated service level commitments in our customer agreements. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend significant additional resources in order to help correct the problem. Any real or perceived errors, failures, bugs or defects in our services could also impair our ability to attract new customers, retain existing customers or expand the customers' use of our services, which could adversely affect our business, financial condition and results of operations. Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing. We may require additional cash capital resources in order to fund future growth and the development of our businesses, including expansion of our ecommerce platform, our third-party logistics services and any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets, governmental regulations over foreign investment and the ecommerce and logistics services industries. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders. Our business is highly competitive. Competition presents an ongoing threat to the success of our business. Our business is rapidly evolving and intensely competitive, and we have many competitors in different industries. Our competition includes third-party logistics service providers, furniture stores, big box retailers, and online ecommerce platforms and marketplaces in the U. S., Asia and Europe. We compete with third-party logistics service providers based on a number of factors, including warehouse and infrastructure capacity, network stability, business model, operational capabilities, cost control and service quality. We also compete with other retailers and ecommerce platforms that offer large parcel merchandise for the variety and availability of products, number of users in the marketplace, flexibility in delivery options and freight rates. Many of our current competitors have, and potential competitors may have, longer operating histories, greater brand recognition, larger fulfillment infrastructures, greater technical capabilities, faster and less costly shipping, significantly greater financial, marketing and other resources and larger customer bases than we do. These factors may allow our competitors to derive greater revenues and profits from their existing customer bases, acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in customer habits. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns and adopt more aggressive pricing policies, which may allow them to build larger customer bases or generate revenues from their customer bases more effectively than we do. We may be subject to product liability claims and other similar claims if people or property are harmed by the products we sell or sold through our platform. Some of the products we sell may expose us to product liability and other claims and litigation (including class actions) or regulatory action relating to safety, personal injury, death or environmental or property damage. Some of our agreements with members of our supply chain may not indemnify us from product liability for a particular product, and some members of our supply chain may not have sufficient resources or insurance to satisfy their indemnity and defense obligations. Although we maintain product liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Fluctuations in the price or availability of fuel and uncertainty in third-party transportation capacity may adversely affect our transportation costs and

operational results. Our transportation costs mainly consist of fuel costs and transportation expenses incurred in relation to the use of third- party transportation services. The availability and price of fuel and third- party transportation capacity are subject to political, economic and market factors that are outside of our control. In ~~2021 and 2022, we continued to increase the use of self-owned and operated, cost-efficient high capacity trucks to replace some, but not all, of our third- party outsourced trucks to further enhance transportation efficiency.~~ In the event of a significant increase in fuel prices and third- party transportation service charges, our transportation expenses may rise, and our gross profit may decrease if we are unable to adopt effective cost control measures or pass on incremental costs to our customers. As a result, our business, financial condition and results of operations may be adversely affected. We face risks associated with parcels handled and transported through our network and risks associated with transportation. We handle a large volume of parcels across our cross- border fulfillment network, and face challenges with respect to the protection and inspection of these parcels. Parcels in our fulfillment network may be stolen, damaged or lost for various reasons, and we may face actual or alleged liability for such incidents. In addition, we may fail to detect unsafe or prohibited / restricted items. Further, the big and bulky parcels handled by us are prone to damages, and may injure their recipients, harm our personnel and result in property damage. Failure to prevent prohibited or restricted items from entering our network may result in administrative or criminal penalties as well as civil liability for personal injury and property damage. The transportation of parcels involves inherent risks. We have multiple warehouse personnel involved in our logistics operations at all times, who are subject to risks associated with logistics and transportation safety, including transportation-related injuries and losses at our **warehouses-fulfillment centers** or during the course of transportation. For example, our personnel may be involved in traffic accidents from time to time, resulting in personal injury and loss or damage to parcels carried by them. In addition, frictions or disputes may occasionally arise from the direct interaction of our personnel with parcel senders and recipients, which may result in personal injury or property damage if such incidents escalate. The insurance policies carried by us may not fully cover the damages caused by transportation- related injuries or losses. Any of the foregoing could disrupt our services, cause us to incur substantial expenses and divert the time and attention of our management. We may face claims and incur significant liabilities if found liable or partially liable for any injuries, damages or losses. Claims against us may exceed the amount of our insurance coverage or may not be covered by insurance at all. Government authorities may also impose significant fines on us or require us to adopt costly preventive measures. Furthermore, if our services are perceived to be unsafe by our end customers, ecommerce platforms and customers, our business volume may be significantly reduced, and our business, financial condition and results of operations may be materially and adversely affected. Significant merchandise refunds and product warranty claims could have a material adverse effect on our business. We allow our customers to claim refunds or product warranties for our 1P sales subject to our return policy. See “ Item 1. Business — Logistics Network and Value- added Services — Warranties and Refunds. ” If merchandise returns and product warranty claims are significant, our business, financial condition and results of operations could be harmed. Further, we modify our policies relating to returns and warranties from time to time, which may result in customer dissatisfaction or an increase in the number of product returns. Many of our products are large and require special handling and delivery. From time to time our products are damaged in transit, which can increase return rates and harm our reputation and brand. Our business may be affected by increase in rental expenses or the termination of leases of our **warehouses-fulfillment centers**. We lease properties to operate all of our **warehouses-fulfillment centers, showrooms**, offices, ports and other pickup and delivery outlets. We may be subjected to increase in rental expenses. We may also not be able to successfully extend or renew such leases upon expiration, on commercially reasonable terms or at all, and may be forced to relocate the affected operations. Such relocation may disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. We may not be able to locate desirable alternative sites for our facilities as our business continues to grow and failure in relocating our operations when required could adversely affect our business and operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. Even if we are able to extend or renew the respective leases, rental payments may significantly increase as a result of the high demand for the leased properties. Our business requires significant capital investments and a high level of working capital to sustain our operations and business growth. We require significant capital investments in our business which consist of leasing and setting up warehouse facilities, technology, sorting and other types of equipment. These investments support both our existing business and anticipated growth. Forecasting projected volume involves many factors which are subject to uncertainty, such as general economic trends, changes in governmental regulation and competition. If we do not accurately forecast our future capital investment needs, we could have excess capacity or insufficient capacity, either of which would negatively affect our revenues and profitability. In addition to forecasting our capital investment requirements, we adjust other elements of our operations and cost structure in response to adverse economic conditions; however, these adjustments may not be sufficient to allow us to maintain our operating margins. Our strategic investments or acquisitions may be unsuccessful. We may acquire other assets, technologies, products and businesses that are complementary to our existing business or otherwise. We may also enter into strategic partnerships or cooperation agreements with other businesses to expand our marketplace. Negotiating these transactions can be time- consuming, challenging and expensive, and our ability to close these transactions may often be subject to regulatory approvals that are beyond our control. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, significant amortization expenses related to intangible assets, significant diversion of management attention and exposure to potential unknown liabilities of the acquired business. Moreover, the cost of identifying and consummating investments and acquisitions and integrating the acquired businesses into ours may be significant, and the integration of acquired businesses may be disruptive to our existing business operations. Consequently, these transactions, even if undertaken and announced, may not close. For one or more of those transactions, we may issue additional equity securities that would dilute our shareholders’ ownership interest, use cash that we may need in the future to operate our business, incur debt on terms unfavorable to us or that we are unable to repay, incur expenses or substantial liabilities, encounter difficulties retaining key

employees of the acquired company or integrating diverse software codes or business cultures, encounter difficulties in assimilating acquired operations, encounter diversion of management's attention to other business concerns, and become subject to adverse tax considerations, substantial depreciation, impairment losses, or deferred compensation charges. If our investments and acquisitions are not successful, our business, financial condition, results of operations and prospects may be materially and adversely affected. We rely on the performance of members of management and highly skilled IT personnel, and if we are unable to attract, develop, motivate and retain well-qualified employees, our business could be harmed. Our success depends in part on our continued ability to attract, retain and motivate highly qualified management and other key personnel. We are highly dependent upon our senior management, particularly our chief executive officer, as well as our vice presidents and other members of our senior management team. Although we have executed employment agreements or offer letters with each member of our senior management team, these agreements are terminable at will with or without notice and, therefore, we may not be able to retain their services as expected. We do not currently maintain "key person" life insurance on the lives of our executives or any of our employees. This lack of insurance means that we may not have adequate compensation for the loss of the services of these individuals. The increasing scale of our business also requires us to hire and retain a wide range of capable and experienced personnel and technology talents who can adapt to a dynamic, competitive and challenging business environment. Competition for talents is intense, and the availability of suitable and qualified candidates is limited in the jurisdictions in which we operate. Competition for talents, together with inflation, could cause us to offer higher compensation and other benefits to attract and retain them, which further increase our labor cost. Even if we were to offer higher compensation and other benefits, these individuals may not choose to join or continue to work for us. Any failure to attract or retain key management and personnel could severely disrupt our business and growth. We will need to expand and effectively manage our managerial, operational, financial and other resources in order to successfully pursue our business strategies. We may not be successful in maintaining our unique company culture and continuing to attract or retain qualified management and personnel in the future. If we are not able to attract, integrate, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy. We rely on a wide portfolio of intellectual property to operate our businesses and we may not be able to effectively protect these intellectual property and proprietary rights against infringement, misappropriation or other violations, or efforts to safeguard our intellectual property may be costly. We rely on a combination of trademark, copyright and trade secret protection laws in the U. S., the PRC and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. We enter into confidentiality agreements with our employees and any third parties who may access our proprietary information, and we rigorously control access to our technology and information. However, we cannot guarantee that we have entered into confidentiality agreements with each party that may have or have had access to our trade secrets or proprietary information. Such agreements may be breached by counterparties, who may disclose our proprietary information, including our trade secrets, or claim ownership in intellectual property that we believe is owned by us, and there may not be adequate remedies available to us for any such breach. In addition, we do not enter into intellectual property assignment agreements in the ordinary course, and we rely on the intellectual property rights we obtain from our employees by operation of law. The intellectual property rights we obtain by operation of law may not extend to all intellectual property rights developed by our employees and contractors, and individuals not subject to invention assignment agreements may make adverse ownership claims to our current and future intellectual property rights. We therefore may not possess ownership rights in all intellectual property rights that we regard as our own or that are necessary for the conduct of our business. Intellectual property protection may not be sufficient in the regions in which we operate. Our trademarks or other intellectual property rights may be challenged by others through administrative process or litigation, and our pending trademark applications may not be allowed. In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming and costly, and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation and some courts in the U. S. and certain foreign jurisdictions are less willing or unwilling to protect trade secrets. Furthermore, it is often difficult to maintain and enforce intellectual property rights in the PRC. Statutory laws and regulations in the PRC are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or the intellectual properties licensed from third parties, or to enforce our contractual rights in the PRC and other jurisdictions in which we operate. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third parties, we would have no right to prevent them from using that technology or information to compete with us. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations. We may not be able to protect and enforce our trademarks and trade names, or build name recognition in our markets of interest thereby harming our competitive position. The registered or unregistered trademarks or trade names that we own have from time to time been and may continue to be challenged, infringed, circumvented, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition. In addition, third parties have filed, and may in the future file, for registration of trademarks similar or identical to our trademarks, thereby impeding our ability to build brand identity and possibly leading to market confusion. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such rights, we may not be able to use these trademarks to develop brand recognition of our technologies, products or services. In

addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Further, we may in the future enter into agreements with owners of such third- party trade names or trademarks to avoid potential trademark litigation which may limit our ability to use our trade names or trademarks in certain fields of business. We have not yet registered certain of our trademarks in all of our potential markets, although we have registered “ GIGACLOUD TECHNOLOGY ” and “ 大健云仓 ” in mainland China and Hong Kong. We also acquired valuable intangible assets from the acquisitions of Noble House and Wondersign. If we apply to register these trademarks in other countries and / or other trademarks in the U. S. and other countries, our applications may not be allowed for registration in a timely fashion or at all; further, our registered trademarks may not be maintained or enforced. In addition, third parties may file first for our trademarks in certain countries. If they succeed in registering such trademarks, and if we are not successful in challenging such third- party rights, we may not be able to use these trademarks to market our products and technologies in those countries. If we do not secure registrations for our trademarks, we may encounter more difficulties in enforcing them against third parties than we otherwise would. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively, which could harm our business, financial condition, results of operations and prospects. In addition, over the long term, if we are unable to establish name recognition based on our trademarks, then our marketing abilities may be materially and adversely impacted. We may be accused of infringing, misappropriating or otherwise violating the intellectual property rights of third parties. The ecommerce industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. We may be subject to claims and litigation by third parties that we infringe, misappropriate or otherwise violate their intellectual property rights. Furthermore, under our current marketplace, the products offered in our marketplace are supplied by third- party merchants, who are separately responsible for sourcing the products that are sold in our marketplace. We have been and may continue to be subject to allegations, and may in the future be subject to lawsuits, claiming that products listed or sold through our marketplace by third- party merchants are counterfeit, unauthorized, illegal, or otherwise infringe, misappropriate or violate third- party copyrights, trademarks, patents or other intellectual property rights, or that content posted on our user interface contains misleading information on description of products and comparable prices in the U. S., China or any other jurisdictions in which we have operations. The costs of supporting such litigation and disputes are considerable, and there can be no assurances that favorable outcomes will be obtained. Further, the application and interpretation of China’ s intellectual property laws and the procedures and standards for granting intellectual property rights in China are still evolving and are uncertain, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. As our business expands and the number of competitors in our market increases and overlaps occur, we expect that infringement claims may increase in number and significance. Any claims or proceedings against us, whether meritorious or not, could be time- consuming, result in considerable litigation costs, require significant amounts of management time or result in the diversion of significant operational resources, any of which could materially and adversely affect our business, financial condition and results of operations. Legal claims regarding intellectual property rights are subject to inherent uncertainties due to the oftentimes complex issues involved, and we cannot be certain that we will be successful in defending ourselves against such claims. In addition, whereas we currently do not own or in- license any patents, some of our larger competitors have extensive portfolios of issued patents. Many potential litigants, including patent holding companies, have the ability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Furthermore, a successful claimant could secure a judgment that requires us to pay substantial damages or prevents us from conducting our business as we have historically done or may desire to do in the future. We may also be required to seek a license and pay royalties for the use of such intellectual property, which may not be available on commercially acceptable terms, or at all. Alternatively, we may be required to develop non- infringing technology or intellectual property, which could require significant effort and expense and may ultimately not be successful. We have received in the past, and we may receive in the future, communications alleging that certain items posted on or sold through our marketplace infringe, misappropriate or otherwise violate third- party copyrights, designs, marks and trade names or other intellectual property rights or other proprietary rights. Brand and content owners and other proprietary rights owners have actively asserted their purported rights against online companies. In addition to litigation from rights owners, we may be subject to regulatory, civil or criminal proceedings and penalties if governmental authorities believe we have aided and abetted in the sale of counterfeit or infringing products. Such claims, whether or not meritorious, may result in the expenditure of significant financial, managerial and operational resources, injunctions against us or the payment of damages by us. We may need to obtain licenses from third parties who allege that we have violated their rights, but such licenses may not be available on terms acceptable to us, or at all. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. Furthermore, we use open source software in connection with our GigaCloud Marketplace. Companies that incorporate open source software into their products and services have, from time to time, faced claims challenging the ownership of open source software and compliance with open source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software or noncompliance with open source licensing terms. Additionally, the use and distribution of open source software can lead to greater risks than the use of third- party commercial software, and some open source projects have known vulnerabilities and open source software does not come with warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and make available any derivative works of the open source code on unfavorable terms or at no cost. While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our source code or that would otherwise breach the terms of an open source license, such use could inadvertently occur, or could be claimed to have occurred, in part because open source license terms are

often ambiguous. These claims could also result in litigation, which could be costly to defend, and if portions of our software are determined to be subject to an open source license or if the license terms for the open source software that we incorporate change, we could be required to publicly release or disclose our source code or pay damages for breach of contract or cease offering the implicated services unless and until we can re-engineer all or a portion of our software, including GigaCloud Marketplace, in a manner that avoids infringement or otherwise change our business, any of which could reduce or eliminate the value of our services and adversely affect our business. The re-engineering process could require us to expend significant additional research and development resources, and we may not be able to complete the re-engineering process successfully. Further, we could be required to seek licenses from third parties to continue using certain software or offering certain of our services or to discontinue the use of such software or the sale of our affected services in the event we could not obtain such licenses, which may not be available to us on commercially reasonable terms or at all. Any of the foregoing could be harmful to our business, financial condition and results of operations. We are subject to legal and regulatory proceedings from time to time in the ordinary course of our business. We are, and may in the future be, subject to claims, lawsuits including class actions and individual lawsuits, government investigations, and other proceedings relating to intellectual property, consumer protection, privacy, labor and employment, import and export practices, competition, securities, tax, marketing and communications practices, commercial disputes, and other matters. The number and significance of our legal disputes and inquiries have increased as we have grown larger, as our business has expanded in scope and geographic reach, and as our services have increased in complexity. Moreover, becoming a public company may have raised our public profile, which may result in increased litigation as well as increased public awareness of any such litigation. There is substantial uncertainty regarding the scope and application of many of the laws and regulations to which we are subject, which increases the risk that we will be subject to claims alleging violations of those laws and regulations. In the future, we may also be accused of having, or be found to have, infringed, misappropriated or otherwise violated third-party intellectual property rights. Regardless of the outcome, legal proceedings can have a material and adverse impact on us due to their costs, diversion of our resources, and other factors. We may decide to settle legal disputes on terms that are unfavorable to us. Furthermore, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment that we may not choose to appeal or that may not be reversed upon appeal. In addition, the terms of any settlement or judgment in connection with any legal claims, lawsuits, or proceedings may require us to cease some or all of our operations, or pay substantial amounts to the other party and could materially and adversely affect our business, financial condition and results of operations. For information about a currently pending legal proceeding, see “Items 3. Legal Proceedings.” Our insurance coverage may not be sufficient to cover all the risks which our operations are exposed to and therefore we are susceptible to significant liabilities. We have limited insurance coverage. We do not maintain business interruption insurance, cybersecurity insurance or general third-party liability insurance, nor do we maintain key-man life insurance. Although we maintain certain general liability insurance for our ~~warehouses~~ **fulfillment centers**, we cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. Trade restrictions could materially and adversely affect our business, financial condition and results of operations. We are focused on facilitating B2B ecommerce transactions for large parcel merchandise. Our cross-border logistics services may be affected by trade restrictions implemented by countries or territories in which our customers are located or in which our customers’ products are manufactured or sold. For example, we are subject to risks relating to changes in trade policies, tariff regulations, embargoes or other trade restrictions adverse to our customers’ business. Actions by governments that result in restrictions on movement of parcels or otherwise could also impede our ability to carry out our cross-border ecommerce solutions and logistics services. In addition, international trade and political issues, tensions and conflicts may cause delays and interruptions to cross-border transportation and result in limitations on our insurance coverage. If we are unable to connect our global customers to each other in our marketplace or provide solutions to transporting parcels to and from countries with trade restrictions in a timely manner or at all, our business, financial condition and results of operations could be materially and adversely affected. Any lack of requisite approvals, licenses or permits applicable to our business operations may harm our business. We may not be able to obtain all the licenses and approvals that may be deemed necessary to operate our business. Because we operate in multiple jurisdictions, the relevant laws and regulations, as well as their interpretations, could be different from those in the U. S. This can make it difficult to know which licenses and approvals are necessary, or the processes for obtaining them. For these same reasons, we also cannot be certain that we will be able to maintain the licenses and approvals that we have previously obtained, or that once they expire we will be able to renew them. We cannot be sure that our interpretations of the rules and their exemptions have always been or will be consistent with those of the local regulators. As we expand our businesses, we may be required to obtain new licenses and will be subject to additional laws and regulations in the markets we plan to operate in. If we fail to obtain, maintain or renew any required licenses or approvals or make any necessary filings or are found to need licenses or approvals that we believed were not necessary or we were exempted from obtaining, we may be subject to various penalties, such as confiscation of the revenues or assets that were generated through the unlicensed business activities, imposition of fines, suspension or cancellation of the applicable license, written reprimands, termination of third-party arrangements, criminal prosecution and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition and results of operations. We have granted and expect to continue to grant share-based awards in the future under our share incentive plans, which may result in increased share-based compensation expenses. We adopted the 2008 share incentive plan in 2008, together with the amendments thereto, the “2008 Plan,” for the purpose of granting share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours. As of December 31, 2023-2024, the maximum aggregate number of shares which may be issued pursuant to all

awards **granted** under the **2008 Plan were exercised and settled. The** 2008 Plan was **terminated upon the tenth anniversary of its effective date and no 2, 513, 743** ordinary shares. We are authorized to grant **grants of options, share appreciation rights, share awards under of restricted shares and non-restricted shares and other types of awards as the administrator of the 2008 Plan decides were made after the termination. The current outstanding awards are those granted under the 2017 Plan described below**. In March 2017, our shareholders and board of directors approved and adopted the 2017 share incentive plan, together with the amendments thereto, the “2017 Plan.” As of December 31, **2023-2024**, the maximum aggregate number of shares which may be issued pursuant to all awards under the 2017 Plan was 7, **180-996, 928-565** ordinary shares, subject to an annual increase on the first day of each fiscal year beginning January 1, 2023 and ending on and including January 1, 2027 according to a formula set forth in the 2017 Plan. We are authorized to grant options, share appreciation rights, dividend equivalent rights, restricted shares, restricted share units or other rights or benefits under the 2017 Plan. We account for compensation costs for all share options using a fair value- based method and recognize expenses in our consolidated statements of comprehensive income in accordance with U. S. generally accepted accounting principles, or U. S. GAAP. As of December 31, **2023-2024**, awards to purchase an aggregate of **6-7, 852-426, 035-639** ordinary shares under the 2008 Plan and the 2017 Plan were granted, excluding awards that were forfeited, repurchased, cancelled, lapsed, settled or otherwise expired after the relevant grant dates. As a result of these grants, we incurred share- based compensation of \$ **9-16. 78, \$ 2. 5 million and \$ 9. 2 million and \$ 2. 5 million** in **2021-2024, 2023 and 2022 and 2023-**, respectively. We will incur additional share-based compensation expenses in the future as we continue to grant share- based incentives. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share- based compensation 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. We could be held liable if our GigaCloud Marketplace is used for fraudulent, illegal or improper purposes such as money laundering. Although we have taken and continue to take measures, our GigaCloud Marketplace is susceptible to potentially illegal or improper uses, which could damage our reputation and subject us to liability. These may include the use of our marketplace in connection with fraudulent sales of merchandise and other intellectual property piracy, money laundering, bank fraud and prohibited sales of restricted products. Criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting and fraud, and incidents of fraud could increase in the future. We could be subject to fraud claims if confidential information obtained from our users is used for unauthorized purposes. Our risk management policies and procedures may not be fully effective in identifying, monitoring and managing these risks. We are not able to monitor in each case the sources of funds for our digital financial services platform users, or the ways in which they are used. An increase in fraudulent transactions or publicity regarding payment disputes could harm our reputation and reduce customers’ confidence in our marketplace and solutions. The COVID- 19 pandemic, and any future outbreaks or other public health emergencies, could materially affect our business, liquidity, financial condition and operating results. The COVID- 19 pandemic negatively impacted the global economy, disrupted consumer spending and global supply chains and created significant volatility and disruption of financial markets. The COVID- 19 pandemic and the various responses to it globally created significant volatility, uncertainty and economic disruption. During the COVID- 19 pandemic, authorities across the U.S. and the globe implemented varying degrees of restriction on social and commercial activity. While these restrictions were largely lifted in 2023, some regions have seen a resurgence of COVID- 19 cases resulting in consideration of reinstatement of certain protective measures. The extent of the impact of a recurring COVID- 19 pandemic, or other public health emergencies, on our business will depend on future developments, which remain highly uncertain and difficult to predict, including the duration, severity and sustained geographic spread of the pandemic, additional waves of increased infections, the virulence and spread of different strains of the virus, and the extent to which associated prevention, containment, remediation and treatment efforts, including global vaccination programs and vaccine acceptance, are successful. Additionally, to the extent the COVID- 19 pandemic or other outbreaks, epidemics, pandemics or public health crises adversely affects our business, results of operations or financial condition, it may heighten other risks described in this “Risk Factors” section. Natural disasters, pandemics, epidemics, acts of war, terrorist attacks and other events could materially and adversely affect our business. Severe weather conditions and other natural or man- made disasters, including storms, floods, fires, earthquakes, epidemics, pandemics, conflicts, unrest, terrorist attacks, war, labor unrest, and / or other political instability (including, without limitation, the ongoing conflicts between Russia and Ukraine and Israel and Hamas), may disrupt our business and result in decreased revenues. For example, following the initial conflict between Israel and Hamas, the Houthi movement in Yemen launched a number of attacks on marine vessels traversing the Red Sea causing disruptions for operations across the impacted region. In addition, these types of events could negatively impact ocean transportation and consumer spending in the impacted regions or, depending upon the severity, globally. Customers may reduce their demand for logistics services or shipments, or our costs to operate our business may increase, either of which could have a material adverse effect on us. On March 9, 2024, one of our **warehouses fulfillment centers** in Japan suffered damages due to a warehouse fire. Although we have insurance coverage associated with the damages to the inventory and warehouse equipment and we can still utilize our other three **warehouses fulfillment centers** in Japan with alternative plans to minimize any disruptions to our operations in such warehouse with fire, we may still have some impacts in our warehouse operations. Any such events affecting one of our major facilities could result in a significant interruption in or disruption of our business, financial condition and results of operations. We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and ecommerce in the U. S. and globally. Existing and future regulations and laws could impede the growth of the Internet, ecommerce or mobile commerce. These regulations and laws may involve taxes, tariffs, privacy and data security, anti- spam, content protection, electronic contracts and communications, consumer protection, Internet neutrality and gift cards. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the Internet as the vast majority of these laws were adopted prior to the advent of the

Internet and do not contemplate or address the unique issues raised by the Internet or ecommerce. It is possible that general business regulations and laws, or those specifically governing the Internet or ecommerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure or perceived failure by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our sites by consumers and suppliers and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. Adverse legal or regulatory developments could substantially harm our business. Further, if we enter into new market segments or geographical areas and expand the products and services we offer, we may be subject to additional laws and regulatory requirements or prohibited from conducting our business, or certain aspects of it, in certain jurisdictions. We will incur additional costs complying with these additional obligations and any failure or perceived failure to comply would adversely affect our business and reputation. Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks. Failure to comply with the laws and regulations on environmental, social and governance matters may subject us to penalties and adversely affect our business, financial condition and results of operations. The governments globally and public advocacy groups have been increasingly focused on environment, social and governance, or ESG, issues in recent years, making our business more sensitive to ESG issues and changes in governmental policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and the governments globally on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. In addition, there is also uncertainty regarding potential laws, regulations and policies related to ESG and global environmental sustainability matters, including disclosure obligations and reporting on such matters. Any ESG concern or issue and changes in the legal or regulatory environment affecting ESG and sustainability disclosure, responsible sourcing, supply chain transparency, or environmental protection, among others, could increase our regulatory compliance costs. If we do not adapt to or comply with the evolving expectations and standards on ESG matters from investors and the governments globally or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and the business, financial condition and the price of our Class A ordinary shares could be materially and adversely affected. We are subject to U. S. , PRC and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in the global markets. We could face criminal liability and other serious consequences for violations, which could harm our business. We are subject to export control and import laws and regulations, including the U. S. Export Administration Regulations, U. S. Customs regulations, and various economic and trade sanctions regulations administered by the U. S. Treasury Department's Office of Foreign Assets Controls, and anti-corruption and anti-money laundering laws and regulations, including the U. S. Foreign Corrupt Practices Act of 1977, as amended, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. We are also subject to anti-bribery laws in the PRC that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. State and national anti-corruption laws are interpreted broadly and prohibit companies and their employees and agents from authorizing, promising, offering, providing, soliciting or receiving, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We may engage third-party carriers outside of the U. S. to deliver our parcels internationally and / or other third-party agents to obtain necessary permits, licenses, patent registrations and other regulatory approvals in new geographic areas which we are expanding into. We can be held liable for the corrupt or other illegal activities of our employees, agents and third-party carriers, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences. We are, and may increasingly become, subject to various laws and regulations, as well as contractual obligations, relating to data privacy and security and AI in the jurisdictions in which we operate. The regulatory environment related to data privacy and security is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our business, financial condition, results of operations and prospects. In the U. S., various federal and state regulators have adopted, or are considering adopting, laws and regulations concerning personal information and data security. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information than federal, international or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts. For example, the **Consumer CCPA which provides privacy Privacy Act rights for California residents and imposes obligations on companies that process their personal information, came into effect on January 1, 2020 and was amended on November 3, 2020 by the California Privacy Rights Act (together, the CCPA)**. Among other things, the CCPA requires covered companies to provide new disclosures to California consumers about their data collection, use and sharing practices and provide

such consumers new data protection and privacy rights, including the ability to opt out of certain the sales sale of their personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. ~~The~~ On November 3, 2020, California voters approved a new privacy law, the California Privacy Rights Act, or the CPRA, which significantly modifies the CCPA ~~amendments also created~~, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. The CCPA has prompted a wave of new data privacy laws in other states that share similarities with the CCPA, and similar laws have been proposed in ~~several~~ additional states and at the federal level. In the PRC, the PRC regulatory and enforcement regime with regard to cybersecurity, data security and data protection is constantly evolving and can be subject to significant change, making the extent of our obligations in that regard uncertain. In November 2016, the Standing Committee of the National People's Congress of the PRC, or the Standing Committee of the NPC, promulgated the PRC Cybersecurity Law, which took effect on June 1, 2017. The PRC Cybersecurity Law provides that network operators shall take technical and other necessary measures ~~as required by laws, regulations, and mandatory requirements~~ to safeguard the operation of networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. In June 2021, the Standing Committee of the NPC promulgated the PRC Data Security Law, which took effect on September 1, 2021. The PRC Data Security Law sets forth data security protection obligations for entities and individuals handling personal data, including that ~~no entity or individual may acquire such data by stealing or other illegal means, and~~ the collection and use of such data should be for the purpose and within the limit that is prescribed by applicable laws and regulations. The PRC Data Security Law also provides that the government will establish a security review procedure for data-related activities that affect or may affect national security. In July 2021, the PRC State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure, which took effect on September 1, 2021. Pursuant to these regulations, critical information infrastructure means key network facilities or information systems of critical industries or sectors, such as public communication and information service, energy, transportation, water conservancy, finance, public services, e-government affairs and national defense science, technology and industry, the damage, malfunction or data leakage of which may seriously endanger national security, people's livelihood and public interests. Furthermore, in July 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with the Law, or the Opinions on Strictly Cracking Down on Illegal Securities Activities, according to which, among other things, relevant governmental authorities are required to improve laws and regulations related to data security, cross-border data transmission, and management of confidential information. In August 2021, the Standing Committee of the NPC promulgated the PRC Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect on November 1, 2021. The PRC Personal Information Protection Law applies to the processing of personal information within mainland China as well as certain personal information processing activities outside of mainland China, including those for the provision of products and services to natural persons within mainland China or for the analysis and assessment of acts of natural persons within mainland China. Furthermore, the PRC Personal Information Protection Law steps up the protection for personal information and imposes additional requirements in terms of its processing. As the interpretation and implementation of the PRC Personal Information Protection Law remain uncertain, we cannot assure you that we will be deemed to fully comply with the PRC Personal Information Protection Law in all respects, and regulatory authorities may order us to rectify or terminate our current practice of collecting and processing personal information. On December 28, 2021, the Cyberspace Administration of China, or the CAC, together with other authorities, jointly promulgated the Measures for Cybersecurity Review, which became effective on February 15, 2022 and simultaneously superseded and replaced the cybersecurity review measures that had been in effect since June 2020. According to the Measures for Cybersecurity Review, critical information infrastructure operators that procure internet products and services and network platform operators engaging in data processing activities should be subject to cybersecurity review if their activities affect or may affect national security. The Measures for Cybersecurity Review also expand the cybersecurity review to network platform operators possessing personal information of more than one million users if such operators seek to list on a foreign stock exchange. In addition, relevant PRC regulatory authorities may initiate cybersecurity review if they determine that an operator's network products or services or data processing activities affect or may affect national security. On November 14, 2021, the CAC published the Regulations on the Administration of Network Data Security (Draft for Comments), or the Draft Network Data Security Regulations, for public comments until December 13, 2021. The Draft Network Data Security Regulations provide that data processors refer to individuals or organizations that, during their data processing activities such as data collection, storage, utilization, processing, transmission, provision, publication and deletion, have autonomy over the purpose and the manner of data processing. In accordance with the Draft Network Data Security Regulations, a data processor must apply for a cybersecurity review for certain activities, including, among other things, (i) merger, reorganization or division of such internet platform operator that has acquired a large number of data resources related to national security, economic development or public interests, which affects or may affect national security and (ii) any other data processing activity that affects or may affect national security. However, there have been no clarifications from the relevant authorities as of the date of this annual report as to the standards for determining whether an activity is one that "affects or may affect national security."<sup>22</sup> In addition, the Draft Network Data Security Regulations stipulate that data processors that process "important data" or are listed overseas must conduct an annual data security assessment, either by itself or through a data security service provider, and must submit the assessment report of a given year to the relevant municipal cybersecurity department by the end of January of the following year. As of the date of this annual report, the Draft Network Data Security Regulations have been released for public comment only, and its final provisions and adoption are subject to uncertainties. As of the date of this annual report, we have not

been **identified as a critical information infrastructure operators or** involved in any formal investigations on cybersecurity or data security initiated by related governmental regulatory authorities, and we have not received any inquiry, notice, warning or sanction in such respect. However, as the Measures for Cybersecurity Review were newly adopted, ~~and the Draft Network Data Security Regulations have not been adopted,~~ there remains uncertainty in the interpretation and enforcement of such ~~PRC cybersecurity and data security laws and regulations.~~ Thus, we cannot assure you whether we would be subject to a cybersecurity review requirement, and if so, that we would be able to pass such review. If the authorized PRC regulatory body subsequently determines that we are required to go through such cybersecurity review or if any other PRC government authorities promulgate any interpretation or implementation rules that would require us to go through a cybersecurity review, we may fail to complete such cybersecurity review procedures in a timely manner, or at all. Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with the related laws and regulations may **affect future offerings, or** result in fines or other penalties, including suspension of business and website closure as well as reputational damage or legal proceedings or actions against us, which may have a material adverse effect on our business, financial condition or results of operations. On July 7, 2022, the CAC issued the Measures for Security Assessment of Cross-border Data Transfer, which took effect on September 1, 2022. **On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows, which took effect on the same day.** According to ~~these measures such regulations,~~ in addition to the requirement to conduct self-assessment on the risks of the outbound data transfer, to provide data abroad under any of the following circumstances, a data processor must apply to the national cyberspace department for data security assessment through the provincial-level cyberspace administration authority: (i) outbound transfer of important data by a data processor; (ii) outbound transfer of personal information by a critical information infrastructure operator ~~or a personal information processor who has processed the personal information of more than one million people;~~ (iii) outbound transfer of personal information by a personal information processor who has made outbound transfers of the personal information **(excluding sensitive personal information)** of ~~100~~ **1,000**, 000 people cumulatively or the sensitive personal information of 10, 000 people cumulatively since January 1 of the ~~previous~~ **current** year; and (iv) other circumstances where an application for the security assessment of an outbound data transfer is required as prescribed by the national cyberspace administration authority. On September 12, 2022, the CAC issued the Notice on Seeking Public Comments on the Decision to Amend the Cybersecurity Law of the People's Republic of China (Draft for Comments), or the Draft Decision to Amend the Cybersecurity Law. According to the Draft Decision to Amend the Cybersecurity Law, the violations of the Cybersecurity Law might be subject to more severe punishment if the Draft Decision to Amend the Cybersecurity Law is implemented in its current form. Specifically, the Draft Decision to Amend the Cybersecurity Law enhanced the punishment against violations of the network operation security obligation, the critical information infrastructure operation security obligation, and the network information security obligation by increasing the upper limits of the fines and imposing additional punishment. The Draft Decision to Amend the Cybersecurity Law also enhanced the punishment against personal information infringement by referencing to the punishment under applicable laws which would include relevant punishment under the PRC Personal Information Protection Law. Furthermore, in the EU and the U. K., the collection and use of personal data are governed by the provisions of the GDPR in addition to other applicable laws and regulations. The GDPR imposes strict obligations with respect to, and restrictions on, the collection, use, retention, protection, disclosure, transfer and processing of personal data. The GDPR regulates cross-border transfers of personal data out of the EEA and the U. K., including the U. S. Case law from the Court of Justice of the European Union, or the CJEU, states that reliance on the standard contractual clauses- a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism- alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. As the regulatory guidance and enforcement landscape in relation to data transfers continue to develop, we could suffer additional costs, complaints and / or regulatory investigations or fines; we may have to stop using certain tools and vendors and make other operational changes; we will have to implement revised standard contractual clauses for existing arrangements within required time frames; and / or it could otherwise affect the manner in which we provide our services, and could adversely affect our business, operations and financial condition. The GDPR authorizes fines for certain violations of up to 4 % of the total global annual turnover of the preceding financial year or € 20 million / GBP 17. 5 million, whichever is greater. Such fines are in addition to any civil litigation claims by data subjects. Other jurisdictions outside the EU are similarly introducing or enhancing privacy and data security laws, rules and regulations, which could increase our compliance costs and the risks associated with non-compliance. In Hong Kong, the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), or the PDPO, applies to data users, such as our business, that control the collection, holding, processing or use of personal data in Hong Kong. We are subject to the general requirements under the PDPO, including the need to obtain the prescribed consent of the data subject and to take all practicable steps to protect the personal data held by data users against unauthorized or accidental access, loss or use. Breaches of the PDPO may lead to a variety of civil and criminal sanctions, including fines and imprisonment. In addition, data subjects have a right to bring proceedings in court to seek compensation for damage. We cannot guarantee that we are, or will be, in compliance with all applicable international regulations as they are enforced now or as they evolve. Many countries have adopted, or are in the process of adopting, regulations governing the use of cookies and similar tracking technologies, and individuals may be required to "opt-in" to their placement for the purposes of marketing. We are also subject to evolving EU and U. K. privacy laws on cookies, tracking technologies and e-marketing. In the EU and the U. K. under national laws derived from the ePrivacy Directive, informed consent is required for the placement of a cookie on a user's device and for direct electronic marketing ~~which.~~ **Consent is tightly defined and includes prohibits prohibition on** pre-checked consents and imposes a requirement to ensure separate consents are sought for each type of cookie or similar technology. Recent guidance, court cases and regulatory and consumer group-led action are driving increased attention to compliance with these rules. Increased enforcement of these

strict requirements could lead to substantial costs, require significant system changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. Widespread adoption of regulations that significantly restrict our ability to use performance marketing technology could adversely affect our ability to market effectively to current and prospective hosts and guests, and thus materially and adversely affect our business, results of operations and financial condition. In light of the complex and evolving nature of EU, EU Member State and U. K. privacy laws on cookies and tracking technologies, there can be no assurances that we will be successful in our efforts to comply with such laws. **Furthermore, the regulatory framework around the development and use of emerging AI technologies is rapidly evolving, and many federal, state and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations related to AI, machine learning, large language models (LLMs), and additional emerging data technologies. Already, certain existing legal regimes (e. g., relating to data privacy) regulate certain aspects of AI technologies, and new laws regulating AI technologies have entered into force in the United States and EU. For example, in the United States, AI technologies have been the subject of executive orders under both the Biden and Trump administrations, and legislation has also been introduced or passed at the state level. Colorado’s Artificial Intelligence Act will require developers and deployers of “high- risk ” AI systems to implement certain safeguards against algorithmic discrimination, California has enacted and proposed several laws that would further regulate the use of AI technologies and provide consumers with additional protections. In Europe, on August 1, 2024, the EU Artificial Intelligence Act (the “ EU AI Act ”) entered into force, and establishes a comprehensive, risk- based governance framework for AI in the EU market. The majority of the substantive requirements will apply from August 2, 2026. The EU AI Act applies to companies that develop, use and / or provide AI in the EU and – depending on the AI use case- includes requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security, accuracy, general purpose AI and foundation models, and fines for breach of up to 7 % of worldwide annual turnover. Such additional regulations may impact our ability to develop, use, procure and commercialize our AI software or other AI technologies in the future and require us to expend significant resources to modify our products, services, or operations to ensure compliance or remain competitive. In addition, as the Trump administration’s approach to investment in and regulation of AI is expected to deviate from that of the previous administration, we will need to adapt to any changes that result, including as the result of new or changing executive orders.** All of these evolving compliance and operational requirements impose significant costs, such as costs related to organizational changes, implementing additional protection technologies, training employees and engaging consultants, which are likely to increase over time. In addition, such requirements may require us to modify our data processing practices and policies, distract management or divert resources from other initiatives and projects, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any failure or perceived failure by us to comply with any applicable laws and regulations, or similar laws and regulations in the jurisdictions in which we operate relating to data privacy and security could result in damage to our reputation, as well as proceedings or litigation by governmental agencies or other third parties, including class action privacy litigation in certain jurisdictions, which would subject us to significant fines, sanctions, awards, injunctions, penalties or judgments. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects. We are subject to, and likely will be subject in the future, to further stringent and changing laws, regulations and standards relating to the provision of platforms, services and goods online. With regard to the current legislation in this area, our actual or perceived failure to comply with such obligations could harm our reputation, subject us to significant fines and liability, or otherwise adversely affect our business or prospects. We may also need to spend significant time and resources on understanding upcoming legislation in this area and considering and implementing changes to our websites, processes, policies and procedures in order to become compliant with current and future legislation. We are, and are likely increasingly to become, subject to various laws and regulations, as well as contractual obligations, relating to the provision of goods and services online, online platforms, e- commerce and online contracts, online advertising and the online provision of information and the regulation of online content, in the context of both the B2B and B2C aspects of our business. There is a body of legislation in this area with which we are already required to comply, including the E- Commerce Directive 2000 / 31 / EC, the Consumer Rights Directive 2011 / 83 / EU, as amended by the Directive on better enforcement and modernization of EU consumer protection (EU) 2019 / 2161 (and member state implementing legislation in each case) and the Electronic Commerce (Amendment etc.) (EU Exit) Regulations 2019, among others. In addition to the current legislative framework, this is an area of current legislative focus for a number of jurisdictions, including the EU and the U. K. For example, on November 16, 2022, the DSA came into force in the EU. The majority of the substantive provisions of the DSA took effect on February 17, 2024. The DSA governs, among other things, ~~the-our~~ potential liability for illegal services or content on ~~the-our~~ platform, obligations around traceability of business users, and requires enhanced transparency measures, including in relation to any recommendation systems (including the main parameters used by such systems and any available options for recipients to modify or influence them). In particular, obligations to diligence the services offered on the platform could require significant additional resource. In addition, on October 26, 2023, the Online Safety Act was enacted into law. The Online Safety Act establishes a new regulatory regime to address illegal and harmful content online, including fines and other sanctions in the event of non- compliance. Other jurisdictions, including France, Germany, Singapore and Australia, have each already passed legislation addressing online harms. As such, this regulatory landscape is changing rapidly and becoming increasingly vigorous. The extent of the obligations (at least in certain jurisdictions) and enforcement practices are likely to remain uncertain for the foreseeable future. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to **jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our business, financial condition, results of operations and prospects.** Furthermore, following the expiration of the specified period, there will be increasing scope for

divergence in application, interpretation and enforcement of the data protection law as between the U. K. and the EU. Other jurisdictions outside the EU are similarly introducing or enhancing privacy and data security laws, rules and regulations, which could increase our compliance costs and the risks associated with non-compliance. We cannot guarantee that we are, or will be, in compliance with all applicable international regulations as they are enforced now or as they evolve. All of these evolving compliance and operational requirements impose significant costs, such as costs related to organizational changes, implementing additional protection technologies, training employees and engaging consultants, which are likely to increase over time. In addition, such requirements may require us to modify our online and e-commerce practices and policies, distract management or divert resources from other initiatives and projects, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any failure or perceived failure by us to comply with any applicable federal, state or similar foreign laws and regulations in this area could result in damage to our reputation, as well as proceedings or litigation by governmental agencies or other third parties, including class action litigation in certain jurisdictions, which could subject us to significant fines, sanctions, awards, injunctions, penalties or judgments. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects. We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands, which we refer to as the Companies Act below, and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the U. S. In particular, the Cayman Islands have a less developed body of securities laws than the U. S. Some U. S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the U. S. Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association and any special resolutions passed by such companies, and the registers of mortgages and charges of such companies) or to obtain copies of ~~lists-register of shareholders members~~ of these companies. **Under Cayman Islands law, the names of current directors can be obtained from a search conducted at the Registrar of Companies in the Cayman Islands.** Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest. As a result of all of the above, our public shareholders may have more difficulties in protecting their interests in the face of actions taken by our management, our board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the U. S. During 2018 and 2019, both the PRC and the U. S. each imposed tariffs that have adversely affected trade between the two countries. Although the U. S. and the PRC reached a Phase One trade deal in January 2020, there was no Phase Two trade deal implemented and most of the tariffs imposed remain in place, while uncertainty persists in the trade relationship between the two countries that impacts the global trade landscape. Although most of third-party suppliers for our IP inventory are located in Southeast Asian countries and our 3P sellers are typically responsible for any export taxes and tariffs, we are unable to predict whether any of the countries in which our suppliers' products are currently manufactured or may be manufactured in the future will be subject to new, different or additional trade restrictions imposed by the U. S. or foreign governments or the likelihood, type or effect of any such restrictions. Political tensions between the U. S. and the PRC have escalated due to, among other things, trade disputes, the COVID-19 outbreak, sanctions imposed by the U. S. Department of Treasury on certain officials of the Hong Kong Special Administrative Region and the central government of the PRC, U. S. export restrictions regarding China, restrictions on U. S. investments in designated "Communist Chinese Military Companies," and the executive orders issued by former U. S. President Donald J. Trump that seek to prohibit certain transactions with ByteDance Ltd., Tencent Holdings Ltd., developers of certain software applications and the respective subsidiaries of such companies, as well as the Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures promulgated by China's Ministry of Commerce, or MOFCOM, on January 9, 2021, which will apply to situations where the extra-territorial application of foreign legislation and other measures, in violation of international law and the basic principles of international relations, unjustifiably prohibits or restricts the citizens, legal persons or other organizations of China from engaging in normal economic, trade and related activities with a third State (or region) or its citizens, legal persons or other organizations. Rising political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our business, prospects, financial condition and results of operations. Furthermore, there have been recent media reports on deliberations within the U. S. government regarding potentially limiting or restricting companies with operations in the PRC from accessing U. S. capital markets. If any such deliberations were to materialize, the resulting legislation may have a material and adverse impact on the stock performance of issuers with operations in the PRC listing in the U. S. It is unclear if this proposed legislation would be enacted. A substantial part of our revenues is derived from the U. S., and we are required to comply with the U. S. laws and regulations. However, we may be affected by future changes in the U. S. export control and other laws and regulations. If we were unable to transfer our parcels to and out of the U. S., our business, results of operations and financial condition would be materially and adversely affected. **Changes in the political and economic policies of the**

**PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.** Our PRC Subsidiaries primarily perform cost functions and internal operational functions. Accordingly, our business, financial condition and results of operations are affected to an extent by economic, political and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC 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, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. While the PRC economy has experienced significant growth in the past decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us. Our financial condition and results of operations could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. In addition, the PRC government has implemented in the past certain measures to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for any of our potential products, and consequently have a material adverse effect on our businesses, financial condition and results of operations. A portion of our business operations is conducted in the PRC as our PRC Subsidiaries primarily perform cost functions and internal operational functions in the PRC and is governed by PRC laws, rules and regulations. Our PRC Subsidiaries are subject to laws, rules and regulations applicable to foreign investment in the PRC. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly enhanced the protections afforded to various forms of foreign investment in the PRC. However, the PRC's legal system is developing, and recently enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in the PRC or may be subject to interpretation by PRC regulatory agencies. In particular, because these laws, rules and regulations are relatively new, and because of the limited number of published decisions and the nonbinding nature of such decisions, and because the PRC laws, rules and regulations sometimes give the relevant regulator discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and mainland China is geographically large and divided into various provinces and municipalities. As such, different policies and rules may have different application and interpretations in different area of mainland China, and it is possible that we may not be aware of our violation of these policies and rules until after the occurrence of the violation. Any administrative and court proceedings in the PRC may result in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have 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 impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business, financial condition and results of operations. **We operate our GigaCloud Marketplace through our Hong Kong Subsidiary. If the PRC government were to extend its oversight into companies in Hong Kong, our Hong Kong Subsidiary may be subject to additional regulations which could have a material effect on our business** operations. We launched our GigaCloud Marketplace under our Hong Kong Subsidiary, GigaCloud Technology (HongKong) Limited (formerly known as Giga Cloud Logistics (Hong Kong) Limited), in 2019. Our PRC Subsidiaries perform cost functions and internal operational functions, but our PRC Subsidiaries do not generate revenue in mainland China, except for the revenue generated from inter- group related party transactions. Accordingly, the laws and regulations of the PRC have an impact on the operational and procurement aspects of our business. Pursuant to the Basic Law of the Hong Kong Special Administrative Region, or the Basic Law, which is a national law of the PRC and the constitutional document for Hong Kong, national laws of the PRC shall not be applied in Hong Kong except for those listed in Annex III of the Basic Law (which shall be confined to laws relating to defense and foreign affairs as well as other matters outside the autonomy of Hong Kong). Whilst the National People's Congress of the PRC, or the NPC, has the power to amend the Basic Law, the Basic Law also expressly provides that no amendment to the Basic Law shall contravene the established basic policies of the PRC regarding Hong Kong. As a result, national laws of the PRC not listed in Annex III of the Basic Law, including the PRC Data Security Law and the Measures for Cybersecurity Review, do not apply to our businesses in Hong Kong, other than those provisions of the PRC laws which apply to activities conducted outside of mainland China. As of the date of this annual report, our Hong Kong Subsidiary has not received any inquiry or notice or any objection from any PRC authority in connection with our operations in Hong Kong. In light of recent statements and regulatory actions by the PRC government related to the PRC's extension of authority into Hong Kong, there is risk that the PRC government may influence our operations in Hong Kong, as our operations in Hong Kong are subject to political and economic influence from the PRC government. Our Hong Kong Subsidiary may be subject to such direct influence from the PRC government in the future due to changes in laws or other unforeseeable reasons. If certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future, were to become applicable to our Hong Kong Subsidiary in the future, the application of such laws and regulations may have a material adverse impact on our business operations in Hong Kong. For example, if the PRC Data Security Law were to apply to our Hong Kong Subsidiary, our Hong Kong Subsidiary may be subject to more data security and privacy obligations imposed by the PRC government, and our Hong Kong Subsidiary may be required to obtain licenses for the operation of our ecommerce platform GigaCloud Marketplace and be subject to regulations restricting or prohibiting foreign ownership. Further, the rules and regulations and the enforcement thereof in China can change quickly. In light of recent statements and regulatory actions by

the PRC government related to the PRC's extension of authority into Hong Kong, there is also risk that the PRC government may influence our operations in mainland China and Hong Kong and that our Hong Kong Subsidiary and PRC Subsidiaries may be subject to such direct influence in the future due to changes in laws or other unforeseeable reasons. Any such actions by the PRC government to exert more oversight and control over offerings that are conducted overseas and / or foreign investment in mainland China- and Hong Kong- based issuers could significantly change our Hong Kong Subsidiary's ability to conduct its business and operate our GigaCloud Marketplace in its current form, which could result in a material change in our operations, significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of our securities to significantly decline or in extreme cases, become worthless. On June 30, 2020, the Standing Committee of the NPC promulgated the Law of the PRC on Safeguarding National Security in Hong Kong. The interpretation of the Law of the PRC on Safeguarding National Security in Hong Kong involves a degree of uncertainty. Recently, the PRC government announced that it would step up supervision of overseas- listed PRC businesses. Under the new measures, the PRC government will enhance regulation of cross- border data transmission and security, crack down on illegal activity in the securities market and punish fraudulent securities issuance, market manipulation and insider trading. The PRC government will also check sources of funding for securities investment and control leverage ratios. The PRC government has also opened a probe into several U. S.- listed technology companies focusing on anti- monopoly, financial technology regulation and more recently, with the passage of the PRC Data Security Law, how companies collect, store, process and transfer personal data. Currently, these laws (other than the Law of the PRC on Safeguarding National Security in Hong Kong) are expected to apply to mainland China domestic businesses, rather than businesses in Hong Kong, which operate under a different set of laws from mainland China. However, there can be no assurance that the government of Hong Kong will not enact similar laws and regulations applicable to companies operating in Hong Kong. GigaCloud Group is a pioneer of global end- to- end B2B ecommerce solutions for large parcel merchandise and our global marketplace seamlessly connects manufacturers, primarily in Asia, with resellers, primarily in the U. S., Asia and Europe. We also operate **warehouses fulfillment centers** in five countries across the U. S., Japan, the U. K., Germany and Canada. Although none of our business activities appears to be within the current targeted areas of concern mentioned above by the PRC government, ~~in light of the recent statements and regulatory actions by the PRC government related to the PRC's extension of authority into Hong Kong~~, there are risks and uncertainties which we cannot foresee for the time being. ~~For example, the government of Hong Kong may enact similar laws and regulations as those in the PRC, which may seek to exert control over offerings conducted overseas by Hong Kong companies. If any or all of the foregoing were to occur, it could lead to a material adverse change in GigaCloud Group's operations and limit or hinder our ability to offer securities to overseas investors or remain listed in the U. S., which could cause the value of our securities to significantly decline or become worthless.~~ If the approval, filing or other administration requirements of the China Securities Regulatory Commission, or the CSRC, ~~the CAC~~, or other PRC governmental authorities are applicable to our offshore securities offerings, we cannot assure you that we will be able to obtain such approvals or complete such filings. In addition, complex regulatory procedures applicable to foreign investors conducting acquisitions in China could make it difficult for us to grow through acquisitions. ~~Recently On August 8, the 2006, six PRC regulatory agencies, including the MOFCOM, the State government announced that it would step up supervision of overseas - listed Owned Assets Supervision and Administration Commission, the State Taxation Administration of PRC, or businesses. Under the SAT new measures, the PRC government will enhance State Administration for Industry and Commerce, currently known as the State Administration for Market Regulation regulation, or the SAMR, the CSRC, and the State Administration of Foreign Exchange cross- border data transmission and security, crack down or the SAFE, jointly adopted the Regulations on illegal activity in Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M & A Rules, which came into effect on September 8, 2006 and were amended on June 22, 2009. The M & A Rules include, among other -- the things, provisions that purport to require that an offshore special purpose vehicle that is controlled by PRC domestic companies or individuals and that has been formed for the purpose of an overseas listing of securities market through acquisitions of PRC domestic companies or assets to obtain the approval of the CSRC prior to the listing and punish fraudulent securities issuance, market manipulation and insider trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the M & A Rules remain unclear, and our offshore offerings may ultimately require approval of the CSRC under the M & A Rules. If the CSRC approval under the M & A Rules is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings under the M & A Rules, or a rescission of such approval if obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities that may materially and adversely affect our business, financial condition, and results of operations.~~ On February 17, 2023, the CSRC promulgated the Trial Measures for Overseas Listing and the Guidelines for Overseas Listing, or the Filing Rules, which became effective on March 31, 2023. According to the Filing Rules, a PRC domestic company that seeks to offer and list securities in overseas markets are required to fulfill the filing and reporting requirements with the CSRC if it meets both of the following criteria: (i) any of the operating revenue, total profits, total assets or net assets of the PRC Subsidiaries accounts for more than 50 % of the corresponding item in its audited consolidated financial statements for the most recent fiscal year; and (ii) the main parts of its operating activities are conducted in mainland China, or the principal operation premises are located in mainland China, or the majority of senior management personnel in charge of its business operations and management are PRC citizens or have habitual residences located in mainland China. While we do not believe we satisfy either of the criteria, the Filing Rules further stipulate that the applicability of the Filing Rules shall be determined on a substance- over- form basis. Given that the Filing Rules were recently promulgated, there are uncertainties as to the implementation and interpretation, and how they will affect our future offerings and other financing activities. Particularly, if we are subject to the Filing Rules, we will be required to submit post- issuance filings with respect to our follow- on offerings, issuance of convertible and exchangeable bonds, and other

equivalent offering activities. In addition, if we are subject to the Filing Rules but fail to complete such filings with the CSRC in a timely manner or at all, our ability to raise capital through future offering or financing activities will be impacted. On December 28, 2021, the CAC, together with other authorities, jointly promulgated the Measures for Cybersecurity Review, which became effective on February 15, 2022 and simultaneously superseded and replaced the cybersecurity review measures that had been in effect since June 2020. According to the Measures for Cybersecurity Review, network platform operators possessing personal information of more than one million users if such operators seek to list on a foreign stock exchange will be subject to the cybersecurity review. In addition, relevant PRC regulatory authorities may initiate cybersecurity review if they determine that an operator's network products or services or data processing activities affect or may affect national security. On November 14, 2021, the CAC published the Draft Network Data Security Regulations for public comments. In accordance with the Draft Network Data Security Regulations, data processors that process "important data" or are listed overseas must conduct an annual data security assessment, either by itself or through a data security service provider, and must submit the assessment report of a given year to the relevant municipal cybersecurity department by the end of January of the following year. As of the date of this annual report, the Draft Network Data Security Regulations have been released for public comment only, and its final provisions and adoption are subject to uncertainties. Given that the Measures for Cybersecurity Review and the Filing Rules were newly adopted, and the Draft Network Data Security Regulations has not been adopted, it remains unclear how these -- the laws and regulations will be interpreted, amended and implemented by the relevant PRC governmental authorities, and there remains uncertain in PRC governmental authorities' regulation of overseas listings in general and whether we are required to obtain any specific regulatory approvals or to fulfill any record-filing requirements. As of the date of this annual report, we have not received any inquiry or notice or any objection from the CSRC, the CAC or any other PRC authorities that have jurisdiction over our operations in mainland China and Hong Kong. However, there remains uncertainty regarding the interpretation and enforcement of those newly enacted PRC laws. These regulations also established additional procedures and requirements that are expected to make merger and acquisition activities in the PRC by foreign investors more time-consuming and complex. For example, the M & A Rules require that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. The approval from the MOFCOM shall be obtained in circumstances where overseas companies legitimately established or controlled by PRC enterprises or residents acquire affiliated domestic companies. Mergers, acquisitions or contractual arrangements must also be notified in advance to the anti-monopoly authority under the PRC State Council when the threshold under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the PRC State Council in August 2008 and amended respectively in September 2018 and January 2024, is triggered. In addition, the security review rules issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In addition, the National Development and Reform Commission, or the NDRC, and the MOFCOM promulgated the Measures for the Security Review of Foreign Investments, which has taken effect on January 18, 2021 and require foreign investors or relevant domestic parties to file a prior report before making a foreign investment if such investment involves, among others, a military-related industry, national defense security or taking control of an enterprise in a key industry that concerns national security; and if a foreign investment will or may affect national security, the relevant party shall report to the standing working office organized by the NDRC and the MOFCOM for the decision of whether to conduct security review. We believe that we, including our PRC Subsidiaries and our Hong Kong Subsidiary, are currently not subject to such record-filing requirements with the NDRC and the MOFCOM under the Measures for the Security Review of Foreign Investments, because we, including our PRC Subsidiaries and our Hong Kong Subsidiary, do not and will not have foreign investments that involve a military-related industry, national defense security or taking control of an enterprise in a key industry that concerns national security. Complying with the requirements of the new regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share. We may be treated as a resident enterprise for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC income tax on our global income. Under the PRC Enterprise Income Tax Law and its implementing rules, enterprises established under the laws of jurisdictions outside of the PRC with "de facto management bodies" located in the PRC may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. "De facto management body" refers to a managing body that exercises substantial and overall management and control over the production and operations, personnel, accounting and assets of an enterprise. The SAT issued the Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, on April 22, 2009, which was most recently amended on December 29, 2017. Circular 82 provides certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled offshore-incorporated enterprise is located in the PRC. Further to Circular 82, on July 27, 2011, the SAT issued the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore-Incorporated Resident Enterprises (Trial Version), or Bulletin 45, which became effective on September 1, 2011 and was most recently revised and became effective on June 15, 2018, to provide more guidance on the implementation of Circular 82. Bulletin 45 clarified certain issues in the areas of resident status determination, post-determination administration and competent tax authorities' procedures. Although Circular 82 and Bulletin 45 only apply to offshore enterprises controlled by PRC enterprises or PRC

enterprise groups, not those controlled by foreign enterprises or individuals, the determining criteria set forth in Circular 82 and Bulletin 45 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 offshore enterprises, regardless of whether they are controlled by PRC enterprises, PRC enterprise groups or PRC or foreign individuals. If we were to be considered a PRC resident enterprise by the PRC tax authorities for PRC tax purposes, we would be subject to PRC enterprise income tax at the rate of 25 % on our global income. In such case, our cash flow may be materially reduced as a result of our global income being taxed under the PRC Enterprise Income Tax Law. We believe that none of our entities outside of the PRC is a PRC resident enterprise for PRC tax purposes. However, 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." Dividends paid to our foreign investors and gains on the sale of our Class A ordinary shares by our foreign investors may become subject to PRC tax. If we are deemed a PRC resident enterprise under the PRC Enterprise Income Tax Law, a number of unfavorable PRC tax considerations could follow. Under the PRC Enterprise Income Tax Law and its implementation regulations issued by the PRC 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 mainland China 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 our Class A ordinary shares by such investors is also subject to PRC tax at a current rate of 10 %, 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 ordinary shares, and any gain realized from the transfer of our Class A ordinary shares, would be treated as income derived from sources within the PRC and would as a result be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to individual investors who are non-PRC residents and any gain realized on the transfer of our Class A ordinary shares by such investors may be subject to PRC tax (which in the case of dividends may be withheld at source) at a rate of 20 %. Any PRC tax liability may be subject to reduction or exemption set forth in applicable tax treaties or under applicable tax arrangements between jurisdictions. However, if we or any of our subsidiaries established outside the PRC are considered a PRC resident enterprise, it is unclear whether holders of our Class A ordinary shares would be able to claim the benefit of income tax treaties or agreements entered into between the PRC and other countries or areas. If dividends paid to our non-PRC investors, or gains from the transfer of our Class A ordinary shares by such investors, are deemed as income derived from sources within the PRC and thus are subject to PRC tax, the value of your investment in our Class A ordinary shares may decline significantly.

~~We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a PRC establishment of a non-PRC company, or immovable properties located in the PRC owned by non-PRC companies. On February 3, 2015, the SAT issued the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or SAT Bulletin 7. In December 2017, Article 13 and Paragraph 2 of Article 8 of SAT Bulletin 7 were abolished. Pursuant to this SAT Bulletin 7 (as amended), an "indirect transfer" of assets, including non-publicly traded equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to SAT Bulletin 7, "PRC taxable assets" include assets attributed to an establishment in the PRC, immovable properties located in the PRC, and equity investments in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, features to be taken into consideration include, without limitation: whether the main value of the equity interest of the relevant offshore enterprise, directly or indirectly, derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consist of direct or indirect investment in the PRC or if its income mainly, directly or indirectly, derives from the PRC; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the shareholder, the business model and organizational structure of the offshore enterprise; information about the payment of due income tax outside the PRC on indirect transfer of PRC taxable assets; the replicability of indirect investment and indirect transfer of taxable assets by direct investment and direct transfer of PRC taxable assets; and the tax treaties or similar arrangements applicable in the PRC for income derived from indirect transfer of taxable assets in the PRC. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25 %. Where the underlying transfer relates to the immovable properties located in the PRC or to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10 % would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. SAT Bulletin 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired from a transaction through a public stock exchange. On October 17, 2017, the SAT promulgated Announcement of the SAT on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Circular 37, which became effective on December 1, 2017 and was most recently amended on June 15, 2018. SAT Circular 37, among other things, simplified procedures of withholding and payment of income tax levied on non-resident enterprises. We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring and sale of the shares in our offshore subsidiaries or investments. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions, and may be subject to withholding obligations if our company is transferee in such transactions~~

~~under SAT Bulletin 7 and SAT Circular 37. For transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC Subsidiaries may be requested to assist in the filing under SAT Bulletin 7 and SAT Circular 37. As a result, we may be required to expend valuable resources to comply with SAT Bulletin 7 and SAT Circular 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these publications, or to establish that our company should not be taxed under these publications, which may have a material adverse effect on our financial condition and results of operations.~~ We, as an offshore holding company, are permitted under PRC laws and regulations to provide funding to our PRC Subsidiaries, which are treated as “foreign-invested enterprises” under PRC laws, through loans or capital contributions. However, loans by us to our PRC Subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE, and capital contributions to our PRC Subsidiaries must be registered with competent governmental authorities in the PRC. The SAFE promulgated the Notice of the SAFE on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises, or Circular 19, effective on June 1, 2015, which was most recently amended on March 23, 2023. According to Circular 19, the flow and use of RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company are regulated such that RMB capital may not be used, whether directly or indirectly, for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans (including third-party advance) or the repayment of bank loans that have been transferred to a third party. Although Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within the PRC, it also reiterates the principle that RMB capital converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether the SAFE will permit such capital to be used for equity investments in the PRC in actual practice. The SAFE promulgated the Notice of the SAFE on Reforming and Regulating the Foreign Exchange Settlement Management Policy of Capital Account, or Circular 16, effective on June 9, 2016 and amended on December 4, 2023, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of Circular 19 and Circular 16 could result in administrative penalties. Circular 19 and Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including any proceeds from our future financing activities, to our PRC Subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in the PRC. On October 23, 2019, the SAFE promulgated the Notice of the SAFE on Further Promoting the Convenience of Cross-border Trade and Investment, or the SAFE Circular 28, as amended on December 4, 2023, which permits non-investment foreign-invested enterprises to use their capital funds to make equity investments in the PRC, with genuine investment projects and in compliance with effective foreign investment restrictions and other applicable laws. However, as the SAFE Circular 28 was issued recently, there are still uncertainties as to its interpretation and implementations in practice. In light of the various requirements imposed by PRC regulations on loans to, and direct investments in, PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or future capital contributions by us to our PRC Subsidiaries. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC Subsidiaries when needed. If we fail to complete such registrations or obtain such approvals, our ability to use foreign currency, including any proceeds we received from our future financing activities, and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business. Any failure to comply with PRC regulations regarding the registration requirements for employee share incentive plans may subject our equity incentive plan participants or us to fines and other legal or administrative sanctions. On February 15, 2012, the SAFE promulgated the Notices of the SAFE on Issues Relating to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in mainland China for a continuous period of not less than one year and participate in any share incentive plan of an overseas publicly listed company are required to register with the SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of share options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in mainland China for a continuous period of not less than one year and have been granted options are subject to these regulations. Failure to complete the SAFE registrations may subject them to fines of up to RMB300,000 for entities and up to RMB50,000 for individuals and may also limit our ability to contribute additional capital to our PRC Subsidiaries and our PRC Subsidiaries’ ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. In addition, the SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in mainland China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC Subsidiaries have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes for 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. PRC regulations relating to offshore investment activities by PRC residents may limit our PRC Subsidiaries’ ability to change their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC laws. On July 4, 2014, the SAFE promulgated the Notice on Issues Relating to Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles, or the SAFE Circular 37. The SAFE Circular 37 requires PRC

residents (including PRC individuals and PRC corporate entities, as well as foreign individuals that are deemed PRC residents for foreign exchange administration purposes) to register with the SAFE or its local branches in connection with their direct or indirect offshore investment activities. The SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as change of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. The SAFE Circular 37 is applicable to our shareholders or beneficial owners who are PRC residents and may be applicable to any offshore acquisitions that we make in the future. According to the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Administration Policies for Direct Investment, promulgated by the SAFE on February 13, 2015 and effective on June 1, 2015, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under the SAFE Circular 37 from June 1, 2015. If our shareholders or beneficial owners who are PRC residents or entities do not complete their registration with the local SAFE branches or qualified local banks, our PRC Subsidiaries may be prohibited from distributing to us its profits and proceeds from any reduction in capital, share transfer or liquidation, and we may be restricted in our ability to contribute additional capital to our PRC Subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions. We may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our shareholders or beneficial owners to comply with SAFE registration requirements. We cannot assure you that all shareholders or beneficial owners of ours who are PRC residents or entities have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by, SAFE regulations. The failure or inability of such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC Subsidiaries, could subject us or the non-complaint shareholders or beneficial owners to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC Subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure. As a result, our business operations and our ability to distribute any future profits to you could be materially and adversely affected. The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and the remittance of currency out of mainland China. Under our current corporate structure, our Cayman Islands holding company may rely on dividend payments from our subsidiaries to fund any cash and financing requirements we may have. The ability of our subsidiaries to pay dividends to us may be restricted by the debt they incur on their own behalf or laws and regulations applicable to them. Our PRC Subsidiaries perform cost functions and internal operational functions and none of our PRC Subsidiaries have issued any dividends or distributions. Although we did not rely on our PRC Subsidiaries to issue dividends or other distributions on equity in the past, in the event that our PRC Subsidiaries were to issue dividends or distribution to us out of mainland China in the future, our PRC Subsidiaries may be subject to the applicable foreign currency control. To date, there have not been any such dividends or other distributions from our PRC Subsidiaries to our subsidiaries located outside of mainland China. In addition, save as disclosed, as of the date of this annual report, none of our subsidiaries have ever issued any dividends or distributions to us or their respective shareholders outside of mainland China. 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 approval of the SAFE by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of the SAFE, cash generated from the operations of our PRC Subsidiaries in mainland China, if any, may be used to pay dividends to our company. However, approval from or registration or filing with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC Subsidiaries, if any, to pay off their respective debt in a currency other than Renminbi owed to entities outside of mainland China, or to make other capital expenditure payments outside of mainland China in a currency other than Renminbi. To the extent cash is generated in our PRC Subsidiaries, and may need to be used to fund operations outside of mainland China, such funds may not be available due to limitations placed by the PRC government. Furthermore, to the extent assets (other than cash) in our business are located in the PRC or held by a PRC entity, the assets may not be available to fund operations or for other use outside of the PRC due to the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer assets by the PRC law. If certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong Subsidiary in the future, and to the extent cash is generated in our Hong Kong Subsidiary, and to the extent assets (other than cash) in our business are located in Hong Kong or held by a Hong Kong entity and may need to be used to fund operations outside of Hong Kong, such funds or assets may not be available due to the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer funds or assets by the PRC law. Furthermore, there can be no assurance that the PRC government will not intervene in or impose restrictions or limitations on GigaCloud Group's ability to transfer or distribute cash within its organization, which could result in an inability or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong and adversely affect its business. Saved as the foregoing limitations imposed by the PRC government as described hereto, there are currently no limitations on our or our subsidiaries' ability to transfer cash to investors. In light of the flood of capital outflows of the PRC in 2016 due to the weakening Renminbi, the PRC government has imposed more restrictive foreign exchange policies and stepped-up scrutiny of major outbound capital movement including overseas direct investment. More restrictions and a substantial vetting process have been put in place by the SAFE to regulate cross-border transactions falling under the capital account. If any of our shareholders regulated by such policies fails to satisfy the applicable overseas direct investment filing or approval requirement timely or at all, it may be subject to penalties from the relevant PRC authorities. The PRC government may at its

discretion further restrict access in the future to foreign currencies for current account transactions. 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. We believe that litigation and negative publicity surrounding companies with operations in the PRC that are listed in the U. S. have negatively impacted stock prices for such companies. Various equity- based research organizations have published reports on companies with operations in the PRC after examining, among other things, their corporate governance practices, related party transactions, sales practices and financial statements that have led to special investigations and stock suspensions on national exchanges. Due to our operations in the PRC, any similar scrutiny of us, regardless of its lack of merit, could result in a diversion of management resources and energy, potential costs to defend ourselves against rumors, decreases and volatility in the trading price of our Class A ordinary shares, and increased director and officer insurance premiums, and could have a material adverse effect upon our business, results of operations and financial condition. The enforcement of the PRC Labor Contract Law, and other labor- related regulations in the PRC may increase our labor costs and limit our flexibility to use labor. Our failure to comply with PRC labor- related laws may expose us to penalties. On June 29, 2007, the Standing Committee of the NPC enacted the PRC Labor Contract Law, which became effective on January 1, 2008 and was amended on December 28, 2012. The PRC Labor Contract Law introduces specific provisions related to fixed- term employment contracts, part- time employment, probation, consultation with labor unions and employee assemblies, employment without a written contract, dismissal of employees, severance, and collective bargaining, which together represent enhanced enforcement of labor laws and regulations. According to the PRC Labor Contract Law, an employer is obliged to sign an unfixed- term labor contract with any employee who has worked for the employer for 10 consecutive years. Further, if an employee requests or agrees to renew a fixed- term labor contract that has already been entered into twice consecutively, the resulting contract must have an unfixed term, with certain exceptions. The employer must pay economic compensation to an employee where a labor contract is terminated or expires in accordance with the PRC Labor Contract Law, except for certain situations that are specifically regulated. As a result, our ability to terminate employees is significantly restricted. In addition, the government has issued various labor- related regulations to further protect the rights of employees. According to the Regulations on Paid Annual Leave of Employees, promulgated by the PRC State Council on December 14, 2007 and effective on January 1, 2008, employees are entitled to annual leave ranging from five to 15 days and are able to be compensated for any untaken annual leave days in the amount of three times their daily salary, subject to certain exceptions. In the event that we decide to change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may also limit our ability to effect those changes in a manner that we believe to be cost- effective. In addition, as the interpretation and implementation of these regulations are still evolving, our employment practices may not be at all times deemed in compliance with the regulations. If we are subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and financial conditions may be adversely affected. Companies operating in the PRC are required to participate in various government- sponsored employee benefit plans, including certain social insurance, housing funds and other welfare- oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time. The requirement to maintain employee benefit plans has not been implemented consistently by local governments in the PRC given the different levels of economic development in different locations. We may not pay social security and housing fund contributions in strict compliance with the relevant PRC regulations for and on behalf of our employees due to differences in local regulations, inconsistent implementation or interpretation by local authorities in the PRC and varying levels of acceptance of the housing fund system by our employees. We may be subject to fines and penalties for any such failure to make payments in accordance with the applicable PRC laws and regulations. We may be required to make up the contributions for these plans as well as to pay late fees and fines. If we are subject to penalties, late fees or fines in relation to any underpaid employee benefits, our financial condition and results of operations may be adversely affected. Our leasehold interests in leased properties have not been registered with the relevant PRC governmental authorities as required by relevant PRC laws. The failure to register leasehold interests may expose us to potential fines. We have not registered any of our lease agreements with the relevant government authorities. According to the Administrative Measures for Commodity Housing Leasing, which was promulgated by the Ministry of Housing and Urban- Rural Development on December 1, 2010 and came into effect on February 1, 2011, we are required to register and file with the relevant government authority executed leases. The failure to register the lease agreements for our leased properties will not affect the validity of these lease agreements, but the competent housing authorities may order us to register the lease agreements in a prescribed period of time and impose a fine ranging from RMB1, 000 to RMB10, 000 for each non- registered lease if we fail to complete the registration within the prescribed timeframe. The ability of U. S. authorities to bring actions for violations of U. S. securities law and regulations against us, our directors or executive officers may be limited. Therefore, you may not be afforded the same protection as provided to investors in the U. S. domestic companies. The SEC, the U. S. Department of Justice, or the DOJ, and other U. S. authorities often have substantial difficulties in bringing and enforcing actions against non- U. S. incorporated companies, such as us, and non- U. S. persons, such as our some of our executive officers in ~~mainland China and~~ Hong Kong. Due to jurisdictional limitations, matters of comity and various other factors, the SEC, the DOJ and other U. S. authorities may be limited in their ability to pursue bad actors, including in instances of fraud, in emerging markets such as the PRC. Some of our executive officers are located in ~~mainland China and~~ Hong Kong. There are legal and other obstacles for U. S. authorities to obtain information needed for investigations or litigation against us or our directors, executive officers or other gatekeepers in case we or any of these individuals engage in fraud or other wrongdoing. In addition, local authorities in the PRC may be constrained in their ability to assist U. S. authorities and overseas investors in connection with legal proceedings. As a result, if we, our directors, executive officers or other gatekeepers commit any securities law violation, fraud or other financial misconduct, the U. S. authorities may not be able to conduct effective investigations or bring and enforce actions against us, our

directors, executive officers or other gatekeepers. Therefore, you may not be able to enjoy the same protection provided by various U. S. authorities as it is provided to investors in the U. S. domestic companies. You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions outside of the U. S., based on U. S. or other foreign laws, against us, our directors or executive officers. Therefore, you may not be able to enjoy the protection of such laws in an effective manner. We are **a-an exempted** company incorporated under the laws of the Cayman Islands and some of our directors and executive officers are located outside of the U. S. As a result, it may not be possible to effect service of process outside of the U. S. upon us, our directors and executive officers, including with respect to matters arising under U. S. federal securities laws or applicable state securities laws. Even if you obtain a judgment against us, such directors or executive officers in a U. S. court, you may not be able to enforce such judgment against us or them outside of the U. S. Therefore, investors may not be able to effectively enjoy the protection offered by the U. S. laws and regulations that are intended to protect public investors. Although our Class A ordinary shares are listed on the Nasdaq, an active trading market for our Class A ordinary shares may never develop or be sustained. The lack of an active market may impair your ability to sell the shares at the time you wish to sell them or at a price that you consider reasonable. An inactive market may also impair our ability to raise capital by selling our Class A ordinary shares and may impair our ability to acquire other businesses or technologies using our Class A ordinary shares as consideration, which, in turn, could materially and adversely affect our business, financial condition and results of operations. The trading price of our Class A ordinary shares is likely to be volatile. The stock market in general and the market for shares of ecommerce solutions companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell our Class A ordinary shares at or above the price they acquired our shares. The market price for our Class A ordinary shares may be influenced by those factors discussed in this “Item 1A. Risk Factors” section and many others, including: • regulatory developments in the U. S., the PRC and foreign countries; • innovations or new products or solution offerings developed by us or our competitors; • announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments; • supply or distribution delays or shortages; • any changes to our relationships with any third- party ecommerce platforms, sellers and buyers or other strategic partners; • achievement of expected product sales and profitability; • variations in our financial results or those of companies that are perceived to be similar to us; • market conditions in the large parcel merchandise and ecommerce solutions market and issuance of securities analysts’ reports or recommendations; • trading volume of our Class A ordinary shares; • an inability to obtain additional funding; • sales of our securities by insiders and shareholders; • general economic, industry and market conditions and other events or factors, many of which are beyond our control; • additions or departures of key personnel; • the impact of the COVID- 19 pandemic or other pandemics or epidemics; • reputational damage by short- seller reports; and • intellectual property, product liability or other litigation against us. In addition, in the past, shareholders of public companies have initiated class action lawsuits against those companies following periods of volatility in the market prices of those companies’ shares. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management’ s attention and resources, which could have a material adverse effect on our business, financial condition and results of operations. Our failure to meet the continued listing requirements of the Nasdaq could result in a delisting of our Class A ordinary shares. Our Class A ordinary shares are currently listed on the Nasdaq Global Market. If we fail to satisfy the continued listing requirements of the Nasdaq, such as the corporate governance requirements or the minimum closing bid price requirement, the Nasdaq Global Market may take steps to delist our Class A ordinary shares. Such a delisting would likely have a negative effect on the price of our Class A ordinary shares and would impair your ability to sell or purchase our Class A ordinary shares when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our Class A ordinary shares to become listed again, stabilize the market price or improve the liquidity of our Class A ordinary shares, prevent our Class A ordinary shares from dropping below the Nasdaq minimum bid price requirement or prevent future non- compliance with the Nasdaq’ s listing requirements. We may allocate the net proceeds from any of our future offshore offerings in ways that you may not approve. Our management will have broad discretion in the application of the net proceeds from any of our future offerings. Because of the number and variability of factors that will determine our use of the net proceeds from our offshore offerings, their ultimate use may vary substantially from their currently intended use. Our management might not apply the net proceeds in ways that ultimately increase the value of your investment, and the failure by our management to apply these funds effectively could harm our business. Pending their use, we may plan to invest the net proceeds in investments that may not yield a favorable return to our shareholders. If we do not invest or apply the net proceeds in ways that enhance the shareholder value, we may fail to achieve expected results, which could cause the price of our Class A ordinary shares to decline. Our executive officers, directors and principal shareholders, if they choose to act together, will continue to have the ability to control or significantly influence all matters submitted to shareholders for approval. Furthermore, many of our current directors were appointed by our principal shareholders. As of December 31, ~~2023~~ **2024**, our executive officers, directors and greater than 5 % shareholders, in the aggregate, ~~will~~ **own-owned** approximately ~~43.28~~ **43.28** ~~07~~ **07** % of our total issued and outstanding ordinary shares, or ~~81.74~~ **46** % of the total voting power. As a result, such persons or their appointees to our board of directors, acting together, ~~will~~ **would** have the ability to control or significantly influence all matters submitted to our board of directors or shareholders for approval, including the appointment of our management, the election and removal of directors and approval of any significant transaction, as well as our management and business affairs. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other shareholders. We do not currently intend to pay dividends on our securities, and, consequently, your ability to achieve a return on your investment will depend on appreciation, if any, in the price of our Class A ordinary shares. We have never declared or paid any cash dividends on our ordinary shares. We currently anticipate that we will

retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, the terms of any future debt agreements may preclude us from paying dividends. Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, as a Cayman Islands company we may pay a dividend out of either our profit or the share premium account of our company, provided that in no circumstances may we pay a dividend if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. 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 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 Class A ordinary shares will depend on any future price appreciation of our Class A ordinary shares. There is no guarantee that our Class A ordinary shares will appreciate in value or even maintain the price at which you purchased our Class A ordinary shares. You may not realize a return on your investment in our Class A ordinary shares and you may even lose your entire investment in our Class A ordinary shares. Sales of a substantial number of our Class A ordinary shares by our existing shareholders in the public market could cause the price of our Class A ordinary shares to fall. Sales of a substantial number of our Class A ordinary shares in the public market or the perception that these sales might occur could significantly reduce the market price of our Class A ordinary shares and impair our ability to raise adequate capital through the sale of additional equity securities. As of December 31, 2023-2024, we had 40, 781-346, 880-077 issued and outstanding ordinary shares, comprised of 31-32, 455-269, 148-345 Class A ordinary shares (which had excluded an aggregate of 68-44, 283-657 Class A ordinary shares issued and reserved for future allocation upon exercise or vesting of awards granted under our share incentive plans, and 215-564, 201-733 Class A ordinary shares repurchased under our share repurchased program but not yet cancelled) and 9-8, 326-076, 732 Class B ordinary shares. 3, 381, 000 Class A ordinary shares of these issued and outstanding shares were issued at our initial public offering and are freely tradable, without restriction, in the public market. Additional shares, including the shares held by directors, executive officers and other affiliates which will be subject to volume limitations under Rule 144 under the Securities Act, are eligible for sale in the public market. In addition, additional ordinary shares that are either subject to outstanding options or reserved for future issuance under our employee benefit plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules and Rule 144 and Rule 701 under the Securities Act. If these additional ordinary shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our Class A ordinary shares could decline. Certain holders of our ordinary shares will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to vesting. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares held by affiliates, as defined in Rule 144 under the Securities Act. Any sales of securities by these shareholders could have a material adverse effect on the trading price of our Class A ordinary shares.

**As a public company we incur significant legal, accounting, and other expenses.** We are **subject to reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, the rules subsequently implemented by the SEC, the rules an-and emerging growth company, regulations of the listing standards of The Nasdaq Stock Market LLC (“ Nasdaq ”) and the other reduced-applicable securities rules and regulations.** Stockholder activism, the current political and social environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which will likely result in additional compliance costs requirements applicable to emerging growth companies may make our Class A ordinary shares less attractive to investors. We are an-and could impact the manner emerging growth company, as defined in which we operate our business in ways we cannot currently anticipate. Compliance with the these JOBS-rules and regulations may strain our financial and management systems, internal controls, and employees. The Exchange Act requires, and may remain among other things, that we file annual, quarterly, an-and current reports with respect to emerging growth company until the last day of the fiscal year following the fifth anniversary of the completion of our initial public offering. However, if certain events occur-- our prior to-business and operating results. Moreover, the Sarbanes end-of such five- year period-Oxley Act of 2002 requires, including if among other things, that we maintain effective become a “ large accelerated filer,” our annual gross revenues exceed \$ 1. 235 billion or we issue more than \$ 1. 0 billion of non-convertible debt in any three- year period, we will cease to be an emerging growth company prior to the end of such five- year period. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure controls and procedures, and requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include: • not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting ; •. In order to maintain and, if required, improve our disclosure controls and procedures, and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. If we encounter material weaknesses or deficiencies in our internal control over financial reporting, we may not being required- detect errors on a timely basis and our consolidated financial statements may be materially misstated. Effective internal control is necessary for us to comply produce reliable financial reports and is important to prevent fraud. We have incurred and expect to continue to incur significant expenses and devote substantial management effort toward ensuring compliance with any the annual auditor attestation requirement requirements of Section 404 of that may be adopted by the PCAOB regarding mandatory audit firm rotation or Sarbanes- Oxley Act of 2002. As a supplement to-result of the auditor-complexity involved in complying with the rules and regulations applicable to public companies, our management ’ s report providing additional information about-attention may be diverted from the other audit-business concerns, which could harm our business, operating results, and the financial condition statements; • reduced disclosure obligations regarding executive compensation;

and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We have taken advantage of reduced reporting burdens. **Although** in particular, in this annual report, we have **already hired** not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our Class A ordinary shares less attractive if we rely on these exemptions. If some investors find our Class A ordinary shares less attractive as a result, there may be a less active trading market for our Class A ordinary shares and the trading price of our Class A ordinary shares may be reduced or more volatile. In addition **additional employees to assist us in**, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these **requirements** accounting standards until they would otherwise apply to private companies. In July 2023, **our finance team is small and** we announced that, **may need to hire more employees** in accordance with the **future** definition of “foreign private issuer” in Rule 405 under the United States Securities Act of 1933, as amended, or **engage outside consultants** the Securities Act, and Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended, or the Exchange Act, which require a foreign company to determine its status as a foreign private issuer on an annual basis, as of the end of its second fiscal quarter, we determined that we ceased to qualify as a “foreign private issuer” as of June 30, 2023, being the last business day of our most recently completed second fiscal quarter. Once an issuer fails to qualify for foreign private issuer status it will **increase** remain unqualified unless it meets the requirements for foreign private issuer status as of the last business day of its second fiscal quarter. Accordingly, we are not able to use the forms and rules designated for foreign private issuers after December 31, 2023, being the final day of our **operating** current fiscal year. Starting on January 1, 2024, we are subject to the same reporting and disclosure requirements applicable to domestic U. S. companies, and we will be required to file periodic reports and financial statements prepared in accordance with U. S. GAAP, with the SEC on Form 10-K and Form 10-Q, as applicable, as well as filing current reports on Form 8-K, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U. S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the Nasdaq Stock Market Listing Rules. As a U. S.-listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer, and accounting, reporting and other expenses in order to maintain a listing on a U. S. securities exchange. Our Class A ordinary shares may be prohibited from trading in the U. S. under the HFCAA in the future, if the PCAOB is unable to inspect or investigate auditors located in China completely. The delisting of our Class A ordinary shares, or the threat of their being delisted, may materially and adversely affect the value of your investment. Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the U. S. and a firm registered with the PCAOB, is subject to laws in the U. S. pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Our auditor is located in China, a jurisdiction where the PCAOB was unable to conduct inspections and investigations completely without the approval of the Chinese authorities prior to 2022. The HFCAA was enacted on December 18, 2020. The HFCAA provides that if the SEC determines that an issuer has filed audit reports issued by a registered public accounting firm that has not been able to be subject to inspection by the PCAOB, the issuer shall be identified as a “Commission-identified Issuer,” and upon two consecutive years of non-inspection under the HFCAA, the SEC shall prohibit its securities from being traded on a national securities exchange or in the over the counter trading market in the U. S. On September 22, 2021, the PCAOB adopted a final rule implementing the HFCAA, which provides a framework for the PCAOB to use when determining, as contemplated under the HFCAA, whether the PCAOB is unable to inspect or investigate registered public accounting firms located in a foreign jurisdiction completely because of a position taken by one or more authorities in that jurisdiction. On December 16, 2021, the PCAOB issued a report on its determinations that the PCAOB was unable to inspect or investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely, because of positions taken by PRC authorities in these jurisdictions. The PCAOB included in its report a list of registered public accounting firms headquartered in mainland China and Hong Kong that the PCAOB was unable to inspect or investigate completely, including our auditor. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it was unable to inspect or investigate registered public accounting firms completely. Each year, the PCAOB will determine whether it can inspect and investigate audit firms completely in mainland China and Hong Kong, among other jurisdictions. Whether the PCAOB will continue to be able to conduct inspections of PCAOB-registered public accounting firms headquartered in China is subject to uncertainty and depends on a number of factors out of our and our auditor’s control. If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms in mainland China and Hong Kong completely and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 10-K for the relevant fiscal year. Given that we have operations in the U. S., we may in the future maintain our accounting books and records in the U. S., and if required by the HFCAA, the PCAOB or the SEC, we shall in the future, but shall in no event later than after being identified as a Commission-Identified Issuer for two consecutive years, change our auditor to an independent registered public accounting firm located in the U. S. subject to the PCAOB’s inspection in order to maintain the listing of our Class A ordinary shares. We may incur additional costs in connection with such change and we cannot assure you that we can do so in a timely manner, if at all. If we fail to implement measures to comply with the HFCAA and the uncertainty surrounding the possible new rule and regulations regarding the implementation of the HFCAA remains, such uncertainty could cause the market price of our Class A ordinary shares to be materially and adversely affected, and our securities could be delisted or prohibited from being traded “over-the-counter” in

the United States if we are identified as a Commission- Identified Issuer for two consecutive years in the future. If our shares are prohibited from trading in the United States, there is no certainty that we will be able to list on a non- U. S. exchange or that a market for our shares will develop outside of the United States. If our securities are unable to be listed on another securities exchange by then, such a delisting would substantially impair your ability to sell or purchase our Class A ordinary shares when you wish to do so, and the risk and uncertainty associated with a potential delisting would have a negative impact on the price of our Class A ordinary shares. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition and prospects. Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the U. S. and a firm registered with the PCAOB, is subject to laws in the U. S. pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Our auditor is located in China, a jurisdiction where the PCAOB was unable to conduct inspections and investigations completely without the approval of the Chinese authorities before 2022. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of the audit procedures or quality control procedures of the independent registered public accounting firms in China as compared to auditors outside of China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it was unable to inspect or investigate registered public accounting firms completely. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms in mainland China and Hong Kong completely, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we and investors in our shares would be deprived of the benefits of such PCAOB inspections, which could cause investors and potential investors in the shares to lose confidence in our audit procedures and reported financial information and the quality of our financial statements. This annual report may contain certain industry data and information that were obtained from third- party sources and were not independently verified by us. This annual report may contain certain industry data and information from third- party sources. We have not independently verified all of such data and information contained in such third- party publications and reports. Data and information in such third- party publications and reports may use third- party methodologies, which may differ from the data collection methods used by us. In addition, these industry publications and reports generally indicate that the information is believed to be reliable, but do not guarantee the accuracy and completeness of such information. Statistical data in these publications also include projections based on a number of assumptions. The ecommerce industry, particularly for large parcel merchandise, may not grow at the rates projected by market data, or at all. If any of the assumptions underlying the market data is later found to be incorrect, actual results may differ from the projections based on these assumptions. Material slowdown of the ecommerce industry against the projected rates may materially and adversely affect our business and the market price of our ordinary shares. The requirements of being a U. S. public company may strain our resources, result in more litigation and divert management’ s attention. As a U. S. public company, we are subject to various reporting requirements of the Exchange Act, the Sarbanes- Oxley Act of 2002, the Dodd- Frank Wall Street Reform and Consumer Protection Act, or the Dodd- Frank Act, the listing requirements of the Nasdaq and other applicable securities rules and regulations. Complying with these rules and regulations has increased and will increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and resources, particularly after we are no longer an “ emerging growth company. ” In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for U. S. public companies, increasing legal and financial compliance costs and making some activities more time- consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Further, being a U. S. public company and a Cayman Islands company will have an impact on disclosure of information and require compliance with two sets of applicable rules. This could result in uncertainty regarding compliance matters and higher costs necessitated by legal analysis of dual legal regimes, ongoing revisions to disclosure and adherence to heightened governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management’ s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected. These new rules and regulations may make it more expensive for us to obtain director and officer liability insurance and, in the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers. By disclosing information in this annual report and in future filings required of a U. S. public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If those claims are successful, our business could be seriously harmed. Even if the claims do not result in litigation or are resolved in our favor, the time and resources needed to resolve them could divert our management’ s resources and seriously harm our business. If securities or industry analysts do not publish research or reports or publish unfavorable research or reports about our business, the price and trading volume of our Class A ordinary shares could decline. The trading market for our Class A ordinary shares will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If one or more of the analysts who covers us downgrades our Class A ordinary shares, the trading price of our Class A ordinary shares would likely decline. If one or more of these analysts ceases to cover us or fails to regularly publish

reports on us, interest in our Class A ordinary shares could decrease, which could cause the price or trading volume of our Class A ordinary shares to decline. Fluctuations in currency exchange rates ~~may have~~ **could harm our operating results and financial condition. Revenue generated and expenses incurred from our international operations are often denominated in the currencies of the local countries, including Japanese yen and Euro. Accordingly, changes in the value of foreign currencies relative to the U. S. dollar can affect our revenue and operating results reflected in our U. S. dollar-denominated financial statements. Our financial results are also subject to changes in exchange rates that impact the settlement of transactions in non- functional currencies. As** a material adverse effect on ~~result, it could be more difficult to detect underlying trends in our business and operating~~ results of operations and the value of your investment. ~~To~~ 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. There is no guarantee that the Renminbi will not appreciate or depreciate significantly in value against the U. S. dollar in the future. It is difficult to predict how market forces, PRC and U. S. government's policies and regulations may impact the exchange rate between the Renminbi and the U. S. dollar in the future. Significant revaluation of the Renminbi may have a material adverse effect on your investment. For example, to the extent that **fluctuations in currency exchange rates cause** we need to convert U. S. dollars into Renminbi for our operations ~~operating results to differ~~; appreciation of the Renminbi against the U. S. dollar would have an adverse effect on the Renminbi amount we would receive from ~~expectations~~ the conversion. Conversely, if we decide to convert our Renminbi into U. S. dollars for the purpose of making payments for dividends on ~~investors, the market price of our Class A ordinary shares or for other business purposes,~~ appreciation of the U. S. dollar against the Renminbi would ~~could be adversely impacted~~ have a negative effect on the U. S. dollar amount available to ~~time~~ us. In addition, appreciation or depreciation ~~we may engage in~~ **currency** the value of the Renminbi relative to U. S. dollars would affect our financial results reported in U. S. dollar terms regardless of any underlying change in our business or results of operations. Very limited hedging **activities** options are available in the PRC to reduce our exposure to **limit the risk of foreign currency** exchange rate fluctuations. To date, ~~the extent~~ we ~~use~~ have not entered into any hedging **instruments** transactions in an effort to ~~hedge~~ reduce our exposure to **fluctuations in** foreign currency exchange **rates, the use of such** risk. While we may decide to enter into hedging **instruments** transactions in the future, the availability and effectiveness of these hedges may be limited and we may not **offset any** be able to adequately hedge our ~~or more~~ exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that **than a portion** restrict our ability to convert Renminbi into foreign currency. Furthermore, the results of operations ~~the adverse financial effects of unfavorable movements in~~, and certain of our intercompany balances associated with, our international subsidiaries are exposed to foreign exchange rate ~~rates over~~ fluctuations. Our entities incorporated in Japan, Germany, the United Kingdom and other ~~the limited time~~ jurisdictions generally use their ~~the hedges~~ respective local currencies as their functional currencies. Revenues, expenses, gains and losses are **in place, and may introduce additional risks if translated into U. S. dollars using the periodic average exchange rates. As we plan** ~~are unable to structure effective hedges with such instruments~~ expand our operations, our exposure to exchange rate fluctuations may be increased. When the U. S. dollar strengthens compared to these currencies, revenues, expenses, gains and losses when translated, may be materially less than ~~expected and vice versa~~. Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings, and you may not receive distributions with respect to the underlying ordinary shares 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 U. S. unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. 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. Moreover, we may not be able to establish an 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. We may be classified as a passive foreign investment company, which could result in adverse U. S. federal income tax **considerations consequences** to United States Holders of our ordinary shares. In general, a non- U. S. corporation is a passive foreign investment company, or PFIC, for U. S. federal income tax purposes for any taxable year in which (i) 50 % or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income, or (ii) 75 % or more of its gross income consists of passive income. For purposes of the above calculations, a non- U. S. corporation that owns, directly or indirectly, at least 25 % by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, certain gains, rents and royalties (other than certain rents and royalties derived in the active conduct of a trade or business). Cash is generally a passive asset for these purposes. Goodwill is generally characterized as an active asset to the extent it is associated with business activities that produce active income. Based on the manner in which we currently operate our business, the current and expected composition of our income and assets and the expected value of our assets (including the value of our goodwill), we believe we were not a PFIC for our taxable year ended December 31, ~~2023-2024~~, and we do not expect to be a PFIC for our current taxable year. However, our PFIC status for any taxable year is an annual determination that can be made only after the end of that year and will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in large part, by reference to the market price of our Class A ordinary shares, which could be volatile), and we may be or become a PFIC if our market capitalization declines. Accordingly, there can be no assurance that we will not be a PFIC for our current or any future taxable year. If we were a PFIC for any taxable year during which a United States Holder (as defined in "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Taxation — Material U. S. Federal Income Tax Considerations") held ordinary shares, the United States Holder generally would be subject to adverse U. S. federal income tax **considerations consequences**, including increased tax liability on

disposition gains and additional reporting requirements. See “ Item 5. Market for Registrant’ s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Taxation — Material U. S. Federal Income Tax Considerations — Passive Foreign Investment Company. ” If a United States person is treated as owning at least 10 % of our ordinary shares, such holder could be subject to adverse U. S. federal income tax ~~considerations~~ **consequences**. If a United States Holder is treated as owning, directly, indirectly or constructively, at least 10 % of the value or voting power of our ordinary shares, such United States Holder may be treated as a “ United States shareholder ” with respect to each “ controlled foreign corporation ” in our group, if any. We believe we were a controlled foreign corporation in ~~2023~~ **2024** and may continue to be a controlled foreign corporation in the future. In addition, because our group includes one or more U. S. subsidiaries, certain of our non- U. S. subsidiaries could be treated as controlled foreign corporations, regardless of whether we are treated as a controlled foreign corporation. A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U. S. taxable income its pro rata share of “ Subpart F income, ” “ global intangible low- taxed income ” and investments in U. S. property by controlled foreign corporations, regardless of whether we make any distributions. Failure to comply with these reporting obligations may subject a United States shareholder to significant monetary penalties and may prevent the statute of limitations with respect to such shareholder’ s U. S. federal income tax return for the year for which reporting was due from starting. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U. S. corporation. We cannot provide any assurances that we will assist our investors in determining whether any of our non- U. S. subsidiaries is treated as a controlled foreign corporation or whether any such investor is treated as a United States shareholder with respect to any such controlled foreign corporation. Further, we cannot provide any assurances that we will furnish to any United States Holder information that may be necessary to comply with the reporting and tax paying obligations described in this risk factor. United States Holders should consult their tax advisors regarding the potential application of these rules to their investment in our Class A ordinary shares. We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our amended and restated memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in some jurisdictions in the U. S. In particular, the Cayman Islands has a less developed body of securities laws than the U. S. Some U. S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the U. S. Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association and any special resolutions passed by such companies, and the registers of mortgages and charges of such companies) or to obtain copies of ~~lists~~ **register** ~~of shareholders~~ **members** of these companies. Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies. Our directors have discretion under our amended and restated articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest. As a result of all of the above, our public shareholders may have more difficulties in protecting their interests in the face of actions taken by management or members of our board of directors than they would as public shareholders of a company incorporated in the U. S. ~~We have identified two material weaknesses in our internal control over financial reporting. If our remediation of the material weaknesses is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely consolidated financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our Class A ordinary shares may decline. Pursuant to Section 404 of Sarbanes- Oxley Act of 2002, our management is required to report upon the effectiveness of our internal control over financial reporting beginning with the annual report for our fiscal year ending December 31, 2023. When we lose our status as an and “ emerging growth company ” and reach an accelerated filer threshold, our independent registered public accounting firm is will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we will may need to upgrade our information technology systems, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. If we or, if required, our auditor is unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in our financial reporting and the trading price of our Class A ordinary shares may decline. We and our independent registered public accounting firm identified two material weaknesses in our internal control over financial reporting as of December 31, 2023. The material weaknesses identified relate to (i) our lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U. S. GAAP and the SEC reporting requirements to formalize, design, implement and operate key controls over financial reporting process to address complex U. S. GAAP accounting issues and related disclosures in accordance with U. S. GAAP and financial reporting requirements set forth by the SEC, which could result in misstatements in relevant financial statement accounts and disclosures, and (ii) the design and~~

implementation of our internal control over the independent review of journal entries due to the absence of formalized accounting policies and procedures, as well as inappropriate segregation of duties specific to the preparation and review of journal entries, which could result in misstatements not being timely prevented or detected, with potentially impact on all financial statement accounts and disclosures. Our independent registered public accounting firm has not undertaken a comprehensive assessment of our internal control under the Sarbanes-Oxley Act of 2002 for purposes of identifying and reporting any weakness in our internal control over financial reporting. Had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional material weaknesses or control deficiencies may have been identified. We are working to remediate the material weaknesses and are taking steps to strengthen our internal control over financial reporting through the development and implementation of processes and controls over the financial reporting process. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operation — Internal Control Over Financial Reporting.” However, we cannot assure you that these measures will significantly improve or remediate the material weakness described above. We cannot assure you that there will not be additional material weaknesses or any significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting once that firm begin its reviews under Section 404 of the Sarbanes-Oxley Act of 2002, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our Class A ordinary shares could decline, and we could be subject to sanctions or investigations by the Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. Our amended and restated memorandum and articles of association contain anti-takeover provisions that could discourage a third party from acquiring us, which could limit our shareholders’ opportunity to sell their shares at a premium. Our currently effective memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our Class A ordinary shares may fall and the voting and other rights of the holders of our ordinary shares may be materially and adversely affected. Our amended and restated memorandum and articles of association provide that the courts of the Cayman Islands and the U. S. District Court for the Southern District of New York (or, if the U. S. District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) will be the exclusive forums for substantially all disputes between us and our shareholders, which could limit our shareholders’ ability to obtain a favorable judicial forum for complaints against us or our directors, officers or employees. Our amended and restated memorandum and articles of association provide that, (i) unless we consent in writing to the selection of an alternative forum, the U. S. District Court for the Southern District of New York (or, if the U. S. District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) shall be the exclusive forum within the United States for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, regardless of whether such legal suit, action, or proceeding also involves parties other than our company, and (ii) the courts of the Cayman Islands shall be the sole and exclusive forum for: • any derivative action or proceeding brought on behalf of our company; • any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to our company or our shareholders; • any action asserting a claim under any provision of the Companies Act of the Cayman Islands or our memorandum and articles of association; or • any action asserting a claim against our company which if brought in the U. S. would be a claim arising under the internal affairs doctrine (as such concept is recognized under the laws of the U. S.). These exclusive-forum provisions may increase a shareholder’s cost and limit the shareholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. Any person or entity purchasing or otherwise acquiring any of our shares or other security, whether by transfer, sale, operation of law or otherwise, shall be deemed to have notice of and have irrevocably agreed and consented to these provisions. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies’ charter documents has been challenged in legal proceedings. It is possible that a court could find this type of provisions to be inapplicable or unenforceable, and if a court were to find this provision in our amended and restated memorandum and articles of association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could have an adverse effect on our business and financial performance. Securities class action litigation could harm our business. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. See “66 — Risks Related to Our Business and Industry — We are subject to legal and regulatory proceedings from time to time in the ordinary course of our business. ” 67 Securities class action litigation could result in substantial costs and a diversion of management’s attention and resources, which could harm our business. For details about

the Southern District of New York Litigation Matter, see “ Items 3. Legal Proceedings. ” Our authorized and issued ordinary shares divide into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to ten votes per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Holders of Class B ordinary shares will have the ability to control matters requiring shareholders’ approval, including any amendment of our memorandum and articles of association and approval over any change of control transactions. See the paragraph here below for more details. Any conversions of Class B ordinary shares into Class A ordinary shares may dilute the percentage ownership of the existing holders of Class A ordinary shares within their class of ordinary shares. Mr. Larry Lei Wu, our chairman of board of directors and chief executive officer, beneficially owns all of our Class B ordinary shares. As of December 31, ~~2023~~ **2024**, these Class B ordinary shares ~~constitutes~~ **constituted** approximately ~~22.20~~ **9.0** % of our total issued and outstanding share capital and ~~74.71~~ **8.5** % of the aggregate voting power of our total issued and outstanding share capital due to the disparate voting powers associated with our dual- class share structure. As a result of the dual- class share structure and the concentration of ownership, holders of Class B ordinary shares have considerable influence over matters such as decisions regarding mergers and consolidations, election of directors and other significant corporate actions. Such holders may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our Class A ordinary shares. In addition, Mr. Larry Lei Wu, together with certain of his affiliates, have undertaken to our company, among other things, that, for a period of five years after the closing of our initial public offering, without the prior written consent of our board of directors and at least a majority of the independent directors, he and his affiliates will not agree to, approve, support, vote (in favor of or against), or otherwise cause our company to agree to, enter into or consummate, a privatization transaction, as defined in the Founder Undertaking Agreement entered into among our founder, GigaCloud Technology Inc and other parties thereto dated July 6, 2022, unless the consideration per Class A ordinary share payable to shareholders of the Class A ordinary shares in connection with such privatization transaction is at least equal to the price per Class A ordinary share initially offered to the public in our initial public offering (subject to appropriate adjustment in the event of any share dividend, share subdivision, consolidation or other similar recapitalization with respect to the Class A ordinary shares). This concentrated control will limit investors’ 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 ordinary shares may view as beneficial. Certain shareholder advisory firms have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S & P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5 % of total voting power from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual- class structure of our ordinary shares may prevent the inclusion of our Class A ordinary shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A ordinary shares. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A ordinary shares. We are a “ controlled company ” within the meaning of the Nasdaq Stock Market Listing Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies. We are a “ controlled company ” as defined under the Nasdaq Stock Market Listing Rules because Mr. Larry Lei Wu, our chairman of board of directors and chief executive officer, holds more than 50 % of our total voting power for the election of directors through ~~TALENT BOOM GROUP LIMITED~~ and Ji Xiang Hu Tong Holdings Limited, ~~the entities~~ **an entity** controlled by Mr. Wu. For so long as we remain a “ controlled company ” under that definition, we are permitted to elect to rely, and may rely, on certain exemptions from corporate governance rules, including an exemption from the rule that a majority of our board of directors must be independent directors or that we have to establish a nominating committee and a compensation committee composed entirely of independent directors. In the event that we elect to rely on one or more of these exemptions, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. We have in the past and may in the future be subject to short selling strategies that may drive down the market price of our Class A ordinary shares. Short sellers have in the past and may attempt in the future to drive down the market price of our Class A ordinary shares. Short selling is the practice of selling securities that the seller does not own but may have borrowed with the intention of buying identical securities back at a later date. The short seller hopes to profit from a decline in the value of the securities between the time the securities are borrowed and the time they are replaced. As it is in the short seller’ s best interests for the price of the stock to decline, many short sellers (sometime known as “ disclosed shorts ”) publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects to create negative market momentum. Although traditionally these disclosed shorts were limited in their ability to access mainstream business media or to otherwise create negative market rumors, the rise of the Internet and technological advancements regarding document creation, videotaping and publication by weblog (“ blogging ”) have allowed many disclosed shorts to publicly attack a company’ s credibility, strategy and veracity by means of so- called “ research reports ” that mimic the type of investment analysis performed by large Wall Street firms and independent research analysts. These short attacks have, in the past, led to selling of shares in the market. Further, these short seller publications are not regulated by any governmental, self- regulatory organization or other official authority in the U. S. and they are not subject to certification requirements imposed by the SEC. Accordingly, the opinions they express may be based on distortions, omissions or fabrications. Companies that are subject to unfavorable allegations, even if untrue, may have to expend a significant amount of resources to investigate such allegations and / or defend

themselves, including shareholder suits against the company that may be prompted by such allegations. We may in the future be the subject of shareholder suits that we believe were prompted by allegations made by short sellers.