

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the Quarterly Period Ended September 30, 2023

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.  
Commission File Number: **001-35147**

**Moatable, Inc.**

(Exact Name Of Registrant As Specified In Its Charter)

**Cayman Islands**  
(State Or Other Jurisdiction Of  
Incorporation or Organization)  
**45 West Buchanan Street,**  
**Phoenix, Arizona**  
(Address of Principal Executive Offices)

**Not Applicable**  
(IRS Employer Identification No.)

**85003**  
(Zip Code)

**(833) 258-7482**

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depositary shares, each representing 45 Class A ordinary shares	MTBL	The New York Stock Exchange
Class A ordinary shares, par value \$0.001 per share*	MTBL	The New York Stock Exchange

\* Not for trading, but only in connection with the listing on The New York Stock Exchange of American depositary shares.

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

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

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of November 7, 2023, the registrant had 666,705,728 Class A ordinary shares and 170,258,970 Class B ordinary shares outstanding.

**Moatable, Inc.**  
**Form 10-Q**  
**For the Quarterly Period Ended September 30, 2023**

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### **Note About Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include, among other things, statements regarding:

- future financial performance including statements about our revenue, cost of revenues, gross margins, operating expenses, and business strategies;
- predictions regarding the size and growth potential of the markets for our products or our ability to serve those markets;
- ability to retain our customer base, grow the average subscription revenue per customer, or sell additional products and services to the customer base;
- ability to expand our sales organization or research and development activities to adequately serve existing and new target markets ;
- anticipating and addressing the technological or service needs of our customers, to release upgrades to our existing software platforms, maintain adequate IT infrastructure for safeguard of data security, and to develop new and enhanced applications to meet the needs of our customers;
- likelihood of macro-economic events that may impact the ability to operate within certain markets or disrupt the flow of products and services such as pandemics, wars, and deterioration of relations between sovereign entities;
- future regulatory, judicial, and legislative changes or developments in the U.S. and foreign countries, particularly those in which we operate and sell products;
- regulatory changes, business relationships, and operating risks that impact our ability to compete within the industries we serve;
- anticipated investments, including in sales and marketing, research and development, customer service and support, data center infrastructure, and our expectations relating to such investments;
- ability to attract, hire, and retain talent including sales, software development, or management personnel to expand operations;
- accuracy of our estimates regarding expenses, future revenues, gross margins, and needs for additional financing;
- ability to obtain funding for our operations;
- ability to integrate and grow acquired businesses and achieve anticipated results from strategic partnerships;
- anticipated effect on the business of litigation to which we are or may become a party;
- effectiveness of lead generation, branding, and other demand generation strategies to reach our customers and sustain growth;
- our ability to consistently deliver uninterrupted service to our clients;

as well as other statements regarding our future operations, financial condition and prospects, and business strategies. Forward-looking statements may appear throughout this report and other documents we file with the Securities and Exchange Commission (SEC), including without limitation, the following sections: Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q and Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. Forward-looking statements generally can be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will be,” “will continue,” “may,” “could,” “will likely result,” and similar expressions. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-

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looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Quarterly Report on Form 10-Q, and in particular, the risks discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and those discussed in other documents we file with the SEC. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

As used herein, (i) “Moatable,” “the company,” “we,” “us,” “our,” and similar terms include Moatable Inc. and its subsidiaries and, in the context of describing our consolidated financial information, also include the VIE and its subsidiaries, unless the context indicates otherwise; (ii) “ADSs” refers to American depositary shares, each of which represents 45 of our Class A ordinary shares, par value \$0.001 per share; (iii) “Lofty” refers to Lofty, Inc. (formerly known as Chime Technologies, Inc.), our majority-owned subsidiary incorporated in the state of Delaware; (iv) “PRC” and “China” refers to the People's Republic of China, excluding, for purposes of this Quarterly Report on Form 10-Q only, Hong Kong, Macau, and Taiwan; (v) “Qianxiang Shiji” and “WFOE” refers to Qianxiang Shiji Technology Development (Beijing) Co., Ltd., our wholly-owned subsidiary incorporated in China; (vi) “Qianxiang Tiancheng” and “VIE” refers to Beijing Qianxiang Tiancheng Technology Development Co., Ltd., a company incorporated in China; (vii) “Shares” and “ordinary shares” refer to our Class A ordinary shares and Class B ordinary shares, par value \$0.001 per share; (viii) “Trucker Path” refers to Trucker Path, Inc., our majority-owned subsidiary incorporated in the state of Delaware; and (ix) all dollar amounts refer to United States (U.S.) dollars unless otherwise indicated.

“Moatable,” “Lofty,” “Trucker Path,” and other trademarks of ours appearing in this report are our property. We do not intend our use or display of other companies' trade names or trademarks to imply an endorsement or sponsorship of us by such companies, or any relationship with any of these companies.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**MOATABLE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND SEPTEMBER 30, 2023**  
**(In thousands of US dollars, except share data and per share data)**

	As of December 31, 2022 <u>(As Adjusted<sup>1</sup>)</u>	As of September 30, 2023 <u>(Unaudited)</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 27,960	\$ 45,459
Short-term investments	24,004	4,393
Accounts receivable, net	2,054	2,807
Prepaid expenses and other current assets, net	4,152	4,210
Stipulation disbursement receivable	2,630	—
<b>Total current assets</b>	<u>60,800</u>	<u>56,869</u>
<b>Non-current assets</b>		
Property and equipment, net	5,547	6,217
Intangible assets, net	2,425	2,258
Goodwill	547	384
Long-term investments	25,768	19,952
Other non-current assets	569	772
<b>Total non-current assets</b>	<u>34,856</u>	<u>29,583</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 95,656</b></u>	<u><b>\$ 86,452</b></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,570	\$ 1,668
Accrued expenses and other current liabilities	11,720	10,208
Operating lease liabilities - current	301	354
Amounts due to related parties	662	9,795
Deferred revenue	4,323	4,305
Income tax payable	10,366	9,846
<b>Total current liabilities</b>	<u>28,942</u>	<u>36,176</u>
<b>Non-current liabilities</b>		
Operating lease liabilities - non-current	—	221
<b>Total non-current liabilities</b>	<u>—</u>	<u>221</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 28,942</b></u>	<u><b>\$ 36,397</b></u>

<sup>1</sup> See Note 2.

**MOATABLE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS- continued**  
**DECEMBER 31, 2022 AND SEPTEMBER 30, 2023**  
(In thousands of US dollars, except share data and per share data)

	As of December 31, 2022	As of September 30, 2023
	(As Adjusted <sup>1</sup> )	(Unaudited)
<b>Commitments and contingencies</b>	—	—
<b>Shareholders' equity</b>		
Class A ordinary shares, \$0.001 par value, 3,000,000,000 shares authorized; 832,736,562 shares issued and outstanding as of December 31, 2022; 720,042,838 shares issued and 665,077,543 shares outstanding as of September 30, 2023	\$ 833	\$ 720
Class B ordinary shares, \$0.001 par value, 500,000,000 shares authorized, 305,388,450 shares issued and outstanding as of December 31, 2022; 305,388,450 shares issued and 170,258,970 shares outstanding as of September 30, 2023; each Class B ordinary share is convertible into one Class A ordinary share	305	170
Treasury stock	—	(1,953)
Additional paid in capital	779,002	781,773
Accumulated deficit	(697,299)	(714,272)
Statutory reserves	6,712	6,712
Accumulated other comprehensive loss	(8,951)	(8,244)
<b>Total Moatable, Inc. shareholders' equity</b>	<b>80,602</b>	<b>64,906</b>
<b>Non-controlling interest</b>	<b>(13,888)</b>	<b>(14,851)</b>
<b>Total equity</b>	<b>66,714</b>	<b>50,055</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 95,656</b>	<b>\$ 86,452</b>

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

<sup>1</sup> See Note 2

**MOATABLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2023**  
(In thousands of US dollars, except share data and per share data)

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
<b>Revenues:</b>				
SaaS revenue	\$ 11,849	\$ 13,260	\$ 32,964	\$ 38,188
Other services	149	31	340	120
<b>Total revenues</b>	<b>11,998</b>	<b>13,291</b>	<b>33,304</b>	<b>38,308</b>
<b>Cost of revenues:</b>				
SaaS business	2,501	2,782	7,427	8,005
Other services	191	31	226	152
<b>Total cost of revenues</b>	<b>2,692</b>	<b>2,813</b>	<b>7,653</b>	<b>8,157</b>
<b>Gross profit</b>	<b>9,306</b>	<b>10,478</b>	<b>25,651</b>	<b>30,151</b>
<b>Operating expenses</b>				
Selling and marketing	4,828	4,382	14,456	13,917
Research and development	4,274	4,267	11,964	14,080
General and administrative	3,102	2,628	10,663	9,203
<b>Total operating expenses</b>	<b>12,204</b>	<b>11,277</b>	<b>37,083</b>	<b>37,200</b>
<b>Loss from operations</b>	<b>(2,898)</b>	<b>(799)</b>	<b>(11,432)</b>	<b>(7,049)</b>
Other (loss) income, net	(5)	33	1,374	1,228
(Loss) gain from fair value change of a long-term investment	(8,191)	(6,510)	5,172	(5,989)
Impairment of long-term investments	(41,452)	—	(41,452)	—
Interest income, net	32	378	230	1,171
<b>Loss before provision of income tax and loss in equity method investments and noncontrolling interest, net of tax</b>	<b>(52,514)</b>	<b>(6,898)</b>	<b>(46,108)</b>	<b>(10,639)</b>
Income tax expense	—	(192)	—	(192)
<b>Loss before loss in equity method investments and noncontrolling interest, net of tax</b>	<b>(52,514)</b>	<b>(7,090)</b>	<b>(46,108)</b>	<b>(10,831)</b>
Income (loss) in equity method investments, net of tax	43	132	(11,595)	446
<b>Net loss</b>	<b>\$ (52,471)</b>	<b>\$ (6,958)</b>	<b>\$ (57,703)</b>	<b>\$ (10,385)</b>
Net loss attributable to non-controlling interests	(337)	(108)	(896)	(1,094)
<b>Net loss attributable to Moatable Inc.</b>	<b>\$ (52,134)</b>	<b>\$ (6,850)</b>	<b>\$ (56,807)</b>	<b>\$ (9,291)</b>
<b>Net loss per share:</b>				
<b>Net loss per share attributable to Moatable Inc. shareholders:</b>				
Basic	\$ (0.046)	\$ (0.008)	\$ (0.050)	\$ (0.009)
Diluted	(0.046)	(0.008)	(0.050)	(0.009)
<b>Weighted average number of shares used in calculating net loss per share attributable to Moatable Inc. shareholders:</b>				
Basic	1,138,125,012	833,169,272	1,132,545,455	993,755,493
Diluted	1,138,125,012	833,169,272	1,132,545,455	993,755,493

**MOATABLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2023**  
(In thousands of US dollars, except share data and per share data)

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Net loss</b>	<b>\$ (52,471)</b>	<b>\$ (6,958)</b>	<b>\$ (57,703)</b>	<b>\$ (10,385)</b>
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation, net of nil income taxes	900	37	1,319	518
Net unrealized gain (loss) on available-for-sale investments, net of tax of nil for the nine months ended September 30, 2022 and 2023, respectively	—	12	—	(26)
<b>Other comprehensive income</b>	<b>900</b>	<b>49</b>	<b>1,319</b>	<b>492</b>
<b>Comprehensive loss</b>	<b>(51,571)</b>	<b>(6,909)</b>	<b>(56,384)</b>	<b>(9,893)</b>
Less: total comprehensive loss attributable to noncontrolling interest	(521)	(203)	(1,380)	(1,309)
<b>Comprehensive loss attributable to Moatable Inc.</b>	<b>\$ (51,050)</b>	<b>\$ (6,706)</b>	<b>\$ (55,004)</b>	<b>\$ (8,584)</b>

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



**MOATABLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2023**  
(In thousands of US dollars, except share data)

	Class A Ordinary shares		Class B Ordinary shares		Treasury stock		Additional paid-in capital	Accumulated deficit	Statutory reserves	Accumulated other comprehensive income (loss)	Total Moatable Inc.'s equity	Non-controlling interest	Total equity
	Shares	Amount	Shares	Amount	Shares	Amount							
<b>Balance as of December 31, 2021</b>	815,936,577	\$ 816	305,388,450	\$ 305	—	\$ —	\$ 772,207	\$ (620,391)	\$ 6,712	\$ (10,012)	\$ 149,637	\$ (12,625)	\$ 137,012
Stock-based compensation	—	—	—	—	—	—	1,411	—	—	—	1,411	121	1,532
Other comprehensive (loss) income	—	—	—	—	—	—	—	—	—	(79)	(79)	5	(74)
Net loss	—	—	—	—	—	—	—	(3,317)	—	—	(3,317)	(367)	(3,684)
<b>Balance as of March 31, 2022</b>	815,936,577	\$ 816	305,388,450	\$ 305	—	—	773,618	(623,708)	6,712	(10,091)	147,652	(12,866)	134,786
Stock-based compensation	—	—	—	—	—	—	957	—	—	—	957	122	1,079
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	798	798	(305)	493
Net loss	—	—	—	—	—	—	—	(1,356)	—	—	(1,356)	(192)	(1,548)
Exercise of share option and RSUs	16,799,985	17	—	—	—	—	173	—	—	—	190	—	190
<b>Balance as of June 30, 2022</b>	832,736,562	\$ 833	305,388,450	\$ 305	—	—	774,748	(625,064)	6,712	(9,293)	148,241	(13,241)	135,000
Stock-based compensation	—	—	—	—	—	—	792	—	—	—	792	120	912
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	1,084	1,084	(184)	900
Net loss	—	—	—	—	—	—	—	(52,134)	—	—	(52,134)	(337)	(52,471)
<b>Balance as of September 30, 2022</b>	832,736,562	\$ 833	305,388,450	\$ 305	—	—	775,540	(677,198)	6,712	(8,209)	97,983	(13,642)	84,341
<b>Balance as of December 31, 2022 (As Adjusted)</b>	832,736,562	\$ 833	305,388,450	\$ 305	—	—	779,002	(697,299)	\$ 6,712	\$ (8,951)	\$ 80,602	\$ (13,888)	\$ 66,714
Stock-based compensation	—	—	—	—	—	—	644	—	—	—	644	121	765
Repurchase of Class A ordinary shares	—	—	—	—	(30,549,690)	(1,249)	—	—	—	—	(1,249)	—	(1,249)
Unrealized loss on short-term investments	—	—	—	—	—	—	—	—	—	(42)	(42)	—	(42)
Other comprehensive income	—	—	—	—	—	—	—	—	—	127	127	5	132
Reclassification of additional paid-in capital	—	—	—	—	—	—	838	(838)	—	—	—	—	—
Net income (loss)	—	—	—	—	—	—	—	5,970	—	—	5,970	(636)	5,334
Exercise of share options and RSUs	30,645,751	3	—	—	—	—	33	—	—	—	36	—	36
<b>Balance as of March 31, 2023</b>	863,382,313	\$ 836	305,388,450	\$ 305	(30,549,690)	(1,249)	780,517	(692,167)	6,712	(8,866)	86,088	(14,398)	71,690
Stock-based compensation	—	—	—	—	—	—	597	—	—	—	597	116	713
Repurchase of Class A ordinary shares	(152,870,520)	(153)	—	—	(24,415,605)	(704)	—	(3,633)	—	—	(4,490)	—	(4,490)
Repurchase of Class B ordinary shares	—	—	(135,129,480)	(135)	—	—	—	(3,211)	—	—	(3,346)	—	(3,346)
Unrealized gain on short-term investments	—	—	—	—	—	—	—	—	—	4	4	—	4
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	474	474	(125)	349
Net loss	—	—	—	—	—	—	—	(8,411)	—	—	(8,411)	(350)	(8,761)
Exercise of share options and RSUs	5,272,890	33	—	—	—	—	(33)	—	—	—	—	—	—
<b>Balance as of June 30, 2023</b>	715,784,683	\$ 716	170,258,970	\$ 170	(54,965,295)	(1,953)	781,081	(707,422)	6,712	(8,388)	70,916	(14,757)	56,159
Stock-based compensation	—	—	—	—	—	—	692	—	—	—	692	95	787
Unrealized gain on short-term investments	—	—	—	—	—	—	—	—	—	12	12	—	12
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	132	132	(95)	37
Net loss	—	—	—	—	—	—	—	(6,850)	—	—	(6,850)	(108)	(6,958)
Exercise of share options and RSUs	4,258,155	4	—	—	—	—	—	—	—	—	4	—	4
<b>Balance as of September 30, 2023</b>	720,042,838	\$ 720	170,258,970	\$ 170	(54,965,295)	(1,953)	781,773	(714,272)	6,712	(8,244)	64,906	(14,851)	50,055

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

**MOATABLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2023**  
(In thousands of US dollars)

	<b>For the nine months ended September 30,</b>	
	<b>2022</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (57,703)	\$ (10,385)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Share-based compensation expense	3,523	2,265
Loss (income) in equity method investments	11,595	(446)
Amortization of the right-of-use assets	421	391
Depreciation and amortization	173	325
Gain on debt forgiveness	(1,329)	—
Change in tax liabilities	—	(1,291)
Loss from disposal of subsidiaries	—	308
Fair value change on long-term investment	(5,172)	5,989
Provision for doubtful accounts	—	186
Impairment on long-term investment without readily determinable fair values	41,452	—
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(668)	(781)
Prepaid expenses and other current assets	3,165	(234)
Accounts payable	629	92
Amounts due from/to related parties	(46)	(2)
Accrued expenses and other current liabilities	1,046	(802)
Deferred revenue	1,268	(18)
Operating lease liabilities	(505)	(368)
Income tax payable	—	192
Net cash used in operating activities	<u>(2,151)</u>	<u>(4,579)</u>
<b>Cash flows from investing activities:</b>		
Payment for acquisition of subsidiaries, net of cash acquired	(1,164)	—
Redemption of short-term investments	1,000	19,585
Dividend received from equity investment	—	52
Purchases of intangible assets	(2,133)	(96)
Proceeds from disposal of equipment and property	1	1
Purchases of property and refurbishment construction	(5,074)	(927)
Net cash (used in) provided by investing activities	<u>(7,370)</u>	<u>18,615</u>
<b>Cash flows from financing activities:</b>		
Proceeds from exercise of share options	190	40
Ordinary share buyback	—	(9,085)
Dividend received from stipulation settlement	—	2,630
Proceeds from a related party (Note 8)	—	9,179
Repayment of borrowings	(256)	—
Net cash (used in) provide by financing activities	<u>(66)</u>	<u>2,764</u>
Net (decrease) increase in cash and cash equivalents and restricted cash	<u>(9,587)</u>	<u>16,800</u>
Cash and cash equivalents and restricted cash at beginning of period	65,247	27,960
Effect of exchange rate changes	(406)	699
Cash and cash equivalents and restricted cash at end of period	<u>\$ 55,254</u>	<u>\$ 45,459</u>
<b>Supplemental schedule of cash flows information:</b>		
Interest paid	19	—
Income taxes paid	\$ —	\$ —
<b>Schedule of non-cash activities:</b>		
Obtaining right-of-use assets in exchange for operating lease liabilities	<u>\$ 279</u>	<u>\$ 757</u>

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

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**1. ORGANIZATION AND PRINCIPAL ACTIVITIES**

Moatable, Inc. was incorporated in the Cayman Islands. Moatable, Inc., which includes its consolidated subsidiaries, variable interest entity (“VIE”) and VIE’s subsidiaries (collectively referred to as the “Company”), operates two SaaS businesses, Lofty and Trucker Path. Lofty offers an all-in-one real estate sales acceleration and client lifecycle management platform that allows real estate professionals to obtain and nurture leads, close transactions, and retain their clients. Trucker Path provides trip planning, navigation, freight sourcing, and a marketplace that offers truckers goods and services to operate their businesses. The Company’s SaaS businesses generate nearly 100% of their revenue from the U.S. market.

As of September 30, 2023, Moatable, Inc.’s major subsidiaries, VIE and VIE’s subsidiaries are as follows:

<b>Name of Subsidiaries</b>	<b>Later of date of incorporation or acquisition</b>	<b>Place of incorporation</b>	<b>Percentage of legal ownership by Moatable Inc.</b>	<b>Principal activities</b>
<b>Subsidiaries:</b>				
Lofty, Inc. (“Lofty”)	September 7, 2012	Delaware, USA	77.8 %	SaaS business
Trucker Path, Inc. (“Trucker Path”)	December 28, 2017	Delaware, USA	77.8 %	SaaS business
Renren Giantly Philippines Inc.	March, 2018	Philippines	100 %	SaaS business
Qianxiang Shiji Technology Development (Beijing) Co., Ltd. (“Qianxiang Shiji”)	March 21, 2005	PRC	100 %	Investment holding
<b>Variable Interest Entity:</b>				
Beijing Qianxiang Tiancheng Technology Development Co., Ltd. (“Qianxiang Tiancheng”)	October 28, 2002	PRC	N/A	Internet business
<b>Subsidiaries of Variable Interest Entity:</b>				
Beijing Qianxiang Wangjing Technology Development Co., Ltd. (“Qianxiang Wangjing”)	November 11, 2008	PRC	N/A	Internet business
Shandong Jieying Huaqi Automobile Service Co., Ltd (“Shandong Jieying”)	July 20, 2017	PRC	N/A	Internet business

***The VIE arrangements***

PRC regulations limit direct foreign ownership of business entities providing value-added telecommunications services, online advertising services and internet services in the PRC where certain licenses are required for the provision of such services. Although the Company no longer operates businesses requiring the VIE, historically, the Company provided online advertising, Internet value-added services (“IVAS”), and internet finance services through its VIE. Qianxiang Tiancheng, which is referred to as the “VIE”.

Qianxiang Shiji (“WFOE”), the Company’s Wholly Foreign-Owned Enterprise, entered into a series of contractual arrangements, including: (1) Power of Attorney; (2) Business Operation Agreements; (3) Exclusive Equity Option Agreement; (4) Spousal Consent Agreement; (5) Exclusive Technical and Consulting Services Agreement; (6) Intellectual Property Licenses Agreement; (7) Loan Agreements, and (8) Equity Interest Pledge Agreement with the VIE that enable the Company to (1) have power to direct the activities that most significantly affects the economic performance of the VIE, and (2) receive the economic benefits of the VIE that could be significant to the VIE. Accordingly, the WFOE is considered the primary beneficiary of the VIE and has consolidated the VIE’s financial results of operations, assets and liabilities in the Company’s consolidated financial statements. In making the conclusion that the Company is the primary beneficiary of the VIE, the Company believes the Company’s rights under the terms of the exclusive option agreement and power of attorney are substantive as they relate to operating matters, which provide the Company with a substantive kick-right.

More specifically, the Company believes the terms of the contractual agreements are valid, binding, and enforceable under PRC laws and regulations currently in effect. In particular, the Company believes that the minimum amount of consideration permitted by the applicable PRC law to exercise the exclusive option does not represent a financial barrier or disincentive for the Company to exercise its rights under the exclusive option agreement. A simple majority vote of the Company’s board of directors is required to pass a resolution to exercise the Company’s rights under the exclusive option agreement, for which the consent from Mr. Joe Chen, who holds the most voting interests in the Company and is also the Company’s chairman and CEO, is not required. The Company’s rights under the exclusive option agreement give the Company the power to control the shareholders of the VIE and thus the power to direct the activities that most significantly impact the VIE’s economic performance. In addition, the Company’s rights under powers of attorney also reinforce the Company’s abilities to direct the activities that most significantly impact the VIE’s economic performance. The Company also believes that this ability to exercise control ensures that the VIE will continue to execute and renew service agreements

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that benefit the Company, currently largely comprised of Research and Development services to the Company's SaaS businesses. By charging service fees at the sole discretion of the Company, and by ensuring that service agreements are executed and renewed indefinitely, the Company has the right to receive substantially all of the economic benefits from the VIE.

The VIE and its subsidiaries hold the requisite licenses and permits necessary to conduct the Company's business in PRC under the current business arrangements.

The following financial statement balances and amounts of the Company's VIE were included in the accompanying condensed consolidated financial statements after elimination of intercompany balances and transactions between the offshore companies, WFOE, VIE and VIE's subsidiaries. As of December 31, 2022 and September 30, 2023, the balance of the amounts payable by the VIE and its subsidiaries to the WFOE related to the service fees were nil.

	<u>As of December 31,</u> <u>2022</u>		<u>As of September 30,</u> <u>2023</u>	
Total assets	\$ 9,084		\$ 10,458	
Total liabilities	\$ 10,630		\$ 12,211	

  

	<u>For the three months ended September 30,</u> <u>2022</u>		<u>For the three months ended September 30,</u> <u>2023</u>		<u>For the nine months ended September 30,</u> <u>2022</u>		<u>For the nine months ended September 30,</u> <u>2023</u>	
Revenues	\$	40	\$	20	\$	94	\$	76
Net Loss	\$	(4,177)	\$	(4,180)	\$	(10,946)	\$	(10,918)

  

	<u>For the nine months ended September 30,</u> <u>2022</u>		<u>For the nine months ended September 30,</u> <u>2023</u>	
Net cash provided by operating activities	\$ 70		\$ 1,541	
Net cash used in investing activities	\$ —		\$ (58)	
Net cash used in financing activities	\$ —		\$ —	

There are no consolidated VIE assets that are collateral for the VIE obligations and can only be used to settle the VIE obligations. There are no creditors (or beneficial interest holders) of the VIE that have recourse to the general credit of the Company or any of its consolidated subsidiaries. However, if the VIE ever needs financial support, the Company or its subsidiaries may, at its option and subject to statutory limits and restrictions, provide financial support to its VIE through loans to the shareholders of the VIE or entrustment loans to the VIE.

Relevant PRC laws and regulations restrict the VIE from transferring a portion of its net assets, equivalent to the balance of its statutory reserve and its share capital, to the Company in the form of loans and advances or cash dividends.

## 2. REVISION TO PRIOR PERIOD FINANCIAL STATEMENTS

Subsequent to the filing of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 with the SEC (the "2022 Form 10-K"), management of the Company discovered that the Company's share of loss in the equity investment of Beijing Fenghou Tianyuan Investment and Management Center L.P. ("FHTY") was different than the amount previously included in its consolidated financial statements as of and for the year ended December 31, 2022. The difference was discovered upon receipt of additional financial information made available by FHTY following the filing of our Audited financial statements that showed impairments on certain investments held by FHTY as of December 31, 2022. The differences resulted from a change in fair value of certain investments held by FHTY for which the Company would have picked up a loss in the amount of \$1.6 million had the Company known of the impairments or had a policy in place to incorporate lag reporting for equity method investments.

Additionally, in connection with the settlement of the shareholder derivative lawsuit, the Company received a one-time dividend of US\$2.6 million on January 20, 2023 for ADSs that were held by the Company as of the payment date to settle tax withholdings for ADSs issued to participants under the Company's share incentive plans. The Company concluded that the one-time dividend should have been recorded in the consolidated financial statements for the year ended December 31, 2022. The subsequent event provides a basis to estimate and record the dividend as of December 31, 2022 since the matter was ultimately settled on January 20, 2023 and prior to the filing of the consolidated financial statements for the year ended December 31, 2022 included in its Form 10-K.

In accordance with Staff Accounting Bulletin ("SAB") No. 99, "Materiality," and SAB No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements," the Company evaluated the adjustments detailed

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above, and determined the related impact did not materially misstate its consolidated financial statements as of and for the year ended December 31, 2022. Although the Company concluded that the misstatement was not material to its consolidated financial statements as of and for the year ended December 31, 2022, the Company has determined it was appropriate to adjust its consolidated balance sheets as of December 31, 2022 on a prospective basis to provide appropriate context to stakeholders within comparative financial statements as of and for the three months ended March 31, 2023 due to the materiality to the quarterly financial statements. The impact on the statement of operations will be displayed on the Company's consolidated financial statements for the year ending December 31, 2023. The following are the relevant line items from the Company's consolidated balance sheet as of December 31, 2022 which illustrate the effect of the adjustments to the periods presented:

**Selected consolidated balance sheets information as of December 31, 2022**

	<u>As previously reported</u>	<u>Adjustment</u>	<u>As adjusted</u>
<b>Assets</b>			
Stipulation disbursement receivable	—	2,630	2,630
<b>Total current assets</b>	<b>58,170</b>	<b>2,630</b>	<b>60,800</b>
Long-term investment	27,450	(1,682)	25,768
<b>Total Assets</b>	<b>94,708</b>	<b>948</b>	<b>95,656</b>
<b>Shareholders' equity</b>			
Accumulated deficit	(695,635)	(1,664)	(697,299)
Additional paid-in capital	776,372	2,630	779,002
Accumulated other comprehensive loss	(8,933)	(18)	(8,951)
<b>Total Moatable, Inc. shareholders' equity</b>	<b>79,654</b>	<b>948</b>	<b>80,602</b>

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*****Basis of presentation***

The condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information, and with the rules and regulations of the United States Securities and E Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Unaudited interim results are not necessarily indicative of the results for the full fiscal year. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with audited consolidated financial statements and accompanying notes in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

***Principles of consolidation***

The condensed consolidated financial statements of the Company include the financial statements of Moatable, Inc., its subsidiaries, its VIE and VIE's subsidiaries. All inter-company transactions and balances are eliminated upon consolidation.

***Use of estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses in the financial statements and accompanying notes. Significant accounting estimates reflected in the Company's consolidated financial statements include, but are not limited to, allowance for doubtful accounts, the fair value of share-based compensation awards, the realization of deferred income tax assets, impairment of goodwill and indefinite-lived intangible assets, and impairment of long-term investment.

***Fair value***

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

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Authoritative literature provides a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the hierarchy within which the fair value measurement in its entirety falls is based upon the lowest level of input that is significant to the fair value measurement as follows:

Level 1-inputs are based upon unadjusted quoted prices for identical assets or liabilities traded in active markets.

Level 2-inputs are based upon quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3-inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

### **Restricted Cash**

Restricted cash is the cash deposits pledged as security for the debt borrowings which are expected to be released in accordance with the debt agreement. The restriction will lapse when the related debt is paid off. The restricted cash represents cash deposited into bank accounts which is expected to be released within the next twelve months.

The cash deposits pledged as security were \$9,159 and \$7,101 as of December 31, 2022 and September 30, 2023, respectively. The restricted cash balances represent cash deposits pledged as security for debt borrowing of Kaixin and its subsidiary ("Kaixin Subsidiary"), under an irrevocable standby letter of credit (SBLC) issued by East West Bank (the "Bank"). Kaixin and its subsidiary have defaulted on both loans guaranteed by the Company under the SBLC.

On June 1, 2023, East West Bank assigned to the Company all rights, title, and interest in and to that certain \$2.0 million loan made by the Bank to Kaixin (the "Kaixin USD Loan") for a total consideration of approximately \$2.0 million paid for from the Company's Restricted Cash. The Kaixin USD Loan was guaranteed by the Letters of Credit. The Company is evaluating its options to pursue recovery from Kaixin after the assignment but considers any recovery remote.

In addition, as of the date of this Quarterly Report on Form 10-Q, approximately \$5,870 had been claimed under our standby letter of credit in connection with the Kaixin Subsidiary's default of certain guaranteed loan. No payment has been made to the Bank in connection with such claim, but the Company expects to reimburse the Bank for the full amount of the claim and for the bank to make any restricted cash remaining, after full settlement of the claim, available to the company without restrictions.

On August 28, 2023, the Company entered into an Escrow Agreement with U.S. Bank National Association to enhance directors and officers insurance coverage. The company set aside \$5,000 restricted cash into an escrow account with U.S. Bank as required by the contractual agreement with U.S. Bank National Association.

### **Accounts receivable**

Accounts receivable are stated at the original amount less an allowance for doubtful receivables. Accounts receivable are recognized in the period when the Company has provided services to its customers and when its right to consideration is unconditional. The Company evaluates its accounts receivable for expected credit losses on a regular basis. The Company maintains an estimated allowance for credit losses to reduce its accounts receivable to the amount that it believes will be collected. The Company considers factors in assessing the collectability of its receivables, such as the age of the amounts due, the customer's payment history, credit-worthiness and other specific circumstances related to the accounts. The Company adjusts the allowance percentage periodically when there are significant differences between estimated bad debts and actual bad debts. If there is strong evidence indicating that the accounts receivable is likely to be unrecoverable, the Company also makes specific allowance in the period in which a loss is determined to be probable. Accounts receivable balances are written off after all collection efforts have been exhausted.

### **Adoption of Accounting Standards Update ("ASU") 2016-13**

On January 1, 2023, the Company adopted ASU 2016-13, "Financial Instruments — Credit Losses (Accounting Standards Codification ("ASC") Topic 326): Measurement on Credit Losses on Financial Instruments", including certain subsequent amendments, transitional guidance and other interpretive guidance within ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-11, ASU 2020-02 and ASU

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2020-03 (collectively, including ASU 2016-13, “ASC 326”). ASC 326 requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost.

### **Short-term investments**

Short-term investments, which are comprised of corporate bonds/notes and US treasuries, are accounted for in accordance with ASC 320, “Investments – Debt and Equity Securities” (“ASC 320”). The Company considers all of its securities for which there is a determinable fair market value, and there are no restrictions on the Company’s ability to sell within the next 12 months, as available for sale. Available-for-sale securities are carried at fair value, with unrealized gains and losses reported as a component of shareholders’ equity. Available-for-sale securities as of December 31, 2022 and September 30, 2023 were \$24,004, and \$4,393, respectively. For the three and nine months ended September 30, 2022, the increase in fair value of available-for-sale securities was recognized in other comprehensive loss amounting to nil and nil, respectively; for the three and nine months ended September 30, 2023, the change in fair value of available-for-sale securities was recognized in other comprehensive gain and loss amounting to \$12 and \$26, respectively.

### **Revenue recognition**

The Company recognizes revenue when control of the good or service has been transferred to the customer, generally upon delivery to a customer. The contracts have a fixed contract price and revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. The Company collects taxes from customers on behalf of governmental authorities at the time of sale. These taxes are accounted for on a net basis and are not included in revenues and cost of revenues. The Company generally expenses sales commissions when incurred because the amortization period is less than one year. These costs are recorded within selling and marketing expenses. The Company does not have any significant financing payment terms as payment is received at or shortly after the point of sale.

Revenue from Contracts with Customers (“ASC 606”) prescribes a five-step model that includes: (1) identify the contract; (2) identify the performance obligations; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations; and (5) recognize revenue when (or as) performance obligations are satisfied.

The Company generated the majority of revenue from SaaS services.

*SaaS revenue:* SaaS revenue mainly includes the revenue generated from the subscription and advertising services provided by Lofty and Trucker Path. The Company recognizes revenue for subscription services over the life of the subscription. For Lofty’s advertising service, the Company acts as an agent to place advertisements on third-party websites or platforms. For Trucker Path’s advertising service, the Company acts as principal to place advertisements on Trucker Path’s platform. The Company recognizes revenue for advertising services over the advertising periods.

*Other services:* Other services mainly include revenue from the provision of back-office services to OPI and revenue from non-recurring sources.

The Company provides back-office services including accounting, legal, and business-related consulting services, which is a single performance obligation provided over the contract periods with pre-determined stand-alone selling price. The Company recognizes revenue over the contract periods.

Contract balances: Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable represent amounts invoiced and contract assets are recognized prior to invoicing when the Company has satisfied the Company’s performance obligation and has the unconditional right to payment. There were no contract assets recorded as of December 31, 2022 and September 30, 2023.

Deferred revenue mainly represents payments received from customers related to unsatisfied performance obligations for SaaS. The Company’s total deferred revenue was \$4,323 and \$4,305 as of December 31, 2022 and September 30, 2023, which is expected to be substantially recognized as revenue within one year. The amount of revenue recognized during the nine months ended September 30, 2022 and 2023 that was previously included in the deferred revenue as of December 31, 2021 and 2022 was \$2,368 and \$3,922, respectively.

**Recently adopted accounting pronouncements**

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2016-13, “Financial Instruments - Credit Losses (Topic 326)” (“ASU 2016-13”). ASU 2016-13 revises the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. In November 2019, FASB issued ASU 2019-10, “Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842).” This ASU defers the effective date of ASU 2016-13 for public companies that are considered smaller reporting companies as defined by the SEC to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted this standard beginning on January 1, 2023, and the adoption of ASU 2016-13 did not have a material impact on the consolidated financial statements.

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (“ASU 2021-08”). This ASU requires acquiring entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination. This guidance is effective for public entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted this standard beginning on January 1, 2023, and the adoption of ASU 2021-08 did not have a material impact on the consolidated financial.

Recently issued ASUs by the FASB, except for the ones mentioned above, have no material impact on the Company’s consolidated results of operations or financial position.

**4. LONG-TERM INVESTMENTS**

	Note	December 31, 2022	September 30, 2023
Equity method investments:			
Fundrise, L.P.	(i)	\$ 12,085	\$ 12,476
Other	(ii)	3,322	3,140
Total equity method investments		<u>15,407</u>	<u>15,616</u>
Equity investment with readily determinable fair values			
Kaixin Auto Holdings	(iii)	\$ 9,636	\$ 3,648
Equity investment without readily determinable fair values			
Suzhou Youge Interconnection Venture Capital Center		725	688
Total equity investments without readily determinable fair values		<u>725</u>	<u>688</u>
Total long-term investments		<u>\$ 25,768</u>	<u>\$ 19,952</u>

- (i) In October 2014, the Company entered into an agreement to purchase limited partnership interest of Fundrise, L.P. for a total consideration of \$10,000. The Company held 98.04% equity interest as limited partner as of December 31, 2022 and September 30, 2023 and recognized its share of income of \$43 and \$132 for the three months ended September 30, 2022 and 2023, and share of loss and income \$25 and \$391 for the nine months ended September 30, 2022 and 2023, respectively.
- (ii) In May 2014, the Company entered into an agreement to purchase limited partnership interest of Beijing Fenghou Tianyuan Investment and Management Center L.P. for a total consideration of \$1,380 (RMB10 million). The Company held 12.38% partnership interest as of December 31, 2022 and September 30, 2023 and recognized no share of income for the three months ended September 30, 2022 and 2023, and \$416 and nil for the nine months ended September 30, 2022 and 2023, respectively.
- (iii) From June 30, 2022, the Company’s equity interest in Kaixin Auto Holdings (“Kaixin”) decreased to 16.6% and the resignation of the Company’s representative from Kaixin’s Board of Directors, which combined resulted in a lack of significant influence in Kaixin. Thus, from June 30, 2022, the investment in Kaixin should be accounted for as equity investment with readily determinable fair value, a change in accounting the equity method. For the three months ended September 30, 2022 and 2023, the Company recognized a \$8,191 and \$6,510 unrealized loss as a change of fair value to the investment of Kaixin, respectively. For the nine months ended September 30, 2022 and 2023, the Company recognized a \$5,172 unrealized income and a \$5,989 unrealized loss as a change of fair value to the investment of Kaixin, which was booked in gain (loss) from fair value change of a long-term investment on the condensed consolidated statements of operations, respectively. Prior to the change in the accounting method, the Company recognized its share loss of \$11,595 from Kaixin under equity method for the nine months ended September 30, 2022.



## 5. OPERATING LEASES

The Company leases its facilities and offices under non-cancellable operating lease agreements. These leases expire through 2025 and are renewable upon negotiation.

For the three months ended September 30, 2022 and 2023, cash paid for amounts included in the measurement of lease liabilities was \$176 and \$100, respectively. For the nine months ended September 30, 2022 and 2023, cash paid for amounts included in the measurement of lease liabilities was \$505 and \$368, respectively.

The operating lease cost and short-term lease cost for the three and nine months ended September 30, 2022 and 2023 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2023	2022	2023
Selling expenses	\$ 53	\$ 25	\$ 151	\$ 118
Research and development expenses	170	65	291	205
General and administrative expenses	253	18	776	79
<b>Total operating lease cost</b>	<b>476</b>	<b>108</b>	<b>1,218</b>	<b>402</b>
Short-term lease cost	21	13	78	93
<b>Total lease cost</b>	<b>\$ 497</b>	<b>\$ 121</b>	<b>\$ 1,296</b>	<b>\$ 495</b>

The weighted average remaining lease term as of December 31, 2022 and September 30, 2023 was 0.62 and 1.81 years, and the weighted average discount rate of the operating leases was 10.30% and 10.30%, respectively. Maturities of lease liabilities as of September 30, 2023 were as follows:

	Operating Lease
Remainder of 2023	\$ 99
2024	395
2025	131
Total undiscounted lease payment	625
Less: Imputed interest	(50)
Present value of lease liabilities	<u>\$ 575</u>

## 6. ORDINARY SHARES

### *Exercise of share options and restricted shares vesting*

During the three months ended September 30, 2022 and 2023, nil and 4,258,155 Class A ordinary shares were issued due to the exercise of share options or vesting of restricted share units under share-based compensation; and during the nine months ended September 30, 2022 and 2023, 16,799,985 and 40,176,796 Class A ordinary shares were issued due to the exercise of share options or vesting of restricted share units under share-based compensation, respectively, among which the vesting of 21,267,315 restricted shares was suspended due to the Stipulation Settlement until January 13, 2023, but expensed according to the original vesting schedule. The catch-up vesting of all suspended shares was applied upon the completion of the settlement (See Note 7).

### *Stock Repurchase from public market*

On November 7, 2022, the Company's Board of Directors (the "Board") authorized the repurchase of up to an aggregate of \$10.0 million of the Company's Class A ordinary shares, par value \$0.001 per share, to be executed from time to time in open market transactions effected through a broker at prevailing market prices under ordinary principles of best execution within one year after commencement (the "Stock Repurchase Program"). The Stock Repurchase Program took effect on January 16, 2023. On October 13, 2023, the Board approved an extension and extra funding of the existing Stock Repurchase Program whereby the expiration date was extended to December 31, 2024 and the authorized repurchase amount was increased from \$10.0 million to \$15.0 million.

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The Stock Repurchase Program does not obligate the Company to repurchase any amount of the Company's ordinary shares, and may be modified, extended, suspended, or discontinued at any time. The timing and amount of repurchases will be determined by the Company's management based on a variety of factors such as the market price of the Company's ordinary shares, the Company's corporate cash requirements, and overall market conditions. The Stock Repurchase Program is subject to applicable legal requirements, including federal and state securities laws and applicable NYSE rules.

For the nine months ended September 30, 2023, the Company repurchased 1,221,451 ADSs, excluding the ADSs repurchased from Softbank, representing 54,965,295 Class A ordinary shares (each ADS is equivalent to 45 Ordinary Shares) for \$1,953 on the open market, at a weighted average price of nil and \$1.60 per ADS, respectively.

#### *Stock Repurchase from SoftBank*

On May 23, 2023, the Company entered into a share repurchase agreement (the "Share Repurchase Agreement") with SoftBank Group Capital Limited ("SoftBank"), pursuant to which the Company repurchased Class A and Class B ordinary shares of 152,870,520, and 135,129,480, respectively, from SoftBank ("Share Repurchase"). The repurchase price was \$1.1144 per ADS, and the aggregate purchase price was \$7,132. The purchase price per share was greater than the market price, which closed at \$0.93 per share on the day of the share repurchase. The Company used cash on hand for the Share Repurchase and retired the ordinary shares purchased.

Prior to the Share Repurchase, no person owns more than 50% of the Company's outstanding shares or voting power. A change in control of the Company occurred by virtue of the consummation of the Share Repurchase, with Mr. Joseph Chen ("Mr. Chen"), the Company's founder, chairman of board of directors and chief executive officer, becoming the Company's largest and controlling shareholder. Immediately after giving effect to the Share Repurchase, Mr. Chen holds 156,204,091 Class A ordinary shares and 170,258,970 Class B ordinary shares, representing 38.8% of total outstanding shares and 78.3% of total voting power of the Company.

Additionally, immediately after giving effect to the Share Repurchase, SoftBank holds 117,388,451 Class A ordinary shares of the Company, which is less than the Softbank Base Holding as defined in the Company's currently effective Memorandum and Articles of Association. As a result, SoftBank is no longer entitled to the special rights set forth in the Company's Memorandum and Articles of Association, including (i) the right to designate one director and (ii) approval rights with respect to certain matters such as a change-of-control event, election of directors at annual general meetings, new issuances of ordinary shares, and major acquisitions or disposals of assets.

In the Share Repurchase transaction, the Company initiated the transaction and thus paid a price greater than the market price at the transaction date without acquiring other rights or privileges, or entering other agreements. Therefore, the excess of \$6,844 over ordinary shares' par value was charged entirely to retained earnings.

There was no repurchase activity under the Stock Repurchase Program for the three months ended September 30, 2023.

## 7. SHARE-BASED COMPENSATION

### *Moatable, Inc. Stock options*

The following table summarizes information with respect to share options outstanding as of September 30, 2023:

Range of exercise prices	Options outstanding				Options exercisable			
	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value	Number of exercisable	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value
\$ 0.01	91,646,055	1.36	\$ 0.01	\$ 0.01	91,646,055	1.36	\$ 0.01	\$ 0.01
	<u>91,646,055</u>			<u>\$ 0.01</u>	<u>91,646,055</u>			<u>\$ 0.01</u>

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	Number of shares	Weighted average exercise price
Balance, December 31, 2022	95,021,055	\$ 0.01
Exercised	(3,150,000)	\$ 0.01
Forfeited	(225,000)	\$ 0.01
Balance, September 30, 2023	91,646,055	\$ 0.01
Exercisable, September 30, 2023	91,646,055	\$ 0.01
Expected to vest, September 30, 2023	—	\$ —

For employee stock options, the Company did not record any share-based compensation for the three months ended September 30, 2022 and 2023; and \$484 and nil for the nine months ended September 30, 2022 and 2023, respectively, based on the fair value on the grant dates or the modification date over the requisite service period of award using the straight-line method.

For the three and nine months ended September 30, 2022 and 2023, there was no share-based compensation recorded for non-employee options. All outstanding share options have fully vested.

As of September 30, 2023, there was no unrecognized share-based compensation expense relating to share options.

***Moatable, Inc. Nonvested restricted shares***

A summary of the nonvested restricted shares activity is as follows:

	Nonvested restricted shares	Weighted average fair value per ordinary share at the grant dates
Outstanding as of December 31, 2022	35,263,634	\$ 0.14
Granted	314,190	0.33
Vested (i)	(15,759,481)	\$ 0.14
Forfeited	(775,047)	0.13
Outstanding as of September 30, 2023	19,043,296	\$ 0.15

- (i) On October 7, 2021, the Company entered into a Stipulation of Settlement (the “Stipulation”) as a nominal defendant with respect to the consolidated shareholder derivative lawsuits. Pursuant to the Stipulation, the Company shall set the record date for determining holders of the Company’s Class A ordinary shares and American Depositary Shares who are entitled to receive distributions from the settlement (the “Record Date”) on the earliest practicable date after the Stipulation and the settlement of the action is approved by the court and such approval has become final. On December 10, 2021, the court issued a written order formally denying the motion to approve the Stipulation and settlement (the “Order”), which prevented the Company from setting the Record Date as originally contemplated under the Stipulation and, consequently, may cause a material increase in the amount of the settlement. In order to mitigate the Order’s impact on the settlement, including the amount of the settlement, and pursuant to the Board’s general administrative authority under the share incentive plans, the Board deems it to be in the best interest of the Company and its shareholders as a whole to suspend vesting of the equity awards, including share options and restricted shares under share incentive plans, from January 1, 2022, through and until the completion of the settlement (the “Vesting Suspension”) The Vesting Suspension had been lifted on January 13, 2023. During suspended vesting, the Company continued to record expenses for all granted shares consistent with the vesting schedules.

The Company recorded compensation expenses based on the fair value of nonvested restricted shares on the grant dates over the requisite service period of award using the straight-line vesting attribution method. The fair value of the nonvested restricted shares on the grant

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date was the closing market price of the ordinary shares as of the date. The Company recorded compensation expenses related to nonvested restricted shares of \$792 and \$692 for the three months ended September 30, 2022 and 2023, and \$2,676 and \$1,933 for the nine months ended September 30, 2022 and 2023, respectively.

Total unrecognized compensation expense amounting to \$2,832 related to nonvested restricted shares granted as of September 30, 2023. The expense is expected to be recognized in continuing operations over a weighted-average period of 0.61 years.

**Equity Incentive Plan of Lofty, Inc. and Trucker Path, Inc.**

On July 13, 2020, Lofty, Inc. and Trucker Path, Inc. adopted equity incentive plans, whereby, after adjustment for a 1:200 reverse stock split, 150,000 ordinary shares of Lofty, Inc. (“2020 Lofty Plan”) and 150,000 ordinary shares of Trucker Path, Inc. (“2020 Trucker Path Plan”) are made available for future grant for employees or consultants of Lofty and Trucker Path, respectively, either in the form of incentive share options or restricted shares. On November 4, 2021, Lofty, Inc. and Trucker Path, Inc. approved the adoption of their 2021 equity incentive plans, whereby 25,000 ordinary shares of Lofty, Inc. (“2021 Lofty Plan”) and 25,000 ordinary shares of Trucker Path, Inc. (“2021 Trucker Path Plan”) are made available for future grant for employees or consultants of Lofty and Trucker Path, respectively, either in the form of incentive share options or restricted shares.

The term of the options may not exceed ten years from the date of the grant. The awards under the above plans are subject to vesting schedules ranging from immediately upon grant to four years subsequent to grant date.

For the nine months ended September 30, 2022, Lofty granted an aggregate of 19,726 options under 2021 Lofty Plan to certain of its directors, officers and employees as compensation for their services. The weighted average grant-date fair value of the share options granted during the period presented was \$34.00 per option.

For the nine months ended September 30, 2022 Trucker Path granted an aggregate of 18,070 options under its 2021 Trucker Path Plan to certain of its directors, officers and employees to compensate their services. The weighted-average grant-date fair value of the share options granted during the period presented was \$66.00 per option.

For the nine months ended September 30, 2023, nil options were newly granted by Lofty and Trucker Path under 2020 Lofty Plan, 2020 Trucker Path Plan, 2021 Lofty Plan and 2021 Trucker Path Plan.

The Company recorded share-based compensation expense for Lofty and Trucker Path for the three and nine months ended September 30, 2022 and 2023 as follows, based on the fair value on the grant dates over the requisite service period of award using the straight-line method.

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
<b>Lofty</b>	\$ 44	\$ 34	\$ 132	\$ 120
<b>Trucker Path</b>	\$ 76	\$ 61	\$ 231	\$ 212

As of September 30, 2023 there were \$369 and \$660 unrecognized share-based compensation expense relating to share options of Lofty and Trucker Path, respectively. This amount is expected to be recognized over a weighted-average vesting period of 3.06 and 3.23 years for Lofty and Trucker Path, respectively.

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The following table summarizes information with respect to share options outstanding of Lofty as of September 30, 2023:

Range of exercise prices	Options outstanding			Options exercisable				
	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value	Number of exercisable	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value
\$ 6.00 and 73.35	46,094	7.65	\$ 29.38	\$ 40.73	33,739	7.30	\$ 19.98	\$ 49.45
	<u>46,094</u>			<u>\$ 40.73</u>	<u>33,739</u>			<u>\$ 49.45</u>
					Number of shares	Weighted average exercise price	Weighted average grant date fair value	
Balance, December 31, 2022					49,748	\$ 31.19	15.11	
Forfeited					(3,654)	\$ 53.99	24.90	
Balance, September 30, 2023					46,094	\$ 29.38	14.33	
Exercisable, September 30, 2023					33,739	\$ 19.98		
Expected to vest, September 30, 2023					<u>12,355</u>	<u>55.07</u>		

The following table summarizes information with respect to share options outstanding of Trucker Path as of September 30, 2023:

Range of exercise prices	Options outstanding			Options exercisable				
	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value	Number of exercisable	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value
\$ 4.00 and 133.00	49,064	7.62	47.58	\$ 83.89	38,213	7.30	30.89	\$ 100.10
	<u>49,064</u>			<u>\$ 83.89</u>	<u>38,213</u>			<u>\$ 100.10</u>
					Number of shares	Weighted average exercise price	Weighted average grant date fair value	
Balance, December 31, 2022					51,005	\$ 49.60	24.45	
Forfeited					(1,941)	\$ 99.74	48.54	
Balance, September 30, 2023					49,064	\$ 47.58	23.81	
Exercisable, September 30, 2023					38,213	\$ 30.89		
Expected to vest, September 30, 2023					<u>10,851</u>	<u>105.57</u>		

The total amount of share-based compensation expense for options, nonvested restricted shares of the Company and Lofty and Trucker Path, attributable to selling and marketing, research and development, general and administrative expenses are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2023	2022	2023
Selling and marketing expenses	\$ 20	\$ 36	\$ 110	\$ 116
Research and development expenses	129	205	477	494
General and administrative expenses	763	546	2,936	1,655
<b>Total share-based compensation expense</b>	<u>\$ 912</u>	<u>\$ 787</u>	<u>\$ 3,523</u>	<u>\$ 2,265</u>

There was no income tax benefit recognized in the statements of operations for share-based compensation for the three and nine months ended September 30, 2022 and 2023.

## 8. RELATED PARTY BALANCES AND TRANSACTIONS

The table below sets forth the related parties and their relationships with the Company:

	Name	Relationship
(a)	Kaixin Automobile Holdings (“Kaixin”) Infinites Technology (Cayman) Holding Limited	Equity investment of the Company (Note 4)
(b)	(“Infinites”)	Equity investment of the Company
(c)	Oak Pacific Investment (“OPI”) Beijing Oak Yi Xin Technology Development Co., Ltd	An entity controlled together by chief executive officer and chief operating officer of the Company.
(d)	(“Beijing Oak Yi Xin”) Beijing Zhenzhong Interactive Information Technology Co.,	VIE of OPI
(e)	Ltd. (Beijing Zhenzhong)	Subsidiary of a VIE of OPI
(f)	One Rent Inc.	Equity investment of the Company

### Amounts due from related parties

As of December 31, 2022 and September 30, 2023 amounts due from related parties including both current and non-current were as follows:

	Note	As of December 31, 2022	As of September 30 2023
Gross amount due from Kaixin	(i)	3,727	3,727
Less: bad debt provision		(3,727)	(3,727)
Net amount due from Kaixin		—	—
Infinites	(ii)	688	650
Beijing Oak Yi Xin		27	13
<b>Total</b>		<b>\$ 715</b>	<b>\$ 663</b>

- (i) The balances mainly represented the advances made to Kaixin daily operational purposes. The Company provided full bad debt provision for the year ended December 31, 2022, as the Company concluded the likelihood of the balance being recovered is remote.
- (ii) The balance represents the receivable from Infinites in connection with the disposition of the SNS business. In November 2018, the Company’s Board of Directors approved a proposal for the sale of its SNS Business to Beijing Infinites Interactive Media Co., Ltd. for a combined consideration of \$20,000 in cash and \$40,000 in the form of Beijing Infinites shares to be issued to the Company. The Company collected \$6,866 in 2019, however, by December 31, 2019, Beijing Infinites failed to make payments under the agreed extended repayment plan. Based on assessment of the collectability, the Company provided an allowance of \$12,408 for the receivable. Additionally, the shares receivable in the form of Infinites Technology (Cayman) Holding Limited, which is the holding company of Beijing Infinites, were received as of December 31, 2020 and were recorded as long-term investments in the consolidated balance sheets as of December 31, 2020.

### Amounts due to related parties

	As of December 31, 2022	As of September 30, 2023
Infinites	\$ 660	\$ 616
Beijing Oak Yi Xin	2	9,179
<b>Total</b>	<b>\$ 662</b>	<b>\$ 9,795</b>

- (iii) The Company received \$9,179 transitory funding from Beijing Oak Yi Xin and intends to return the funds suitable to both parties before year ended December 31, 2023. The Company has recorded the amount received as a current related party payable with the related cash presented on the balance sheet as of September 30, 2023. The funds received do not result in any obligations from the Company other than the return of the funds.

**9. SEGMENT INFORMATION and GEOGRAPHIC INFORMATION**

The disaggregated revenues by subscription, advertising, and other services for the three and nine months ended September 30, 2022 and 2023 were as following:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2023	2022	2023
<b>Lofty</b>				
Subscription services	\$ 5,877	\$ 6,834	\$ 16,505	\$ 20,038
Advertising services	520	356	1,390	1,131
Other SaaS revenue	3	72	42	132
	<u>\$ 6,400</u>	<u>\$ 7,262</u>	<u>\$ 17,937</u>	<u>\$ 21,301</u>
<b>Trucker Path</b>				
Subscription services	\$ 4,752	\$ 5,454	\$ 13,126	\$ 15,495
Advertising services	698	497	1,551	1,328
Other SaaS revenue	109	44	578	64
	<u>\$ 5,559</u>	<u>\$ 5,995</u>	<u>\$ 15,255</u>	<u>\$ 16,887</u>
<b>Other Operations</b>				
Other services	\$ 39	\$ 34	\$ 112	\$ 120
<b>Total Revenue</b>	<u><b>\$ 11,998</b></u>	<u><b>\$ 13,291</b></u>	<u><b>\$ 33,304</b></u>	<u><b>\$ 38,308</b></u>

The Company provides SaaS platforms to customers primarily located in the United States. The Company’s conducts its operations in two reportable segments: Lofty, and Trucker Path. The Company defines its segments as those operations whose results the chief operating decision maker (“CODM”) regularly reviews to analyze performance and allocate resources. The Company provides similar platform services in each of its segments. It is impractical to segregate and identify revenues, beyond what the Company has disclosed herein, for each of these individual products and services.

The Lofty segment includes the Company’s all-in-one real estate sales acceleration, client lifecycle management platform and other nascent property management services. The Trucker Path segment includes the Company’s driver-centric online transportation management platform. The Other Operations segment consists of other items not allocated to any of the Company’s segments.

The Company measures the results of its segments using, among other measures, each segment’s revenue and cost of revenues. Information for the Company’s segments, as well as for Other Operations, is provided in the following table:

	Lofty	Trucker Path	Other Operations	Consolidated
<b>Three Months Ended September 30, 2023</b>				
Revenue	\$ 7,262	\$ 5,995	\$ 34	\$ 13,291
Cost of sales	1,047	1,729	37	2,813
Gross Margin	<u>\$ 6,215</u>	<u>\$ 4,266</u>	<u>\$ (3)</u>	<u>\$ 10,478</u>
<b>Three Months Ended September 30, 2022</b>				
Revenue	\$ 6,400	\$ 5,559	\$ 39	\$ 11,998
Cost of sales	935	1,711	46	2,692
Gross Margin	<u>\$ 5,465</u>	<u>\$ 3,848</u>	<u>\$ (7)</u>	<u>\$ 9,306</u>
<b>Nine months ended September 30, 2023</b>				
Revenue	\$ 21,301	\$ 16,887	\$ 120	\$ 38,308
Cost of sales	3,083	4,954	120	8,157
Gross Margin	<u>\$ 18,218</u>	<u>\$ 11,933</u>	<u>\$ —</u>	<u>\$ 30,151</u>
<b>Nine months ended September 30, 2022</b>				
Revenue	\$ 17,937	\$ 15,255	\$ 112	\$ 33,304
Cost of sales	2,600	4,985	68	7,653
Gross Margin	<u>\$ 15,337</u>	<u>\$ 10,270</u>	<u>\$ 44</u>	<u>\$ 25,651</u>

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The majority of the Company's revenue for the three and nine months ended September 30, 2022 and 2023 was generated from the United States.

As of December 31, 2022 and September 30, 2023, substantially all of the long-lived assets of the Company were located in the US. As of September 30, 2023, the long-lived assets in the carrying value of \$718, \$65 and \$8,464 of the Company were located in the PRC, Philippines and United States, respectively.

As of December 31, 2022, the long-lived assets in the carrying value of \$108, \$231 and \$8,202 of the Company were located in the PRC, Philippines and United States, respectively.

#### **10. STATUTORY RESERVE AND RESTRICTED NET ASSETS**

In accordance with the Regulations on Enterprises with Foreign Investment of China and their articles of association, the Company's subsidiaries and VIE entities located in the PRC, being foreign invested enterprises established in the PRC, are required to provide for certain statutory reserves. These statutory reserve funds include one or more of the following: (i) a general reserve, (ii) an enterprise expansion fund or discretionary reserve fund, and (iii) a staff bonus and welfare fund. Subject to certain cumulative limits, the general reserve fund requires a minimum annual appropriation of 10% of after-tax profit (as determined under accounting principles generally accepted in China at each year-end); the other fund appropriations are at the subsidiaries' or the affiliated PRC entities' discretion. These statutory reserve funds can only be used for specific purposes of enterprise expansion, staff bonus and welfare, and are not distributable as cash dividends except in the event of liquidation of the Company's subsidiaries, the Company's affiliated PRC entities and their respective subsidiaries. The Company's subsidiaries and VIE entities are required to allocate at least 10% of their after-tax profits to the general reserve until such reserve has reached 50% of their respective registered capital. As of December 31, 2022 and September 30, 2023, none of the Company's PRC subsidiaries and VIE entities had a general reserve that reached the 50% of their registered capital threshold, therefore they will continue to allocate at least 10% of their after-tax profits to the general reserve fund.

Appropriations to the enterprise expansion reserve and the staff welfare and bonus reserve are to be made at the discretion of the board of directors of each of the Company's subsidiaries. The appropriation to these reserves by the Company's PRC subsidiaries was nil for the three and nine months ended September 30, 2022 and 2023.

As a result of these PRC laws and regulations and the requirement that distributions by PRC entities can only be paid out of distributable profits computed in accordance with PRC GAAP, the PRC entities are restricted from transferring a portion of their net assets to the Company. Amounts restricted include paid-in capital and the statutory reserves of the Company's PRC subsidiaries and VIE entities. The aggregate amounts of capital and statutory reserves restricted which represented the amount of net assets of the relevant subsidiaries and VIE entities in the Company not available for distribution were \$251,309 and \$240,608 as of December 31, 2022 and September 30, 2023, respectively.

#### **11. INCOME TAXES**

Utilization of the federal and state net operating losses may be subject to certain annual limitations under IRC Section 382 due to the "change in ownership" provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization. The Company has a full valuation allowance against U.S. federal and state net operating losses.

#### **12. SUBSEQUENT EVENTS**

The Company has evaluated all events or transactions that occurred after September 30, 2023 and determined that it does not have any subsequent event requiring recording or disclosure in the financial statements for the period ended September 30, 2023.



## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Please read the following discussion and analysis of our financial condition and results of operations together with “Note About Forward-Looking Statements” and our consolidated financial statements and related notes included under Item 1 of this Quarterly Report on Form 10-Q as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, including Part I, Item 1A “Risk Factors.”

### **Operating Results**

#### **Overview**

Our business model has evolved continuously since our initial public offering in May 2011. At the time of our initial public offering, we were primarily a social networking service platform, and we had a number of ancillary businesses intended to monetize that platform. We gradually disposed of the social networking service platform and most of those ancillary businesses in the years that followed our initial public offering.

Currently, we operate two SaaS businesses, Lofty and Trucker Path (the “SaaS businesses”), both of which are considered reportable segments. Lofty offers an all-in-one real estate sales acceleration and client lifecycle management platform that allows real estate professionals to obtain and nurture leads, close transactions, and retain their clients. Trucker Path is a driver-centric online transportation management platform whose mission is to make freight transportation fast, reliable, and efficient. Trucker Path provides trip planning, navigation, freight sourcing, a marketplace that offers goods and services truckers use to operate their businesses, and connects qualified brokers and carriers to expand their reach and initiate and complete transactions easily and efficiently. The majority of our revenues are generated by our SaaS businesses. Our SaaS businesses generate nearly 100% of their revenue from the U.S. market.

Our total revenues increased from US\$12.0 million for the three months ended September 30, 2022 to US\$13.3 million for the same period in 2023, and net loss for the three months ended September 30, 2022 was US\$52.5 million and US\$7.0 million for the same period in 2023. For the nine months ended September 30, 2022, our total revenues increased from US\$33.3 million to US\$38.3 million in the same period in 2023, and net loss for the nine months ended September 30, 2022 was US\$57.7 million and US\$10.4 million for the same period in 2023. Net loss for the three months ended September 30, 2023 was driven primarily by a loss from the change in fair value of long-term investments of US\$6.5 million. Net loss for the nine months ended September 30, 2023 was driven by a loss from the change in fair value of long-term investments of US\$6.0 million and loss from operations.

Loss from operations improved from US\$2.9 million to US\$0.8 million for the three months ended September 30, 2022 and 2023, respectively, and US\$11.4 million to US\$7.0 million for the nine months ended September 30, 2022 and 2023.

#### **Financial Overview**

##### **Revenue**

We derive substantially all of our revenues from the SaaS businesses through SaaS subscription services, advertising services, and other related services. We recognize our revenues over the life of the SaaS subscriptions and net of business taxes or value added tax, as applicable. The timing of revenue recognition may differ from the timing of invoicing to customers. Deferred revenue mainly consists of payments received from customers related to unsatisfied performance obligations for SaaS subscription services and advertising services. Our total deferred revenue was US\$4.3 million and US\$4.3 million as of December 31, 2022 and September 30, 2023, respectively, most of which is expected to be recognized as revenue within one year.

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The following table sets forth the principal components of our revenues (dollars in thousands).

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2023	2022	2023
<b>Lofty</b>				
Subscription services	\$ 5,877	\$ 6,834	\$ 16,505	\$ 20,038
Advertising services	520	356	1,390	1,131
Other SaaS revenue	3	72	42	132
	<u>\$ 6,400</u>	<u>\$ 7,262</u>	<u>\$ 17,937</u>	<u>\$ 21,301</u>
<b>Trucker Path</b>				
Subscription services	\$ 4,752	\$ 5,454	\$ 13,126	\$ 15,495
Advertising services	698	497	1,551	1,328
Other SaaS revenue	109	44	578	64
	<u>\$ 5,559</u>	<u>\$ 5,995</u>	<u>\$ 15,255</u>	<u>\$ 16,887</u>
<b>Other Operations</b>				
Other services	\$ 39	\$ 34	\$ 112	\$ 120
<b>Total Revenue</b>	<u><b>\$ 11,998</b></u>	<u><b>\$ 13,291</b></u>	<u><b>\$ 33,304</b></u>	<u><b>\$ 38,308</b></u>

**SaaS Revenue**

Our subscription revenues are derived primarily from platform services provided by Lofty and Trucker Path. Our revenues from advertising services are derived primarily from lead generation and print advertising services provided by Lofty and point-of-interest and banner advertising services provided by Trucker Path. Our other SaaS revenue consists primarily of dispatching and fuel program revenue from the Trucker Path segment and revenues from non-recurring equipment sales recorded in the first quarter of 2022 and other nascent property management services from the Lofty segment.

**Other Services**

Our revenues from other services consist primarily of back-office services provided to Oak Pacific Investments.

**Cost of Revenues**

Cost of revenues consists primarily of App and Play Store fees, cloud hosting services, merchant fees, and print services. The cost of revenues was US\$2.7 million and US\$2.8 million for the three months ended September 30, 2022 and 2023, respectively; and US\$7.7 million and US\$8.2 million for the nine months ended September 30, 2022 and 2023, respectively.

**Operating Expenses**

Our operating expenses consist primarily of selling and marketing expenses, research and development expenses, and general and administrative expenses. The following table sets forth our operating expenses, both as dollar amounts and as percentages of our total revenue, for the periods indicated.

	For the three months ended September 30,				For the nine months ended September 30,			
	2022		2023		2022		2023	
	US\$	%	US\$	%	US\$	%	US\$	%
	(Unaudited, in thousands of US\$, except for percentages)							
<b>Operating expenses:</b>								
Selling and marketing	\$ 4,828	40.2 %	\$ 4,382	33.0 %	\$ 14,456	43.4 %	\$ 13,917	36.3 %
Research and development	4,274	35.6 %	4,267	32.1 %	11,964	35.9 %	14,080	36.8 %
General and administrative	3,102	25.9 %	2,628	19.8 %	10,663	32.0 %	9,203	24.0 %
Total operating expenses	<u>\$ 12,204</u>	<u>101.7 %</u>	<u>\$ 11,277</u>	<u>84.9 %</u>	<u>\$ 37,083</u>	<u>111.3 %</u>	<u>\$ 37,200</u>	<u>97.1 %</u>

Our selling and marketing expenses, research and development expenses, and general and administrative expenses include share-based compensation expenses of \$0.8 million and \$0.8 million for the three months ended September 30, 2022 and 2023, and \$3.4 million and \$2.3 million for the nine months ended September 30, 2022 and 2023, respectively.

### Selling and marketing expenses

Selling and marketing expenses consist primarily of salaries, benefits, and commissions for our sales and marketing personnel, online advertising, and other advertising and promotion expenses. Our selling and marketing expenses may increase in future periods if we increase our headcount or promotion expenses for our SaaS businesses.

### Research and development expenses

Research and development expenses consist primarily of salaries and benefits for research and development personnel. Our research and development expenses may increase in future periods on an absolute basis as we intend to hire additional research and development personnel to develop new features for our various SaaS services, invest in new SaaS products and services, improve the customer experience, and further improve our technology infrastructure.

### General and administrative expenses

General and administrative expenses consist primarily of salaries and benefits for our general and administrative personnel, and fees and expenses for third-party professional services. Our general and administrative expenses may increase in the future on an absolute basis as our SaaS businesses grow.

### Results of Operations

#### Comparison of the Three and Nine months ended September 30, 2023 and 2022

The following table sets forth a summary of our unaudited consolidated results of operations for the periods indicated.

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2023	2022	2023
	(Unaudited, in thousands of US\$)			
Revenues	\$ 11,998	\$ 13,291	\$ 33,304	\$ 38,308
Cost of revenues	2,692	2,813	7,653	8,157
Operating expenses	12,204	11,277	37,083	37,200
Loss from operations	(2,898)	(799)	(11,432)	(7,049)
Total other expenses, net	(49,616)	(6,099)	(34,676)	(3,590)
Loss before income taxes	(52,514)	(6,898)	(46,108)	(10,639)
Income tax expenses	-	(192)	-	(192)
Income (Loss) in equity method investments, net of tax	43	132	(11,595)	446
Net loss	\$ (52,471)	\$ (6,958)	\$ (57,703)	\$ (10,385)

Our business has evolved rapidly in recent years. We believe that historical period-to-period comparisons of our results of operations may not be indicative of future performance.

#### Three Months Ended September 30, 2023 Compared with Three Months Ended September 30, 2022

##### Revenues

Our revenues increased by 10.8% from US\$12.0 million for the three months ended September 30, 2022 to US\$13.3 million for the same period in 2023. This increase was primarily due to the increase in revenue from our SaaS businesses.

- Subscription Services.** Our revenue from subscription services increased by 15.6% from US\$10.6 million for the three months ended September 30, 2022 to US\$12.3 million for the same period in 2023. The increase was primarily due to the expansion of our SaaS businesses. The Company's paying subscriptions as of September 30, 2023 for Lofty and Trucker Path increased to 3,700 and 99,200, by 5.7% and 19.2%, compared to September 30, 2022 paying subscriptions of 3,500 and 83,200, respectively. Purchased seats for Lofty, defined as eligible users on a paid subscription, increased to 50,000 as of September 30, 2023 from 40,000 as of September 30, 2022, an increase of 25%.

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- *Advertising Services.* Our revenue from advertising services decreased by 30.0% from US\$1,218 thousand for the three months ended September 30, 2022 to US\$853 thousand for the same period in 2023.

### **Cost of revenues**

Our cost of revenues increased by 4.5% from US\$2.7 million for the three months ended September 30, 2022 to US\$2.8 million for the same period in 2023. This increase was primarily due to the increase of software expenses directly related to the generation of revenue and cloud hosting services to provide a better user experience and grow the SaaS businesses.

### **Gross Margins**

Our gross margin increased 1.2% from 77.6% for the three months ended September 30, 2022 to 78.8%. The increase was primarily due to the subscription increase of Trucker Path.

### **Operating expenses**

Our operating expenses decreased by 7.6% from US\$12.2 million for the three months ended September 30, 2022 to US\$11.3 million for the same period in 2023, primarily due cost reduction initiatives.

- *Selling and marketing expenses.* Our selling and marketing expenses decreased by 9.2% from US\$4.8 million for the three months ended September 30, 2022 to US\$4.4 million for the same period in 2023. This decrease was primarily due to lower compensation and commissions due to decreased headcount.
- *Research and development expenses.* Our research and development expenses decreased slightly by 0.2% from US\$4,274 thousand for the three months ended September 30, 2022 to US\$4,267 thousand for the same period in 2023. This decrease was primarily due to a decrease in our research and development headcount for new projects offset by service fee paid to outside contractors.
- *General and administrative expenses.* Our general and administrative expenses decreased by 15.3% from US\$3.1 million for the three months ended September 30, 2022 to US\$2.6 million for the same period in 2023. The decrease was primarily due to lower compensation costs on lower headcount.

### **Loss from fair value change of a long-term investment**

Our loss from fair value change of a long-term investment was US\$6.5 million for the three months ended September 30, 2023, compared with loss of US\$8.2 million for the same period in 2022. The loss from fair value change of a long-term investment represents the unrealized loss from Kaixin, which is accounted for as an equity investment with readily determinable fair value.

### **Nine months ended September 30, 2023 Compared with Nine months ended September 30, 2022**

#### **Revenues**

Our revenues increased by 15.0% from US\$33.3 million for the nine months ended September 30, 2022 to US\$38.3 million for the same period in 2023. This increase was primarily due to the increase in revenue from our SaaS businesses.

- *Subscription Services.* Our revenue from subscription services increased by 19.9% from US\$29.6 million for the nine months ended September 30, 2022 to US\$35.5 million for the same period in 2023. The increase was primarily due to the expansion of our SaaS businesses. The Company's paying subscriptions as of September 30, 2023 for Lofty and Trucker Path increased to 3,700 and 94,600, by 5.7% and 13.7%, compared to September 30, 2022 paying subscriptions of 3,500 and 83,200, respectively. Purchased seats for Lofty, defined as eligible users on a paid subscription, increased to 50,000 as of September 30, 2023 from 40,000 as of September 30, 2022, an increase of 25%.
- *Advertising Services.* Our revenue from advertising services decreased by 16.4% from US\$2.9 million for the nine months ended September 30, 2022 to US\$2.5 million for the same period in 2023.

### **Cost of revenues**

Our cost of revenues increased by 6.6% from US\$7.7 million for the nine months ended September 30, 2022 to US\$8.2 million for the same period in 2023. This increase was primarily due to the increase of software expenses directly related to the generation of revenue and cloud hosting services to provide a better user experience and grow the SaaS businesses.

### **Gross Margins**

Our gross margin increased 1.7% from 77.0% for the nine months ended September 30, 2022 to 78.7%. The increase was primarily due to the subscription increase of Trucker Path.

### **Operating expenses**

Our operating expenses increased by 0.3% from US\$37.1 million for the nine months ended September 30, 2022 to US\$37.2 million for the same period in 2023, primarily due to an increase in research and development expenses partially offset by a decrease in general and administrative expenses.

- *Selling and marketing expenses.* Our selling and marketing expenses decreased by 3.7% from US\$14.5 million for the nine months ended September 30, 2022 to US\$13.9 million for the same period in 2023. This decrease was primarily due to lower compensation and commissions due to decreased headcount.
- *Research and development expenses.* Our research and development expenses increased by 17.7% from US\$12.0 million for the nine months ended September 30, 2022 to US\$14.1 million for the same period in 2023. This increase was primarily due to an increase in our research and development for new project development.
- *General and administrative expenses.* Our general and administrative expenses decreased by 13.7% from US\$10.7 million for the nine months ended September 30, 2022 to US\$9.2 million for the same period in 2023. The decrease was due primarily to lower share-based compensation expense.

### **Other income, net**

We had other income of US\$1.2 million for the nine months ended September 30, 2023, which primarily consisted of US\$1.3 million release of tax liabilities in 2023, compared with other income of US\$1.4 million for the same period in 2022, which was primarily due to US\$1.4 million loan forgiveness in 2022.

### **Gain (loss) from fair value change of a long-term investment**

Our loss from fair value change of a long-term investment was US\$6.0 million for the nine months ended September 30, 2023, compared with gain from fair value change of a long-term investment of US\$5.2 million for the same period in 2022. The gain (loss) from fair value change of a long-term investment represents the unrealized gain (loss) from Kaixin, which is accounted for as an equity investment with readily determinable fair value.

### **Segment Operations**

The Company is engaged in providing B2B SaaS platforms and services to customers primarily located in the United States. The Company operates in two reportable segments: Lofty and Trucker Path. The Company defines its segments as those operations whose results the chief operating decision maker (“CODM”) regularly reviews to analyze performance and allocate resources.

The Lofty segment includes the Company’s all-in-one real estate sales acceleration and client lifecycle management platform. The Trucker Path segment includes the Company’s driver-centric online transportation management platform.

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The Company measures the results of its segments using, among other measures, each segment's revenue and cost of revenues. Information for the Company's segments, as well as for Other Operations, is provided in the following table:

	Lofty	Trucker Path	Other Operations	Consolidated
<b>Three Months Ended September 30, 2023</b>				
Revenue	\$ 7,262	\$ 5,995	\$ 34	\$ 13,291
Cost of sales	1,047	1,729	37	2,813
Gross Margin	\$ 6,215	\$ 4,266	\$ (3)	\$ 10,478
<b>Three Months Ended September 30, 2022</b>				
Revenue	\$ 6,400	\$ 5,559	\$ 39	\$ 11,998
Cost of sales	935	1,711	46	2,692
Gross Margin	\$ 5,465	\$ 3,848	\$ (7)	\$ 9,306
<b>Nine months ended September 30, 2023</b>				
Revenue	\$ 21,301	\$ 16,887	\$ 120	\$ 38,308
Cost of sales	3,083	4,954	120	8,157
Gross Margin	\$ 18,218	\$ 11,933	\$ —	\$ 30,151
<b>Nine months ended September 30, 2022</b>				
Revenue	\$ 17,937	\$ 15,255	\$ 112	\$ 33,304
Cost of sales	2,600	4,985	68	7,653
Gross Margin	\$ 15,337	\$ 10,270	\$ 44	\$ 25,651

**Liquidity and Capital Resources**

The accompanying condensed consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. As of December 31, 2022 and September 30, 2023, we had working capital (current assets less current liabilities) of US\$31.9 million and US\$20.7 million, respectively.

Our ability to continue as a going concern is dependent on our ability to generate cash flows from operations, and to make adequate financing arrangements. We had cash and cash equivalents of US\$45.5 million, including \$9.2 millions proceeds from a related party, excluding short-term investments of US\$4.4 million as of September 30, 2023. The cash reserve is expected to meet our operating needs and other requirements and plans for cash for at least the next twelve months from the date of this Quarterly Report on Form 10-Q. However, if negative cash flow from operating activities persists in the long run, our cash resources may become insufficient to satisfy on-going cash requirements. Cash and short-term investments are held at multiple financial institutions. We have diversified our holding banks to reduce the impact of bank failures, such as Silicon Valley Bank ("SVB"), on our uninsured deposits and to facilitate international operations.

Our material cash uses included investments in short-term government and agency securities, share repurchase, investment in adding product features and growing our enterprise presence in Lofty, Lofty's entry into property management SaaS services, and in research and development to add features to Trucker Path to allow us to extend the services offered to drivers and to serve the needs of other industry participants including brokers, fleets, and dispatchers. We issued a standby letter of credit to the benefit of East West Bank that guarantees Kaixin's and its subsidiary's payment of approximately US\$7.1 million to East West Bank, which is an uncollateralized guarantee carried over from our deconsolidation of Kaixin and fully reserved. As of the date of this Quarterly Report on Form 10-Q, approximately \$5.87 million had been claimed under our standby letter of credit in connection with a Kaixin subsidiary's default of certain guaranteed loan. The Company believes the other Kaixin loans guaranteed by the standby letter of credit will go default in the foreseeable future, and we may purchase the defaulted loans and the accompanying rights of recourse from East West Bank or, if we choose not to purchase the defaulted loans, East West Bank may seize our cash deposits pledged as security under the standby letter of credit, which amounted to US\$7.1 million as of September 30, 2023, and/or demand reimbursement from us. The following table sets forth a summary of our cash flows for the periods indicated:

**Cash Flows and Working Capital**

	<b>For the nine months ended September 30,</b>	
	<b>2022</b>	<b>2023</b>
	<b>(Unaudited, in thousands of US\$)</b>	
Net cash used in operating activities	(2,151)	(4,579)
Net cash (used in) provided by investing activities	(7,370)	18,615
Net cash (used in) provided by financing activities	(66)	2,764
Net (decrease) increase in cash and cash equivalents	(9,587)	16,800
Cash and cash equivalents and restricted cash at beginning of period	65,247	27,960
Effect of exchange rate changes	(406)	699
Cash and cash equivalents and restricted cash at end of period	55,254	45,459

Net cash used in operating activities was US\$4.6 million for the nine months ended September 30, 2023, compared to US\$2.2 million for the same period in 2022. The principal adjustments to reconcile our net loss to our net cash used in operating activities were impairment on long-term investment without readily determinable fair values, loss (income) in equity method investments, release of tax liabilities and gain on debt forgiveness, fair value change on long-term investment and share-based compensation expense. The principal change in operating assets and liabilities for the nine months ended September 30, 2023 was a decrease in PRC business tax liability and an increase in Trucker Path subscriptions receivable.

Net cash provided by investing activities was US\$18.6 million for the nine months ended September 30, 2023, compared to net cash used in investing activities of US\$7.4 million for the same period in 2022. Net cash provided by investing activities for the nine months ended September 30, 2023 was primarily due to US\$19.6 million from redemption of short-term investment, offset by \$0.9 million to for the purchases of property and refurbishment construction on the headquarters office. Net cash used in investing activities for the nine months ended September 30, 2022 was for the purchase of our new corporate headquarters, intangible assets and subsidiaries, partially offset by the redemption of short-term investments.

Net cash provided by financing activities was US\$2.8 million for the nine months ended September 30, 2023, compared to net cash used in financing activities of US\$0.07 million for the same period in 2022. Net cash provided by financing activities for the nine months ended September 30, 2023 was primarily due to settlement of the shareholder derivative lawsuit for which we received a one-time dividend of US\$2.6 million for shares held in 2023 and proceeds of US\$9.2 million from OPI, partly offset by the repurchase of US\$9.1 million ordinary shares. Net cash used in financing activities was US\$0.07 million for the nine months ended September 30, 2022 was primarily due to the borrowing repayment of US\$0.26 million, partly offset by the proceeds from exercise of share options and restricted shares of US\$0.19 million.

**Contractual Obligations**

The following table sets forth our contractual obligations from the continuing operations including interest payment, if applicable, as of September 30, 2023:

	<b>Payment Due by Period</b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>4-5 years</b>	<b>More than 5 years</b>
	<b>(Unaudited, in thousands of US\$)</b>				
Operating lease obligations (1)	625	99	526	—	—

Notes:

(1)We lease facilities and offices under non-cancelable operating lease agreements.

**Capital Expenditures**

We made capital expenditures of US\$7.4 million and US\$0.9 million for the nine months ended September 30, 2022 and 2023, respectively. Our capital expenditures for the nine months ended September 30, 2022 were primarily used for purchase of our corporate headquarters in Phoenix. Capital expenditures for the nine months ended September 30, 2023 were primarily used to for the refurbishment construction of the headquarters office.

***Research and Development, Patents, and Licenses, etc.***

**Research and Development**

Our research and development efforts focus on developing and improving the scalability, features, and functionality of our SaaS services, including the compilation and use of data to increase automation of our services and enhance the customer experience. We have a large team of approximately 280 engineers and developers as of September 30, 2023, accounting for approximately 56% of our employees. Most of our engineers and developers are based at our subsidiary's office in Beijing, China. We also have engineers in the Philippines and Eastern Europe.

Our research and development personnel support all areas of our business, mainly focusing on the improvement and enhancement of our SaaS businesses, Lofty and Trucker Path. Our research and development personnel also focus on enhancing the user experience through commonly used user interfaces, including mobile apps, and ensuring our products are fully compatible with the latest mobile operating systems such as iOS, Android, and Windows. In 2023, with the acquisition of Rentancy by Lofty, we expect to increasingly invest in developing Lofty products to serve property managers and landlords. We periodically shift the priorities of our research and development personnel to ensure we continually develop new products and services to extend our customer reach and meet the needs of our user base.

Our research and development expenses primarily include salaries and benefits for our research and development personnel. We incurred US\$12.0 million and US\$14.1 million of research and development expenses for the nine months ended September 30, 2022 and 2023, respectively.

**Intellectual Property**

Our intellectual property includes trademarks and trademark applications related to our brands and services, copyrights in software, trade secrets, patent applications and other intellectual property rights and licenses. We seek to protect our intellectual property assets and brand through a combination of monitoring and enforcement of trademark, patent, copyright and trade secret protection laws in the US, PRC, and other jurisdictions, as well as through confidentiality agreements and procedures.

We have been granted 1 patent. In addition, we maintain 32 copyright registrations, all of which are computer software copyright registrations as of September 30, 2023. Our employees sign confidentiality and non-compete agreements when hired.

***Trend Information***

Other than as disclosed elsewhere in this Quarterly Report on Form 10-Q, we are not aware of any trends, uncertainties, demands, commitments or events for the nine months ended September 30, 2023 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

***Critical Accounting Policies and Estimates***

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. There have been no material changes to our Critical Accounting Policies and Estimates disclosed therein.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a smaller reporting company, we are not required to provide information typically disclosed under this item.



## ITEM 4. CONTROLS AND PROCEDURES

### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 (the “Exchange Act”), as of the end of the period covered by this Quarterly Report on Form 10-Q. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in by the SEC’s rules and forms, and that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and interim chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of September 30, 2023, our disclosure controls and procedures were not effective, due to the two material weaknesses in our internal control over financial reporting as described below.

### *Management’s Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, for our company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of a company’s assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that a company’s receipts and expenditures are being made only in accordance with authorizations of a company’s management and directors, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of a company’s assets that could have a material effect on the consolidated financial statements. Due to its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance with respect to consolidated financial statement preparation and presentation and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act and related rules as promulgated by the SEC, our management assessed the effectiveness of our company’s internal control over financial reporting as of September 30, 2023, using criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. During the year ended December 31, 2022, our management identified two material weaknesses in our internal control over financial reporting, which remain unremediated as of September 30, 2023, as follows:

- Lack of an integrated and systematic risk assessment and reporting process to identify and assess the financial reporting risks and to ensure significant transactions including investments and non-routine transactions are accurately recorded and properly disclosed; and
- Lack of evaluations to ascertain whether the components of internal control are present and functioning.

As a result of these material weaknesses and based on the evaluation described above, our management concluded that our internal control over financial reporting was not effective as of September 30, 2023. Notwithstanding these material weaknesses, however, our management has concluded that the consolidated financial statements included in this Quarterly Report present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

### ***Management's Remediation Plans and Actions***

To remediate the material weaknesses described above in "Management's Report on Internal Control over Financial Reporting," we are implementing the plan and measures described below. We will continue to evaluate our remediation progress and, may in the future, implement additional measures:

- We have recruited personnel with the requisite knowledge in accounting and disclosure requirements for complex transactions under U.S. GAAP and statutory compliance. Where needed, we have engaged external parties with the expertise to evaluate and advise the company on complex or evolving areas such as public company filings, taxation, and valuation services.
- We have designed a control environment which allows management to monitor the effectiveness of internal controls over financial reporting and address gaps identified within the environment.
- We have implemented a consolidated general ledger within a single enterprise resource planning application for all legal entities, which includes consolidation and statutory reporting capabilities.
- We have recently designated new audit committee members with sufficient accounting and reporting experience and knowledge, and will design and implement risk assessment policies and procedures to identify and assess internal and external risks relating to financial reporting on a regular basis. The Board and Audit Committee will oversee implementation of such policies and procedures.
- We will design and implement evaluation policies and procedures to ascertain internal control components are present and functioning.

We believe that we are taking the steps necessary for remediation of the material weaknesses identified above, and we will continue to monitor the effectiveness of these steps and to make any changes that our management deems appropriate.

### ***Changes in Internal Control over Financial Reporting***

Other than as described above, there were no other changes in our internal control over financial reporting during the nine months ended September 30, 2023 that have materially affected or are reasonable likely to materially affect our internal control over financial reporting.

### ***Limitations on the Effectiveness of Controls and Procedures***

Our management, including our chief executive officer and our chief financial officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent or detect all errors and all fraud. A control system cannot provide absolute assurance due to its inherent limitations; it is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. A control system also can be circumvented by collusion or improper management override. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of such limitations, disclosure controls and procedures and internal control over financial reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

**PART II. OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

From time to time, we may become party to litigation or other legal proceedings that we consider to be part of the ordinary course of business. We are not currently party to any material legal proceedings.

**ITEM 1A. RISK FACTORS**

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which could materially affect our business, financial condition or future results. There have been no material changes to the risk factors disclosed in Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not Applicable.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

**EXHIBIT INDEX**

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	<a href="#">Amended and Restated Memorandum and Articles of Association of the Registrant</a>					*
10.1+#	<a href="#">Client Services Agreement between Moatable, Inc. and Vaco LLC, dated October 23, 2023, regarding services and fees of interim Chief Financial Officer</a>					*
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					*
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					*
32.1	<a href="#">Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					**
101	Inline XBRL Document Set for the condensed consolidated financial statements and accompanying notes in Part I, Item 1, “Financial Statements” of this Quarterly Report on Form 10-Q					*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)					

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- + Portions of the exhibit have been omitted as the Company has determined that: (i) the omitted information is not material; and (ii) the Company customarily and actually treats the omitted information as private or confidential.
  - # Management contract or compensatory plan or arrangement.
  - \* Filed herewith.
  - \*\* Furnished herewith and not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, the Exchange Act, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Moatable, Inc.

Dated: November 17, 2023

By: /s/ Joseph Chen

Joseph Chen  
Chief Executive Officer and Director (Principal  
Executive Officer)

Dated: November 17, 2023

By: /s/ Michael Schifsky

Michael Schifsky  
Interim Chief Financial Officer (Principal Financial and  
Accounting Officer)

**THE COMPANIES LAW (2010 REVISION)  
OF THE CAYMAN ISLANDS  
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION  
OF  
MOATABLE, INC.**

Adopted by a Special Resolution  
passed on April 14, 2011 and  
effective immediately upon the completion of the Company's initial public offering of Class A  
Ordinary Shares represented by American Depositary Shares  
Amended based on a Special Resolution passed on May 24, 2023

1. The name of the Company is Moatable, Inc.
2. The registered office of the Company shall be at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands or at such other place as the Directors may from time to time decide.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2010 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.
4. Nothing in this Memorandum of Association shall permit the Company to carry on a business for which a license is required under the laws of the Cayman Islands unless duly licensed.
5. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
7. The authorised share capital of the Company is US\$3,500,000 made up of 3,500,000,000 shares divided into (i) 3,000,000,000 Class A Ordinary Shares of a par value of US\$0.001 each and (ii) 500,000,000 Class B Ordinary Shares of a par value of US\$0.001 each.
8. The Company has the power to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2010 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the powers hereinbefore contained.

9. The Company has the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
10. Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

**THE COMPANIES LAW (2010 REVISION)  
OF THE CAYMAN ISLANDS  
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
OF  
MOATABLE, INC.**

Adopted by a Special Resolution  
passed on April 14, 2011 and effective immediately upon the completion of the Company's initial  
public offering of Class A Ordinary Shares represented by American Depositary Shares  
Amended based on a Special Resolution passed on May 24, 2023

**INTERPRETATION**

1. In these Articles, Table A in the First Schedule in the Companies Law does not apply and unless otherwise defined, the defined terms shall have the meanings assigned to them as follows:

<b>“Affiliate”</b>	with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control, with such specified Person; For purposes of these Articles, except as otherwise expressly provided herein, when used with respect to any Person, “control” means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “affiliated”, “controlling” and “controlled” have meanings correlative to the foregoing;
<b>“applicable law”</b>	includes the Law and Statutes, the rules and regulations of the Designated Stock Exchange, and any rules and regulations of the United States Securities and Exchange Commission that may apply to the Company by virtue of its trading on the Designated Stock Exchange, or of any other jurisdiction in which the Company is offering securities;
<b>“Articles”</b>	these Amended and Restated Articles of Association of the Company as amended from time to time;
<b>“Business Day”</b>	a day (excluding Saturdays or Sundays), on which banks in Hong Kong, Beijing, Shanghai and New York are open for general banking business throughout their normal business hours;
<b>“capital”</b>	the share capital from time to time of the Company;
<b>“Chairman”</b>	the Chairman appointed pursuant to Article 77(b);



<b>“Change of Control Event”</b>	with respect to a Person, the occurrence of any of the following, whether in a single transaction or in a series of related transactions: (A) an amalgamation, arrangement, merger, consolidation, scheme of arrangement or similar transaction (i) in which such Person is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which such Person is incorporated or (ii) as result of which the holders of the voting securities of such Person at the Effective Time do not hold more than 50% of the combined voting power of the voting securities of the surviving entity, or  (B) sale, transfer or other disposition of all or substantially all of the assets of such Person (including without limitation in a liquidation, dissolution or similar proceeding); provided, however, with respect to Softbank, an event is not a “Change of Control Event” if after the occurrence of such event, Mr. Masayoshi Son continues to hold no less than 5% of the total issued and outstanding share capital of Softbank or the surviving entity (as the case may be);
<b>“Class A Ordinary Share”</b>	Class A Ordinary Share of a par value of US\$0.001 each in the share capital of the Company;
<b>“Class B Ordinary Share”</b>	Class B Ordinary Share of a par value of US\$0.001 each in the share capital of the Company;
<b>“clearing house”</b>	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company (or depositary receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such jurisdiction;
<b>“Commission”</b>	Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
<b>“Companies Law” and “Law”</b>	the Companies Law (2010 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof. Where any provision of the Companies Law is referred to, the reference is to that provision as amended by any law for the time being in force;
<b>“Company”</b>	Moatable, Inc., a Cayman Islands exempted company limited by shares;
<b>“Company’s website”</b>	the website of the Company, the address or domain name of which has been notified to Members;
<b>“debenture” and “debenture holder”</b>	a debenture and debenture holder(s) respectively, as those terms are defined in the rules of the Designated Stock Exchange;

<b>“Designated Stock Exchange”</b>	the New York Stock Exchange or any other stock exchange on which the Company’s American Depositary Shares are listed for trading;
<b>“Directors”, “Board of Directors” and “Board”</b>	the directors of the Company for the time being, or as the case may be, the Directors assembled as a Board or as a committee thereof;
<b>“Dividend”</b>	shall include bonus issues of shares or other securities of the Company and distributions permitted by the Law to be categorised as dividends;
<b>“Effective Time”</b>	the time immediately prior to the completion of the Company’s initial public offering of Class A Ordinary Shares represented by American Depositary Shares;
<b>“electronic”</b>	the meaning given to it in the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force;
<b>“electronic communication”</b>	electronic posting to the Company’s Website, transmission to any number, address or internet website or other electronic  delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
<b>“Founder”</b>	Mr. Joseph Chen;
<b>“Founder Class B Shares”</b>	the Class B Ordinary Shares that were held by Founder Parties at the Effective Time;
<b>“Founder Family Members”</b>	from time to time, collectively, each of the Founder, the Founder’s spouse and children;
<b>“Founder Parties”</b>	as of the time specified or, if no time is specified, from time to time, each of the following, collectively, the Founder Family Members and all estates, trusts, partnerships, personal holding companies and other entities of which more than 50% of the interests are held directly or indirectly (through wholly-owned subsidiaries) by or for the account of the Founder Family Members;
<b>“in writing”</b>	includes writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on Members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference;

<b>“Member”</b>	has the meaning given to it in the Companies Law;
<b>“Memorandum of Association”</b>	the Memorandum of Association of the Company, as amended from time to time;
<b>“month”</b>	a calendar month;
<b>“Ordinary Resolution”</b>	a resolution: <ul style="list-style-type: none"> <li>(a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Member being an organization, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of the Company; or</li> <li>(b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed;</li> </ul>
<b>“ordinary shares”</b>	the Class A Ordinary Shares and the Class B Ordinary Shares, collectively or any of them;
<b>“paid up”</b>	paid up as to the par value and any premium payable in respect of the issue of any shares and includes credited as paid up;
<b>“Percentage Ownership”</b>	with respect to a Person’s ownership in another Person, the lesser of (a) the voting rights that such Person directly or indirectly holds in such other Person as a percentage of all of the outstanding voting rights in such other Person and (b) the equity interests that such Person directly or indirectly (through wholly-owned subsidiaries) holds in such other Person as a percentage of all of the outstanding equity interests in such other Person;
<b>“Person”</b>	any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under section 13(d)(3) of the Securities Exchange Act;

<b>“Register of Members”</b>	the register kept by the Company in accordance with the Companies Law;
<b>“SB Pan Pacific”</b>	SB Pan Pacific Corporation, a company incorporated under the Laws of Micronesia;
<b>“Seal”</b>	the Common Seal of the Company (if adopted) including any facsimile thereof;
<b>“secretary”</b>	the person appointed as company secretary by the Board from time to time;
<b>“Securities Act”</b>	the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
<b>“Securities Exchange Act”</b>	the Securities Exchange Act of 1934 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
<b>“share”</b>	any share in the capital of the Company, without regard to class and includes a fraction of a share;
<b>“signed”</b>	includes a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
<b>“Softbank”</b>	SOFTBANK CORP., a company incorporated under the Laws of Japan;
<b>“Softbank Class B Shares”</b>	the Class B Ordinary Shares that were held by Softbank Parties at the Effective Time;
<b>“Softbank Parties”</b>	as of the time specified or, if no time is specified, from time to time, collectively (i) Softbank and (ii) each Affiliate of Softbank whose financial statements are required under generally accepted accounting principles to be reported by Softbank on a consolidated basis, including SB Pan Pacific;

<b>“Softbank Base Holding”</b>	50% of that number of Ordinary Shares (irrespective of whether they are Class A Ordinary Share or Class B ordinary Shares) representing the sum of (1) the number of Class A Ordinary Shares that were collectively held by Softbank Parties at the Effective Time and (2) the number of Class B Ordinary Shares that were collectively held by Softbank Parties at the Effective Time;
<b>“Special Resolution”</b>	has the meaning given to it in the Companies Law and includes a unanimous written resolution;
<b>“Statutes”</b>	the Companies Law and every other law and regulation of the legislature of the Cayman Islands for the time being in force concerning companies and affecting the Company, its Memorandum of Association and/or these Articles;
<b>“Subsidiaries”</b>	with respect to any Person, any or all corporations, partnerships, limited liability companies, joint ventures, associations and other entities controlled by such person directly or indirectly through one or more intermediaries;
<b>“Transfer”</b>	any sale, transfer or other disposition, whether or not for value;
<b>“United States Dollars,” “Dollars,” “Dollar” or “\$”</b>	dollars, the legal currency of the United States of America; and
<b>“year”</b>	a calendar year.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender;
- (c) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;
- (d) “may” shall be construed as permissive and “shall” shall be construed as imperative;
- (e) references to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

- (f) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
  - (g) Section 8 of the Electronic Transactions Law (2003 Revision) shall not apply.
3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### **PRELIMINARY**

4. Subject to the Statutes, the business of the Company may be conducted as the Directors see fit.
5. The registered office of the Company shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

#### **RIGHTS AND RESTRICTIONS ATTACHING TO ORDINARY SHARES**

6. Except for the voting and conversion rights attached to the Class A Ordinary Shares and Class B Ordinary Shares as set forth in this Article 6, each Class A Ordinary Share and each Class B Ordinary Share shall have the same rights, including economic and income rights, in all circumstances. The rights and restrictions attaching to the ordinary shares are as follows:
- (a) **Income**  
Holders of ordinary shares shall be entitled to such dividends as the Directors may in their absolute discretion lawfully declare from time to time.
  - (b) **Capital**  
Holders of ordinary shares shall be entitled to a return of capital on liquidation, dissolution or winding-up of the Company (other than on a conversion, redemption or purchase of shares, or an equity financing or series of financings that do not constitute the sale of all or substantially all of the shares of the Company).
  - (c) **Change of Control Event**  
Each Class A Ordinary Share and each Class B Ordinary Share shall have the same rights upon a Change of Control Event with respect to their rights and interests in the Company, including without limitation receiving the same consideration on a per share basis.

(d) Attendance at General Meetings and Voting

Holders of ordinary shares have the right to receive notice of, attend, speak and vote at general meetings of the Company. Subject to the following paragraphs of this Article 6(d), holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as one class on all matters submitted to a vote by Members, and, where a poll is requested, (A) each Class A Ordinary Share shall be entitled to one vote on all matters subject to a vote at general meetings of the Company and (B) each Class B Ordinary Share shall be entitled to ten (10) votes on all matters subject to a vote at general meetings of the Company. Notwithstanding any provision of these Articles to the contrary:

- (i) the following matters are subject to the approval (X) by the holders representing a majority of the aggregate voting power of the Company present in a meeting of shareholders or through a written consent representing such voting power, (Y) by Softbank for so long as Softbank Parties continue to collectively hold at least the Softbank Base Holding and there is no Change of Control Event with respect to Softbank, and (Z) by the holders of a majority of the total outstanding Class A Ordinary Shares present in a meeting of shareholders or through a written consent representing such Class A Ordinary Shares:
  - (A) a Change of Control Event with respect to the Company; and
  - (B) election of Director(s) to the Board at an annual general meeting of the Company; and
- (ii) the following matters are subject to the approval by Softbank for so long as Softbank Parties continue to collectively hold at least the Softbank Base Holding and there is no Change of Control Event with respect to Softbank:
  - (A) issuances by the Company within any twelve month period of new ordinary shares (other than and not counting in such 10% any Class A Ordinary Shares issued upon conversion of Class B Ordinary Shares and ordinary shares issued pursuant to the Company's share incentive plans) in excess of ten percent (10%) of the total number of all issued and outstanding ordinary shares immediately prior to such twelve month period;
  - (B) an acquisition by the Company with the fair value of the acquisition consideration (together with any consideration paid in any related acquisition such as in a series of acquisitions from the same seller or group of sellers or their affiliates) exceeding ten percent (10%) of the Company's market capitalization as of the date of execution of the definitive transaction document for the acquisition;

- (C) a disposal of assets of the Company with the fair value of the consideration (together with any consideration received in any related disposal such as in a series of disposals to the same buyer or group of buyers or their affiliates) received by the Company exceeding five percent (5%) of the Company's market capitalization as of the date of execution of the definitive transaction document for the disposal; and
  - (D) an amendment of the Articles or the Memorandum of Association which specifically affects the rights of any of the Softbank Parties in an adverse manner (including without limitation, a change to the economic terms or other rights of the Class A Ordinary Shares or the Class B Ordinary Shares held by Softbank Parties, or a change to any of Sections 6, 55 and 77, or a change to any of the defined terms used in any of the foregoing, or a change to any other provision of the Articles or the Memorandum of Association that has the effect of superseding or overriding any of the foregoing).
- (e) Conversion
- (i) Each share of Class B Ordinary Shares is convertible into one (1) share of Class A Ordinary Shares at any time by the holder thereof. In no event shall Class A Ordinary Shares be convertible into Class B Ordinary Shares. A conversion of Class B Ordinary Shares to Class A Ordinary Shares shall be effected by way of compulsory repurchase by the Company of the relevant Class B Ordinary Shares for a redemption price equal to the original issue price for each Class B Ordinary Share and the issue of Class A Ordinary Shares for a subscription price equal to the redemption price for an equal number of Class B Ordinary Shares.
  - (ii) Class B Ordinary Shares shall automatically convert to Class A Ordinary Shares under the following circumstances and in the following manner:
    - (A) Fifty Percent Threshold

If at any time Founder Parties do not collectively hold at least fifty percent (50%) of the ordinary shares that were collectively held by Founder Parties at the Effective Time, then all Founder Class B Shares shall automatically and immediately convert into the same number of Class A Ordinary Shares.

If at any time Softbank Parties do not collectively hold at least the Softbank Base Holding, then all Softbank Class B Shares shall automatically and immediately convert into the same number of Class A Ordinary Shares.
    - (B) Transfers of Founder Class B Shares

Upon any Transfer of Founder Class B Shares to a Person other than a Founder Party, all of the Founder Class B Shares so Transferred shall automatically and immediately convert into an equal number of Class A Ordinary Shares.



Subject to the foregoing sentence, if upon any Transfer of Founder Class B Shares, there is a decrease in the Founder Family Members' collective Percentage Ownership in the Founder Class B Shares so Transferred, then a number of the Founder Class B Shares so Transferred shall be automatically and immediately converted into an equal number of Class A Ordinary Shares. The number of Founder Class B Shares that shall be converted into Class A Ordinary Shares pursuant to the preceding sentence shall be equal to the product of:

- (1) the total number of Founder Class B Shares so Transferred; and
- (2) the difference between (a) the Founder Family Members' collective Percentage Ownership in the Founder Class B Shares so Transferred immediately prior to such Transfer and (b) the Founder Family Members' collective Percentage Ownership in the Founder Class B Shares so Transferred immediately after such Transfer.

(C) Transfers of Softbank Class B Shares

Upon any Transfer of Softbank Class B Shares to a Person other than a Softbank Party, all of the Softbank Class B Shares so Transferred shall automatically and immediately convert into an equal number of Class A Ordinary Shares. Subject to the foregoing sentence, if upon any Transfer of Softbank Class B Shares, there is a decrease in Softbank's Percentage Ownership in the Softbank Class B Shares so Transferred, then a number of the Softbank Class B Shares so Transferred shall be automatically and immediately converted into an equal number of Class A Ordinary Shares. The number of Softbank Class B Shares that shall be converted into Class A Ordinary Shares pursuant to the preceding sentence shall be equal to the product of:

- (1) the total number of Softbank Class B Shares so Transferred; and
- (2) the difference between (a) Softbank's Percentage Ownership in the Softbank Class B Shares so Transferred immediately prior to such Transfer and (b) Softbank's Percentage Ownership in the Softbank Class B Shares so Transferred immediately after such Transfer.

(D) Loss of Status as Founder Party; Decrease of Ownership in Holder of Founder Class B Shares

If at any time a holder of Founder Class B Shares ceases to be a Founder Party, then all Founder Class B Shares held by such holder shall automatically and immediately convert into the same number of Class A Ordinary Shares.

Subject to the foregoing sentence, if at any time there is a decrease in the Founder Family Members' Percentage Ownership in a holder of Founder Class B Shares, then a number of the Founder Class B Shares held by such holder shall be automatically and immediately converted into an equal number of Class A Ordinary Shares. The number of Founder Class B Shares that shall be converted into Class A Ordinary Shares pursuant to the preceding sentence shall be equal to the product of:

- (1) the total number of Founder Class B Shares held by such holder; and
- (2) the difference between (a) the Founder Family Members' Percentage Ownership in such holder immediately prior to such decrease in the Founder Family Members' Percentage Ownership and (b) the Founder Parties' Percentage Ownership in such holder immediately after such decrease in the Founder Parties' Percentage Ownership.

(E) Loss of Status as Softbank Party; Decrease of Ownership in Holder of Softbank Class B Shares

If at any time a holder of Softbank Class B Shares ceases to be a Softbank Party, then all Softbank Class B Shares held by such holder shall automatically and immediately convert into the same number of Class A Ordinary Shares.

Subject to the foregoing sentence, if at any time there is a decrease in Softbank's Percentage Ownership in a holder of Softbank Class B Shares, then a number of the Softbank Class B Shares held by such holder shall be automatically and immediately converted into an equal number of Class A Ordinary Shares. The number of Softbank Class B Shares that shall be converted into Class A Ordinary Shares pursuant to the preceding sentence shall be equal to the product of:

- (1) the total number of Softbank Class B Shares held by such holder; and
- (2) the difference between (a) Softbank's Percentage Ownership in such holder immediately prior to such decrease in Softbank's Percentage Ownership and (b) Softbank's Percentage Ownership in such holder immediately after such decrease in the Softbank's Percentage Ownership.

(F) Change of Control of Softbank

Upon any Change of Control Event with respect to Softbank, all Softbank Class B Shares shall automatically and immediately convert into the same number of Class A Ordinary Shares.

## ISSUE OF SHARES

7. Subject to the provisions, if any, in the Memorandum of Association, these Articles and to any direction that may be given by the Company in a general meeting, the Directors may, in their absolute discretion and without approval of the existing Members, issue shares, grant rights over existing shares or issue other securities in one or more series as they deem necessary and appropriate and determine designations, powers, preferences, privileges and other rights, including dividend rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers and rights associated with the shares held by existing Members, at such times and on such other terms as they think proper. The Company shall not issue shares in bearer form.
- 7A. The Directors may provide, out of the unissued shares, for series of preferred shares. Before any preferred shares of any such series are issued, the Directors shall fix, by resolution or resolutions, the following provisions of the preferred shares thereof:
- (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;
  - (b) whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;
  - (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of preferred shares;
  - (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;
  - (e) the amount or amounts payable upon preferred shares of such series upon, and the rights of the holders of such series in, a voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Company;
  - (f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;
  - (g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

- (h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing Shares or shares of any other class of shares or any other series of preferred shares;
- (i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and
- (j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.

Without limiting the foregoing and subject to Article 77, the voting powers of any series of preferred shares may include the right, in the circumstances specified in the resolution or resolutions providing for the issuance of such preferred shares, to elect one or more Directors who shall serve for such term and have such voting powers as shall be stated in the resolution or resolutions providing for the issuance of such preferred shares. The term of office and voting powers of any Director elected in the manner provided in the immediately preceding sentence of this Article 7A may be greater than or less than those of any other Director or class of Directors.

- 7B. The powers, preferences and relative, participating, optional and other special rights of each series of preferred shares, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of preferred shares shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

#### **REGISTER OF MEMBERS AND SHARE CERTIFICATES**

- 8. The Company shall maintain a Register of Members and a Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates (if any) shall specify the share or shares held by that person and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. All certificates for shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the register.
- 9. All share certificates shall bear legends required under the applicable laws, including the Securities Act.
- 10. Any two or more certificates representing shares of any one class held by any Member may at the Member's request be cancelled and a single new certificate for such shares issued in lieu on payment (if the Directors shall so require) of US\$1.00 or such smaller sum as the Directors shall determine.

11. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
12. In the event that shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

#### **TRANSFER OF SHARES**

13. (a) Shares of the Company are transferable; provided that the Board may, in its sole discretion, decline to register any transfer of any share which is not fully paid up or on which the Company has a lien.
    - (b) The Directors may also decline to register any transfer of any share unless:
      - (i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
      - (ii) the shares to be transferred are free of any lien in favor of the Company; and
      - (iii) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board may from time to time require, is paid to the Company in respect thereof.
    - (c) If the Directors refuse to register a transfer they shall, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.
    - (d) Any one of the Directors authorized by the Board shall have the power to renounce the Company's discretion under this Article 13 and accept any transfer of any share and authorize the registration of such share transfer.
  14. The registration of transfers may, on 14 days' notice being given by advertisement in one or more newspapers or by electronic means, be suspended and the register closed at such times and for such periods as the Board may from time to time determine.
  15. The instrument of transfer of any share shall be in writing and executed by or on behalf of the transferor (and if the Directors so require, signed by the transferee). Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members.
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16. All instruments of transfer registered shall be retained by the Company.

#### **REDEMPTION AND PURCHASE OF OWN SHARES**

17. Subject to the provisions of the Statutes and these Articles, the Company may:

- (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member and the redemption of shares shall be effected on such terms and in such manner as the Board may, before the issue of such shares, determine;
- (b) purchase its own shares (including any redeemable shares) provided that the Members shall have approved the manner of purchase by Ordinary Resolution or the manner of purchase is in accordance with Articles 18 and 18A herein; and
- (c) the Company may make a payment in respect of the redemption or purchase of its own shares in any manner permitted by the Statutes, including out of capital.

18. Purchase of shares listed on the Designated Stock Exchange.

The Company is authorised to purchase any share listed on the Designated Stock Exchange in accordance with the following manner of purchase:

- (a) the maximum number of shares that may be repurchased shall be equal to the number of issued and outstanding shares less one share; and
- (b) the repurchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in their sole discretion; provided, however, that:
  - (i) such repurchase transactions shall be in accordance with the relevant code, rules and regulations applicable to the listing of the shares on the Designated Stock Exchange; and
  - (ii) at the time of the repurchase, the Company is able to pay its debts as they fall due in the ordinary course of its business.

- 18A. Purchase of shares not listed on the Designated Stock Exchange: the Company is authorised to purchase any shares not listed on the Designated Stock Exchange in accordance with the following manner of purchase:
- (a) the Company shall serve a repurchase notice in a form approved by the Board on the Member from whom the shares are to be repurchased at least two Business Days prior to the date specified in the notice as being the repurchase date;
  - (b) the price for the shares being repurchased shall be such price agreed between the Board and the applicable Member;
  - (c) the date of repurchase shall be the date specified in the repurchase notice; and
  - (d) the repurchase shall be on such other terms as specified in the repurchase notice as determined and agreed by the Board and the applicable Member in their sole discretion.
19. The redemption or purchase of any share shall not be deemed to give rise to the redemption or purchase of any other share and the Company is not obligated to purchase any other share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.
20. The holder of the shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

#### **VARIATION OF RIGHTS ATTACHING TO SHARES**

21. If at any time the share capital is divided into different classes or series of shares, the rights attaching to any class or series (unless otherwise provided by the terms of issue of the shares of that class or series) may, subject to these Articles, be varied or abrogated with the consent in writing of the holders of a majority of the issued shares of that class or series or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class or series.
22. The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class or series of shares except the following:
- (a) separate general meetings of the holders of a class or series of shares may be called only by (i) the Chairman of the Board, or (ii) a majority of the entire Board of Directors (unless otherwise specifically provided by the terms of issue of the shares of such class or series). Nothing in this Article 22 or Article 21 shall be deemed to give any Member or Members the right to call a class or series meeting.
  - (b) the necessary quorum shall be one or more persons holding or representing by proxy at least one-third of the issued shares of the class or series and any holder of shares of the class or series present in person or by proxy may demand a poll.

23. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking in priority thereto or *pari passu* therewith.

#### **COMMISSION ON SALE OF SHARES**

24. The Company may in so far as the Statutes from time to time permit make any payment of a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage fees as may be lawful.

#### **NON-RECOGNITION OF TRUSTS**

25. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statutes) any other rights in respect of any share except an absolute right to the entirety thereof vested in the registered holder.

#### **LIEN ON SHARES**

26. The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all dividends or other monies payable in respect thereof.
27. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 calendar days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the persons entitled thereto by reason of his death or bankruptcy.
28. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.



29. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**

30. Subject to the terms of allotment, the Directors may from time to time make calls upon the Members in respect of any money unpaid on their shares, and each Member shall (subject to receiving at least 14 calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on his shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
31. The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.
32. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
33. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
34. The Directors may make arrangements on the issue of shares for a difference between the Members, or the particular shares, in the amount of calls to be paid and in the times of payment.
35. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Member paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

#### **FORFEITURE OF SHARES**

36. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of such much of the call or instalment as is unpaid, together with any interest which may have accrued.

37. The notice shall name a further day (not earlier than the expiration of 14 calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
38. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.
39. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
40. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the fully paid up amount of the shares.
41. A certificate in writing under the hand of a Director of the Company, which certifies that a share has been forfeited on a date stated in the certificate, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share or any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes due and payable, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **REGISTRATION OF EMPOWERING INSTRUMENTS**

43. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every letter of probate, letter of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or any other instrument.

#### **TRANSMISSION OF SHARES**

44. The legal personal representative of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to the share. In the case of a share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only person recognised by the Company as having any title to the share.

45. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be properly required by the Directors, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made. If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
46. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

#### **ALTERATION OF CAPITAL**

47. The Company may by Ordinary Resolution:
    - (a) increase its share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
    - (b) consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;
    - (c) sub-divide its existing shares or any of them into shares of a smaller par value than is fixed by the Company's Memorandum of Association (subject, nevertheless, to the Law) provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; and
    - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
  48. Subject to the provisions of the Statutes and these Articles as regards to the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.
  49. All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
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## **CLOSING REGISTER OF MEMBERS AND FIXING RECORD DATE**

50. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period but not to exceed in any case 30 calendar days. If the Register of Members shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members such register shall be so closed for at least 10 calendar days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register of Members.
51. In lieu of or apart from closing the Register of Members, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend, the Directors may, at or within 30 calendar days prior to the date of declaration of such dividend fix a subsequent date as the record date of such determination.
52. If the Register of Members is not so closed and no record date is fixed for the determination of those Members entitled to receive notice of, attend or vote at a meeting of Members or those Members that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

## **GENERAL MEETINGS**

53. All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings.
  54.
    - (a) The Company may hold an annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall determine.
    - (b) At these meetings the report of the Directors (if any) shall be presented.
    - (c) If the Company is exempted as defined in the Statute, it may but shall not be obliged to hold an annual general meeting.
  55.
    - (a) Any Director may, and the Directors shall on the requisition of Members of the Company holding as at the date of the deposit of the requisition not less than one-fifth of such of the aggregate voting power of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, proceed to convene a general meeting of the Company.
    - (b) The requisition must state the objects of the meeting and must be signed by the requisitionists and be deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.
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- (c) If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty-one (21) days.
- (d) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.
- (e) Any resolutions passed on the extraordinary general meetings convened pursuant to Section 55(a) above should be by Special Resolutions.

#### **NOTICE OF GENERAL MEETINGS**

56. At least seven calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting by all the Members (or their proxies) entitled to attend and vote thereat; and
  - (b) in the case of an extraordinary general meeting by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety five percent in par value of the shares giving that right.
- 56A The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Member shall not invalidate the proceedings at any meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

57. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. At least one Member, and not less than an aggregate of one-third of all voting power of the Company share capital in issue, shall be present in person or by proxy and entitled to vote shall be a quorum for all purposes.
58. If determined by the Board of Directors and specified in the notice of a general meeting, a person may participate in a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

59. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
60. The Chairman of the Board of Directors shall preside as chairman at every general meeting of the Company, except as provided in Article 62 below.
61. If at any meeting the Chairman of the Board of Directors is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect one of their members to be the chairman of the meeting, or, if no Director is so elected and willing to be the chairman of the meeting, the Members present shall choose a chairman of the meeting.
62. The chairman of a general meeting may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 10 calendar days or more, not less than 7 Business Days' notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
63. Subject to Article 6(d), at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by one or more Members present in person or by proxy entitled to vote and who together hold not less than one tenth of the paid up voting share capital of the Company or by the chairman of the meeting, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
64. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
65. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
66. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
- 66A A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by or on behalf of all of the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, in the case of corporations or other non-natural persons, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

## VOTES OF MEMBERS

67. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
68. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or other person in the nature of a committee appointed by that court, and any such committee or other person, may on a poll, vote by proxy.
69. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
70. On a poll, votes may be given either personally or by proxy.
71. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company.
72. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
73. The instrument appointing a proxy shall be deposited at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:
  - (a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
  - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

74. Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING**

75. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.

#### **CLEARING HOUSES**

76. If a clearing house (or its nominee) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of Members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual Member of the Company holding the number and class of shares specified in such authorisation.

#### **DIRECTORS**

77. (a) The Board shall consist of not less than three (3) Directors and no more than nine (9) Directors (exclusive of alternate Directors), provided that (subject to section 6(d)) the Company may from time to time by Ordinary Resolution increase or decrease the number of Directors on the Board.
- (b) For so long as Softbank Parties continue to collectively hold at least the Softbank Base Holding, Softbank will have the right to designate one (1) Director.
- (c) Each Director shall hold office until the expiration of his term and until his successor shall have been elected and qualified. The Board of Directors shall have a Chairman of the Board of Directors (the "Chairman") elected and appointed by a majority of the Directors then in office. The Directors may also elect a Co-Chairman or a Vice-Chairman of the Board of Directors (the "Co-Chairman"). The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors, the Co-Chairman, or in his absence, the attending Directors may choose one Director to be the chairman of the meeting. The Chairman's voting right as to the matters to be decided by the Board of Directors shall be the same as other Directors. Subject to these Articles and the Companies Law, the Company may by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. The Directors by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, or the sole remaining Director, shall have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy on the Board or as an addition to the existing Board, subject to the Company's compliance with the director nomination procedures required under the applicable corporate governance rules of the Designated Stock Exchange' as long as the Company's American Depositary Shares are trading on the Designated Stock Exchange.



- (d) A Director may be removed from office by Special Resolution at any time before the expiration of his term notwithstanding any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement).
  - (e) A vacancy on the Board created due to any reason may be filled by the election or appointment by Ordinary Resolution at the meeting at which a Director is removed or by the affirmative vote of a simple majority of the remaining Directors present and voting at a duly called and constituted Board meeting. Notwithstanding anything to the contrary in these Articles, any persons entitled to designate any individual to be elected as a Director pursuant to Article 77(b) above shall have the exclusive right to remove any such Director occupying such position and to fill any vacancy caused by the death, disability, retirement, resignation or removal of any Director occupying such position during the periods specified in Article 77(b).
78. The Board may, from time to time, and except as required by applicable law or the listing rules of the Designated Stock Exchange, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
79. A Director shall not be required to hold any shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at general meetings of the Company and all classes of shares of the Company.

#### **DIRECTORS' FEES AND EXPENSES**

80. The Directors may receive such remuneration as the Board may from time to time determine. The Directors shall be entitled to be repaid all traveling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

81. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

#### **ALTERNATE DIRECTOR**

82. Any Director may in writing appoint another person to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote thereat as a Director when the person appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director and shall not be deemed to be the agent of the Director appointing him. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
83. Any Director may appoint any person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting at which such proxy is to be used, or first used, prior to the commencement of the meeting.

#### **POWERS AND DUTIES OF DIRECTORS**

84. Subject to the provisions of the Companies Law, these Articles and to any resolutions made in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution made by the Company in a general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been made.
85. Subject to these Articles, the Directors may from time to time appoint any person, whether or not a Director of the Company, to hold such office in the Company as the Directors may think necessary for the administration of the Company, including without prejudice to the foregoing generality, the office of Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or Chief Technology Officer, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. The Directors may also appoint one or more members of their body (but not an alternate Director) to the office of Managing Director upon like terms, but any such appointment shall ipso facto determine if any Managing Director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

86. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
87. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
88. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
89. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any of the aforesaid.
90. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
91. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested to them.
92. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

#### **DISQUALIFICATION OF DIRECTORS**

93. Notwithstanding anything in these Articles, the office of a Director shall be vacated, if the Director:
  - (a) dies, becomes bankrupt or makes any arrangement or composition with his creditors;
  - (b) is found to be or becomes of unsound mind;

- (c) resigns his office by notice in writing to the Company; or
- (d) shall be removed from office pursuant to Article 78 or the Statutes.

#### **PROCEEDINGS OF DIRECTORS**

- 94. The Directors may meet together (whether within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit.
- 95. The Chairman or at least a majority of the Directors then in office may at any time summon a meeting of the Directors, provided every other Director and alternate Director has been provided at least 48 hours' prior notice of the date, time, venue and the proposed agenda of the proposed meeting of the Directors.
- 96. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.
- 97. A Director or Directors may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director or Directors are members, by means of conference telephone, video conference or similar communication equipment by way of which all persons participating in such meeting can hear each other and such participation shall be deemed to constitute presence in person at the meeting.
- 98. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be a majority of the Directors then in office, including the Chairman, provided that a Director and his appointed alternate Director shall be considered only one person for this purpose. A meeting of the Directors at which a quorum is present when the meeting proceeds to business shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. A meeting of the Directors may be held by means of telephone or teleconferencing or any other telecommunications facility provided that all participants are thereby able to communicate immediately by voice with all other participants.
- 99. If a quorum is not present at a Board meeting within thirty (30) minutes following the time appointed for such board meeting, the relevant meeting shall be adjourned for a period of at least three (3) Business Days and the presence of any three (3) directors shall constitute a quorum at such adjourned meeting. A meeting of the Directors at which a quorum is present when the meeting proceeds to business shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

100. Questions arising at any meeting of the Directors shall be decided by a majority of votes and each Director shall be entitled to one (1) vote in deciding matters deliberated at any meeting of the Directors.
101. In case of equality of votes, the Chairman shall have a second or casting vote.
102. Except as required by the Company's corporate governance policies, a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.
103. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.
104. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
105. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:
  - (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
  - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

106. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.
107. A resolution signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted and when signed, a resolution may consist of several documents each signed by one or more of the Directors.
108. The continuing Directors may act, notwithstanding any vacancy in their body, but if their number is reduced below the number fixed pursuant to these Articles as the necessary quorum of Directors, then the continuing Directors may act only to increase the number or to summon a general meeting of the Company, but for no other purpose.
109. The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. A committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
110. A committee appointed by the Directors may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.
111. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### **PRESUMPTION OF ASSENT**

112. A Director who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

#### **DIVIDENDS, DISTRIBUTIONS AND RESERVE**

113. Subject to any rights and restrictions for the time being attached to any class or classes of shares and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor. At any and every time the Directors declare dividends, Class A Ordinary Shares and Class B Ordinary Shares shall have identical rights in the dividends so declared.

114. Subject to any rights and restrictions for the time being attached to any class or classes of shares and these Articles, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
115. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit.
116. Any dividend may be paid by cheque or wire transfer to the registered address of the Member or person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such person and such address as the Member or person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled, or such joint holders as the case may be, may direct.
117. The Directors when paying dividends to the Members in accordance with the foregoing provisions may make such payment either in cash or in specie.
118. Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.
119. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as fully paid on the shares, but if and so long as nothing is paid up on any of the shares in the Company dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the share.
120. If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividend or other monies payable on or in respect of the share.
121. No dividend shall bear interest against the Company.

## **BOOK OF ACCOUNTS**

122. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
123. The books of account shall be kept at such place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
124. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company by Ordinary Resolution.
125. Subject to the requirements of applicable law and the applicable rules of the Designated Stock Exchange, the accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Company by Ordinary Resolution or failing any such determination by the Directors or failing any determination as aforesaid shall not be audited.

## **ANNUAL RETURNS AND FILINGS**

126. The Board shall make the requisite annual returns and any other requisite filings in accordance with the Companies Law.

## **AUDIT**

127. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.
128. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
129. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next special meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any time during their term of office, upon request of the Directors at any general meeting of the Members.

## **THE SEAL**

130. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of any one or more persons as the Directors may appoint for the purpose and every person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.



131. The Company may maintain a facsimile of its Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such person or persons as the Directors shall for this purpose appoint and such person or persons as aforesaid shall sign every instrument to which the facsimile Seal of the Company is so affixed in their presence.
132. Notwithstanding the foregoing, a Director shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

#### **OFFICERS**

133. Subject to Article 85, the Company may have a Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other executive officers as the Directors see fit. The Directors may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

#### **CAPITALISATION OF PROFITS**

134. Subject to the Statutes and these Articles, the Board may, with the authority of an Ordinary Resolution:
- (a) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;
  - (b) appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amount of shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
    - (i) paying up the amounts (if any) for the time being unpaid on shares held by them respectively; or
    - (ii) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the Members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to Members credited as fully paid;

- (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the Board may deal with the fractions as it thinks fit;
- (d) authorise a person to enter (on behalf of all the Members concerned) an agreement with the Company providing for either:
  - (i) the allotment to the Members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or
  - (ii) the payment by the Company on behalf of the Members (by the application of their respective operations of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares, an agreement made under the authority being effective and binding on all those Members; and
- (e) generally do all acts and things required to give effect to the resolution.

#### NOTICES

- 135. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the person entitled to give notice to any Member either personally, by facsimile or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to the Member at his address as appears in the Register of Members or, to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the Member to the Company or by placing it on the Company's Website. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
- 136. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.
- 137. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
- 138. Any notice or other document, if served by:
  - (a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted (in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted to the courier);

- (b) facsimile, shall be deemed to have been served upon confirmation of receipt;
- (c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service and in proving such service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly delivered to the courier; or
- (d) electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by any applicable laws or regulations.

139. Any notice or document delivered or sent to any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt or being wound-up, and whether or not the Company has notice of his death or bankruptcy or winding-up, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register of Members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

140. Notice of every general meeting shall be given to:

- (a) all Members who have supplied to the Company an address for the giving of notices to them;
- (b) every person entitled to a share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- (c) each Director and Alternate Director.

No other person shall be entitled to receive notices of general meetings.

#### **INFORMATION**

141. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

142. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its members including, without limitation, information contained in the Register of Members and transfer books of the Company and as applicable by Statute.

## **INDEMNITY**

143. Every Director (including for the purposes of this Article any Alternate Director appointed pursuant to the provisions of these Articles) and officer of the Company for the time being and from time to time shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities (collectively, "D&O Liabilities") incurred or sustained by him in connection with the execution or discharge of his duties, powers, authorities or discretions as a Director or officer of the Company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere; provided that the foregoing does not apply to a Director or officer of the Company if the D&O Liabilities were due to the willful misconduct of the Director or officer as determined by a competent court or regulatory body or in the case of an officer who is not a Director, by the Board. The Company shall obtain directors and officers liability insurance for Directors and officers of the Company to cover D&O Liabilities.
144. No such Director or officer of the Company shall be liable to the Company for any loss or damage unless such liability arises through the willful misconduct of such Director or officer as determined by a competent court or regulatory body or in the case of an officer who is not a Director, by the Board.

## **FINANCIAL YEAR**

145. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

## **WINDING UP**

146. Subject to these Articles, if the Company shall be wound up the liquidator may, with the sanction of an Ordinary Resolution of the Company, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

**AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION AND NAME OF COMPANY**

147. The Company may at any time and from time to time by Special Resolution alter or amend these Articles or the Memorandum of Association of the Company, in whole or in part, or change the name of the Company.

**REGISTRATION BY WAY OF CONTINUATION**

148. The Company may by Ordinary Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.



Certain identified information in this document has been excluded because it is both (i) not material and (ii) is the type of information that the Company customarily and actually treats as private or confidential. This document has been marked with “[\*\*\*]” to indicate where omissions have been made.

**CLIENT SERVICES AGREEMENT  
(CONTRACT HYBRID)  
#525005**

This Client Services Agreement (“Agreement”) is made and entered into as of October 23, 2023 (“Effective Date”) by and between Moatable (formerly Renren US Holdco, Inc.) and any affiliates of Moatable (formerly Renren US Holdco, Inc.) for whom Vaco LLC provides services under this Agreement (collectively, “Client”) and Vaco LLC (“Vaco”) and its affiliate organizations. Client and Vaco are hereinafter referred to collectively as the “Parties” and individually as a “Party.”

**WHEREAS**, Client wishes to engage and contract Vaco to provide the consulting services and/or recruiting services described herein in accordance with the terms and conditions contained in this Agreement and included addendum(s), which addendums are incorporated by reference into this Agreement;

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties hereby agree to the terms set forth below.

**Consulting Services**

**1. Services:**

- (a) Upon request, Vaco will provide consulting services, under the supervision and direction of Client, on a project basis according to Client needs. Specific work performed by project will be included as an addendum(s) to this Agreement, which, unless otherwise provided herein, shall include the specific fee for the services provided. The Parties may subsequently agree to add projects and/or work through addendum(s), without the necessity of entering into a new Agreement. The terms of this Agreement will control any such projects and/or work, unless and to the extent the Parties agree otherwise in a writing signed by both Parties.
- (b) A professional provided by Vaco to Client to perform services for Client pursuant to this Agreement is a “Consultant”. Any work product of Consultant provided by Vaco resulting from the services performed pursuant to this Agreement shall be “work-for-hire” and shall belong to the Client. The Consultant shall not be deemed an employee of Client and shall not be entitled to benefits or privileges of Client’s employees. Vaco acknowledges it is solely responsible for compensating the Consultant or Consultant’s employer for the services he/she performs and will withhold such federal, state, and local taxes and unemployment insurance as required by law. Client agrees to pay Vaco for such services at the rate(s) specified in addendum(s) to this Agreement. Client agrees to approve and sign Consultant weekly time records (when required) by noon local time the Monday following the week worked. Approval of weekly time records will constitute Client’s full acceptance of the services. Failure to sign or notify Vaco in writing of a deficiency within this timeframe will constitute Client’s approval of these services.
- (c) Invoicing will be weekly and payment is due to Vaco within thirty (30) days of invoicing. Any late invoicing by Vaco shall not affect Client’s obligation to pay for services rendered.
- (d) If a change of Consultant is required due to circumstances beyond the control of Vaco, Vaco will make every reasonable effort to replace said Consultant.
- (e) Subject to any applicable law to the contrary, Vaco can conduct reference checks (inclusive of background checks) to Client’s specifications upon request and furnish Client with this information; it is understood, however, that final reference checks, verification of education, criminal checks, credit

checks, and other documentation deemed necessary by Client will be performed by Client (if permitted under law).

- (a) If Client (including all of its divisions, subsidiaries or other affiliates) elects to hire or otherwise directly or indirectly use the services of, on a full-time, part-time, or temporary basis, any Consultant, Client agrees to pay Vaco a conversion fee. This fee is payable if the Consultant is hired or otherwise used by Client or its related companies at any time within one (1) year after the termination of the Consultant’s assignment at Client through Vaco.

Vaco Division	Division Summary	Contract Conversion Fee Terms
Vaco Staffing	Executive Support Human Resources Transactional Accounting Sales and Marketing	Percentage of first year’s salary (not including any sign on or guaranteed bonus): <ul style="list-style-type: none"> <li>● 25%: 0–520 regular hours worked on assignment</li> <li>● 15%: 521–1040 regular hours worked on assignment</li> <li>● 0%: 1041+ regular hours worked on assignment</li> </ul>
Vaco Resources	Accounting and Finance Consulting	25% of first year’s salary (not including any sign on or guaranteed bonus)
Vaco Technology (Consulting & Managed Solutions Division)	IT Consulting and Solutions	25% of first year’s salary (not including any sign on or guaranteed bonus)

2. **Client Responsibilities:** Client will provide all technical data, information and resources necessary for Consultant’s performance under this Agreement, including workspace, office supplies and reasonable access to information. Neither Vaco, its Consultant, nor Vaco’s affiliate organizations shall have any liability or risk for any problem attributable to the content, accuracy, completeness or consistency of any information or other resources supplied by Client.
3. **Limited Warranty:** Vaco warrants that the services of Consultant will be provided utilizing reasonable care and skill in accordance with customary industry standards. Vaco expressly disclaims any and all other warranties and representations of any kind or nature, whether express or implied, on its (including its Consultants’) services provided under this Agreement, including, but not limited to, implied warranties of merchantability or fitness for a particular purpose.
4. **Economic Change Adjustment (ECA):** Economic change adjustments will be made on an annual basis for all resources, on hourly rates. For Services performed in the United States and Canada, the adjustment will be on a fixed rate of 3% per annum. For Services performed in the United States and Canada, any other variable adjustments may be agreed by Client and the Consultant and made effective during the course of this engagement or its extensions via executed addendum.
5. **Project Technology Support Fee:** In addition to the fees and expenses (including hourly bill rates and Economic Change Adjustments) otherwise stated in the Agreement, Vaco will charge Client a three percent (3%) Project Technology Support Fee on each invoice for estimated ongoing costs associated with technology tools and platforms used to support any project deliverables, including, but not limited to, cloud services, cloud based software, digital storage, collaboration software, conferencing software and rooms, computer usage, and operations support. This fee is calculated based on labor amounts billed by Vaco’s Consultant under an applicable Addendum/Work Order.



6. **Non-Solicitation:** Except as provided by this Agreement, Client (including all of its divisions, subsidiaries and other affiliates) will not hire or offer employment to, or otherwise directly or indirectly use the services of, on a full-time, part-time or temporary basis,
- (a) any Consultant who has provided services for Client hereunder until the expiration of one (1) year after termination of Consultant's most recent assignment to Client, or
  - (b) any Consultant or prospective Consultant who has been introduced to, recommended to or interviewed by Client through the services of Vaco, until the expiration of one (1) year after the latest of such interview, discussion, introduction, or presentation of Consultant.

In the event that Client provides the services of any Consultant, or introduces or refers any Consultant, to any third party during the course of any assignment, Client shall obtain the agreement of such third party to the foregoing restrictions and shall be responsible to Vaco for any breach thereof by it or the third party.

If Client (including its divisions, subsidiaries or other affiliates) breaches this section it will pay Vaco an amount equal to thirty-five percent (35%) of the gross annual compensation (including salary plus any guaranteed bonus) of the Consultant at issue, if the Consultant is an employee of, or offered employment by, Client (including its divisions, subsidiaries or other affiliates) or a third party to whom Client introduced or referred the Consultant. If Client breaches this section by having Consultant provide services, or allowing Consultant to provide services, to the Client (including its divisions, subsidiaries or other affiliates) or relevant third party in a capacity other than that of employee (i.e., on a consulting/hourly basis), then Client will pay Vaco an amount equal to the Consultant's last Vaco bill rate multiplied by the total number of hours worked by the Consultant for the Client (including its divisions, subsidiaries or other affiliates) or relevant third party in the twelve (12) month period following the breach of this section.

#### **Recruiting Services**

7. **Vaco's Responsibilities:** After establishing the qualifications for the recruiting assignment, Vaco will identify prospects first by phone to inquire about their background, interest in a new opportunity, qualifications, and technical expertise in specialized industries, accomplishments, financial expectations and career goals. If the prospect meets basic requirements, a more in-depth interview is conducted face-to-face between Vaco and the prospect (also referred to as a "Candidate"). This interview is designed to further assess the Candidate's qualifications and overall suitability regarding the Client's expectations. After this interview and with the permission of the Candidate, the resume of the Candidate is submitted to the Client in person or via facsimile, e-mail, or mail. Vaco will conduct reference checks to Client's specifications upon request and will furnish Client with this information, but it is understood that final reference checks, verification of education, criminal checks, credit checks, and other documentation deemed necessary by Client will be performed by Client.
8. **Client's Responsibilities:** Client will designate a representative for coordination of search and placement activities with Vaco, who will work with Vaco, as required, in the evaluation and screening of prospective Candidates, timely arrangement of interviews, and the arrangement of appropriate activities in the final selection process, to include meetings with appropriate hiring managers. Client will process all Candidates in a professional manner and will keep Vaco informed on a current basis of negotiations with all Candidates.
9. **Fees:** Vaco performs its search activities on a contingency basis, meaning no fee will be assessed unless Client hires one of Vaco's Candidates. The fee for conducting this search is 25.0% of the Candidate's first year annual salary. Placement fees are earned by Vaco when a Candidate is hired or otherwise retained either directly or indirectly by Client (including any division, subsidiary or other affiliate of Client)



following Vaco's efforts or referral, including but not limited to facsimile or e-mail transmission of a requested resume or Candidate profile, telephone interview, or personal interview, within one year of the last contact made by Vaco to Client regarding the Candidate. Candidates are referred to Client in confidence. Should Client refer or otherwise identify a Candidate referred by Vaco to another company that hires the Candidate within one year of the last contact made by Vaco to Client regarding the Candidate, Client shall be liable for the entire 25.0% fee. All fees are earned and due on the Candidate's start date. It is mutually agreed that this is a non-exclusive contract (i.e., Client can pursue and secure Candidates from other sources with no obligation to Vaco).

- 10. Guarantees:** Vaco guarantees a Candidate for sixty (60) days. If the Candidate resigns or is terminated during the first sixty (60) days of employment, Vaco will take commercially reasonable efforts to replace the Candidate at issue without any additional fee. This guarantee for a replacement at no additional fee only applies to the Candidate at issue being replaced by Vaco. This guarantee is valid only if (i) the full placement fee is paid to Vaco within 10 calendar days from the date the Candidate at issue begins employment with Client, and (ii) if a request for a replacement is received by Vaco within ten (10) calendar days from the date that the Candidate's services cease. This guarantee is not transferable. This guarantee for a replacement at no additional fee does not apply if (i) Client has not paid Vaco the full fee within the requisite 10 day period, or (ii) if the Candidate at issue is terminated due to a company layoff, a downsizing, a reduction in force, a position elimination, a relocation, a closure of the company or a division or operating unit of the company, or a material change in job description or responsibilities.

#### Miscellaneous

- 11. Term/Termination:** The term of this Agreement will commence as of the Effective Date of this Agreement and remain in effect until terminated as permitted herein.
- (a) Without cause, each Party may terminate this Agreement (or any specific projects reflected in subsequent addendum(s)) upon thirty (30) days written notice to the other Party.
  - (b) Each Party may terminate the Agreement (or any specific projects reflected in subsequent addendum(s)) with five (5) days written notice, in the event that the other Party has breached any of the terms or conditions of this Agreement and such breach has not been cured within the five (5) days notice period.

Client agrees to pay Vaco for all fees and expenses incurred through the Effective Date of any termination.

- 12. Compliance with Laws:** The Parties will comply with all applicable laws, rules, orders, statutes and regulations, including those laws regarding non-discrimination in employment, occupational health and safety, environmental protection, and fair labor standards that may govern them.
- 13. Confidentiality:** Each of the Parties will take reasonable measures to keep in confidence all of the other Party's confidential information that it receives in connection with this Agreement, and will not use such confidential information without the other Party's prior written permission except to perform its obligations hereunder. Confidential information shall include information marked as "proprietary," "private," "company private," or otherwise identified as proprietary to, or a trade secret of, Client or Vaco. Vaco will obtain written agreement from Consultant to adhere to the foregoing.

As relevant, Vaco shall instruct Consultant not to disclose, directly or indirectly, to Client any information or data the disclosure of which would constitute a violation of any obligation of Consultant to any third party.

- 14. Intellectual Property:** Each Party will retain all rights in any software, ideas, concepts, know-how, development tools, techniques, or any other proprietary material or information that it owned or developed prior to the date of the Agreement or any subsequent work order, or acquired or developed after the date of the Agreement or any subsequent work order without reference to or use of the intellectual property of the other Party. All software that is licensed by a Party from a third-party vendor will be and remain the property of such vendor.
- 15. Insurance:** Parties agree to carry and maintain in force during the term of this Agreement insurance coverage. While such coverage may vary depending upon the requirements of a particular Client, Parties agree to maintain, at a minimum, coverage as follows: (i) Workers' Compensation – Statutory with limits as prescribed by applicable state law; (ii) Employer's Liability with limits of \$1,000,000 per occurrence; (iii) Commercial General Liability with limits of \$1,000,000 combined single limit bodily injury and property damage, per occurrence/\$2,000,000 in the aggregate; these limits may be provided in conjunction with an umbrella policy; (iv) Automobile Liability with limits of \$250,000 combined single limit bodily injury and property damage, per occurrence; (v) Employment Practices Liability with limits of \$2,000,000 per claim.
- 16. Notices:** All notices or other communications hereunder are deemed given when made in writing and (a) delivered in person, (b) delivered to an agent such as an overnight or similar delivery service, (c) delivered via email, or (d) deposited in the United States mail, certified postage prepaid, and addressed as follows:

**If to the Client:**

Client: Moatable ( formerly Renren US Holdco, Inc.)  
 Attn: Christina Taylor  
 Address 1: 2828 N. Central Avenue Fl 7,  
 Address 2: \_\_\_\_\_  
 City: Phoenix  
 State: Arizona  
 Zip: 85004  
 Email: \_\_\_\_\_

**If to Vaco:**

Vaco: Vaco LLC  
 Attn: Contracts Manager  
 Address 1: 5501 Virginia Way  
 Address 2: Suite 120  
 City: Brentwood  
 State: TN  
 Zip: 37027  
 Email: vacolegal@vaco.com

- 17. Force Majeure:** Neither Party will be held liable nor deemed to be in default of this Agreement if it is prevented from carrying out its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, any act of God, fire, natural disaster, accident, war, acts of war (declared or not), insurrections, riots, civil commotion, strikes, lockouts or any other labor disturbances, shortages in the marketplace, or acts, omissions or delays in acting by any governmental authority or the other Party.
- 18. Limitations on Liability:** Neither Party shall be liable to the other for indirect, incidental, special or consequential damages sustained resulting from the action or inaction of the Party under this Agreement, whether the cause of action against the Party is in contract, breach of warranty, tort, gross negligence or otherwise, including, but not limited to, lost profits, lost opportunities and/or delay damages, even if the Party was aware of or knew the potential for such damages. Vaco's or Vaco affiliate's liability for damages hereunder, regardless of the form of action, shall not exceed per claim and in the aggregate the total amount paid by Client for services under this Agreement. No action or proceeding against Vaco may be commenced more than one (1) year after the event giving rise to such claim.



- 19. Attorney Fees and Costs:** If any action at law or in equity (including a counterclaim) is brought by either Party to enforce the provisions of this Agreement, then the prevailing Party shall be entitled to recover all of its reasonable attorney fees, expenses (including without limitation expert witness fees), and costs from the other Party, including all fees, expenses and costs associated with an appellate proceeding, in addition to any other relief to which the prevailing Party may be entitled.
- 20. Governing Law:** This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Tennessee, notwithstanding the conflict of laws doctrines of that or any other jurisdiction. Client hereby stipulates, consents, and agrees that the Chancery and Circuit Courts of Williamson County, Tennessee or the United States District Court for the Middle District of Tennessee shall have exclusive jurisdiction and venue in the event of any litigation arising out of or pertaining to this Agreement. Client hereby waives any objection to suit in said courts, including without limitation any objection to personal jurisdiction.
- 21. Use of Names and Marks:** Except as otherwise expressly set forth herein, neither Party may use the names, logos, or marks of the other Party without the prior written approval from the other Party except that Vaco may use the name and logo of Client together with those of other names and logos of Vaco and/or its customers in order to identify Client as a past or current customer of Vaco's products and services.
- 22. Survival of Provisions:** The following provisions of this Agreement shall survive the expiration or termination of this Agreement for any reason: Sections 1, 3, 5-6, 9, 11-21, and all other provisions of this Agreement that by their nature extend beyond the termination of this Agreement.
- 23. Entire Agreement:** This Agreement constitutes the entire Agreement of the Parties hereto regarding the subject matter contained herein and supersedes all prior representations, proposals, discussions, and communications, whether oral or in writing, regarding the matters addressed herein. This Agreement may be modified only in writing and shall be enforceable in accordance with its terms when signed by the Party sought to be bound.

The Parties represent that they have full corporate power and authority to execute this Agreement and to perform their obligations hereunder, and that the person whose signature appears below is fully authorized to enter into this Agreement on behalf of the relevant Party.

**Client: Moatable ( formerly Renren US Holdco, Inc.)**

**Vaco: Vaco LLC**

**Moatable ( formerly Renren US Holdco, Inc.)**

/s/ Christina Taylor  
VP of HR, North America and Europe  
October 30, 2023 19:56 UTC  
IP: 184.191.131.7

Signature: /s/ Valdo Melton

Contact: Valdo Melton

Title: Managing Partner

Date: 10/30/23



**ADDENDUM # 2500102  
TO CLIENT SERVICES AGREEMENT # 525005**

**Work Schedule**

**Client:** Moatable ( formerly Renren US Holdco, Inc.)  
**Client Location:** 2828 N. Central Avenue Fl 7,, Phoenix, Arizona 85004  
**Vaco Project Manager:** [\*\*\*]  
**Client Relationship Contact:** [\*\*\*]  
**Description of Work to be Performed:** Interim CFO

**Vaco Consultant Resources:**

Consultant Name	Hourly Bill Rate	OT Bill Rate	Estimated Start Date	Estimated End Date
Michael Schifsky	\$225.00	\$337.50	10/23/2023	04/23/2024

**Travel Arrangements & Other Expenses:** N/A

**Conversion Fee:** The conversion fee for the Consultant(s) listed above, for this project, shall be as follows:

If Client (including its divisions, subsidiaries, other affiliates) hires or offers employment to the Consultant (or a third party related to this Agreement hires or offers employment to the Consultant) with Vaco’s consent, Client agrees to pay Vaco a Conversion Fee. The Conversion Fee shall be calculated based on the Applicable Percentage (subject to any conditions) as outlined in the below table of such Consultant’s gross annual compensation from Client or its related companies (which includes salary/hourly wages plus any guaranteed bonus). This Conversion Fee is payable and nonnegotiable if the Consultant is hired or otherwise used by Client at any time within one (1) year after the termination of the Consultant’s assignment at Client through Vaco. The Conversion Fee is not subject to any Guarantee provisions of the Client Services Agreement.

**Conversion Fee: 20%**

If Client hires or offers employment to the Consultant (or by a third party hiring or offering employment to the Consultant) without Vaco’s consent, then the provisions of the Client Services Agreement entitled “Non-Solicitation” and relating to breach shall apply.

**Relation to Client Services Agreement:** This document amends the Client Services Agreement and is not intended to replace the Client Services Agreement between the Parties. By signing this Addendum, Client agrees to all Terms and Conditions set forth in the Client Services Agreement and the terms in the Addendum; in the event of conflict, the Terms and Condition in the Addendum shall govern.



**Client: Moatable ( formerly Renren US Holdco, Vaco: Vaco LLC Inc.)**

Signature: /s/ Christina Taylor

Contact: Christina Taylor

Title: VP HR, North American & Europe

Date: 10/26/2023

Signature: /s/ Valdo Melton

Contact: Valdo Melton

Title: Managing Partner

Date: 10/30/23

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joseph Chen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Moatable, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in exchange act rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2023

/s/ Joseph Chen  
\_\_\_\_\_  
Joseph Chen  
Chief Executive Officer  
(Principal Executive Officer)

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Schifsky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Moatable, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2023

/s/ Michael Schifsky  
\_\_\_\_\_  
Michael Schifsky  
Interim Chief Financial Officer  
(Principal Financial Officer)

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**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Joseph Chen, Chief Executive Officer of Moatable, Inc. (the “Company”), and Michael Schifsky, Interim Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2023, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2023

/s/ Joseph Chen

\_\_\_\_\_  
Joseph Chen  
Chief Executive Officer

/s/ Michael Schifsky

\_\_\_\_\_  
Michael Schifsky  
Interim Chief Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Moatable, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

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